

Annual Report and Financial Statements

For the year ended 31 March 2018



**The
Children's
Society**

**No child
should feel
alone**

Company Registration No. 40004



Contents

Welcome from our Chair	4
Our vision, mission and values	6
Strategic report	7
Our strategic focus	
Achievements and performance	
Plans for 2018/19	
Governance, structure and management	
Financial review	
Statement of responsibilities of trustees	27
Independent auditor's report	28
Financial statements	31
Consolidated statement of financial activities	
Balance sheets	
Consolidated cash flow statement	
Notes to the financial statements	
Corporate information	56

Welcome from our Chair

We are living in times characterised by uncertainty and change, and for the most vulnerable groups of young people we see the devastating impact this can have on their lives.

Four million children in the UK are living in poverty. Record numbers of children and young people are in care. The number of children living in temporary accommodation has risen by 60% since 2010. Our Good Childhood Report this year revealed that more than a million young people are experiencing seven or more serious problems simultaneously.

Starker still is what young people tell us about how this makes them feel. Children in poverty say they feel a failure. Young people whose parents abuse alcohol say they feel guilty, as though it is their fault. Children with mental health problems say they feel stigma and shame. Young refugees facing destitution tell us they don't even feel human.

This is not acceptable, and it need not be inevitable. The Children's Society works to support young people and secure changes so that the most vulnerable in our country have the chance to thrive. Because no child should feel alone.

Our charity is not immune to turbulence either. We continue to operate in a volatile economic, political and social environment.

Cuts to support for young people, the uncertain impact of Brexit on the nation's wealth and the introduction of tighter regulations around GDPR all continue to affect our work.

We do not shy away from uncertainty, instead we face it head on. Through our strategy we focus on disrupting disadvantage – concentrating on the most complex cycles of problems in the lives of 10–18 year-olds; discovering innovative solutions; opening the doors to partnership to achieve greater impact; and doing everything we can to ensure we are an agile and efficient charity.

Against this uncertain context, I am delighted to report that in this first year of our new strategy, we have exceeded our ambitious plans. We have worked with more than 9,000 children directly through our frontline services, and with a further 17,000 through indirect work. We have achieved policy changes at scale, including for families facing the burden of problem debt and for children leaving care. We have also built on the successes of impressive models of practice – for example our successful mental health partnership in Birmingham led to us opening similar services in Sandwell, Telford and Wolverhampton.

We have added a new string to our bow around testing and learning to accelerate the impact that we have on young people's lives, and this is delivering great early results. We are delighted to have agreed a new strategic partnership with the Big Lottery Fund aimed at disrupting criminal and sexual exploitation. The model will be piloted in London, Birmingham and Manchester over the next three years. Our partnership with Bethnal Green Ventures has allowed us to support social technology entrepreneurs to help young people facing multiple disadvantage. Ally Chatbot and Mind Moose are two products that have graduated from this accelerator programme, and are now providing practical help to young people facing homelessness and mental health challenges.

Our work with the funder Nominet Trust has enabled us to explore the digital exclusion faced by young refugees, asylum seekers and young people living in care. Following a successful pilot, this learning is now influencing all our programme work, and we will be running a new service to help young refugees and asylum seekers.

Our policy and campaigns work is changing the systems that affect children's lives. In our work focusing on families facing

problem debt, this year we secured a commitment from the Government to a 'breathing space' scheme for families facing debt which will be introduced in 2019. At local level, we have inspired 83 councils across England and Wales and all local authorities in Scotland to exempt care leavers from paying council tax until they are 25.

As an organisation we continue to drive greater efficiency and agility to make the most of our resources. We have moved to a new IT supplier to meet our future needs as a digitally mature organisation and we plan to sell two London properties this year to put ourselves in a position to invest for the future.

None of this would be possible without our supporters, volunteers, staff and my fellow trustees. I would like to say thank you for your enduring support, commitment and hard work. And most of all thank you to the young people we have the privilege to work with. I continue to be humbled by the strength, humour, humanity and energy they maintain in the face of unrelenting challenges. Their vibrancy and hope is truly inspiring.



Janet Legrand QC (Hon)
Chair of Board of Trustees



Our vision, mission and values

Our vision

A country where children are free from disadvantage

Our mission

We fight for change, supporting disadvantaged children to have better lives

Our values

We are brave, ambitious, trusted and supportive

Brave:

We are brave, fighting injustice at every level, fearless in our determination to be listened to. We expose and directly address 'hard truths' and are determined to turn words swiftly into actions.

Supportive:

We support children in their personal development and to build positive relationships. Together we enable children to reach their full potential and realise their ambitions.

Ambitious:

We are ambitious for the lives of the children we work with. The pioneering work we do helps them and children across the country aspire to better lives.

Trusted:

We have been trusted for over a century to deliver care where it is most needed. We maintain that trust by being dependable and consistent in our approach and by fighting for change based on hard evidence.

The children and young people with whom we work are full of potential. We will do our utmost to be brave, ambitious and supportive for them, and to be trusted by them, in order to help them flourish and to ensure that their voices are heard.

Strategic report

Strategy

The focus of our five year strategy (2017–2022) is to make a real difference to children and young people's lives by breaking the cycles of multiple disadvantage they face, and tackling the adverse conditions which prevent them from flourishing.

Through this strategic framework we are challenging ourselves to bring about significant and sustainable change for a greater number of children, working with and inspiring others to do the same. Put simply, we are focused on disrupting disadvantage.

Our Approach

Our strategy is underpinned by four strategic choices:

1. An intensive focus on multiple disadvantage as experienced by the most marginalized groups of young people

We have chosen this because our experience working with young people in the most challenging circumstances tells us that children are rarely experiencing one issue alone and need a holistic and integrated response. We do not help children by working in silos around specific issues.

2. To transform our ability to innovate and be disruptive to enhance the lives of young people

We have chosen this because we know that through innovation, disruption of cycles of disadvantage, and policy change, we can create lasting, systemic change. We want to permanently improve the systems around young people even where we aren't able to work directly with them – through policy, campaigning, systems change and social innovation.

3. An explicit focus on partnership and inspiring a social movement to achieve change for children and young people

We have chosen this because we recognise our ambitions for young people far exceed what which we can achieve alone. We want to work with partners to increase the benefits for children and young people and we are implementing a relational approach to our engagement with supporters.

4. To be an agile, high performing, supportive organisation

We have chosen this to ensure we maximise the impact of our available resources for our beneficiaries. We are becoming a more dynamic, lean and responsive charity.



Achieving our aims

We believe the best way to achieve our objectives is to work directly with children and young people and to seek to change the systems affecting their lives so that they have more opportunities to thrive.

Why direct practice alongside influencing is vital

We work directly with children and young people because we strongly believe that no child should feel alone. When young people hit crisis point we are there to pick up the pieces. Our practitioners' work with vulnerable young people often starts with a conversation, and that first encounter can be a turning point in that young person's life. It can help keep them safe, believe in themselves and access the support they need to build a brighter future.

All too often vulnerable young people aren't seen, they're not understood, and they aren't getting the help they need.

Our direct work with young people means that we see at first hand the systemic issues that are failing to keep children safe, to keep them well and to give them the opportunities to succeed.

Day in, day out, we see how systems can make it difficult for young people to escape disadvantage – whether these are changes to benefits that push more children into poverty, a dearth of support for at risk 16 and 17 year-olds, or long delays to asylum applications that keep young refugees in limbo.

We combine what we see and hear in our direct work with children and young people with our expert research, and take what we've learned to Government, MPs and the public. We do this to raise awareness of the dangers and challenges facing some of our most at risk young people, and to let those in power know what needs to change.

We listen.

We support.

We act.

Because no child should feel alone.

What we do

Our 2017 five-year strategy focuses our work to break the cycles of multiple disadvantage through three strategic 'lenses': **risk, resilience** and **resource**.

Reduce the Risk of exploitation, neglect and abuse

So many children and young people are facing the risk and experience of exploitation, neglect and abuse. We want to do all we can to ensure that the right systems are in place to protect them.

The issues we work on include:

- Child sexual exploitation
- Child criminal exploitation including county lines
- Neglect within family environment
- Supporting children at risk of trafficking

Building the Resilience and emotional well-being of young people

We know that 1 in 10 children are living with serious mental health problems. We also know that mental illness hits vulnerable children the hardest, and that help is too often out of reach. If we don't help children find the strength to cope their problems will get worse as they get older. The issues we work on include:

- Mental health and emotional well-being
- Trauma and adverse childhood experiences
- Substance and alcohol misuse

Strengthening the Resource available to children and young people

We want to make sure children have the security, stability and love they need to give them a better chance in life. Without these, their health, well-being and futures are in jeopardy.

We provide targeted one-to-one support, counselling, group support, advocacy, children's rights and orientation services, targeted family support and volunteer mentoring and befriending:

- Children in the care system and leaving care
- Refugees and migrant families and unaccompanied children
- Children with caring responsibilities
- Those facing destitution and crisis

Our policy and influencing activity sees us work closely with both national and local government. We actively engage with ministers, their advisors and civil servants at every level, raising the voices of children and young people on the issues that matter to them, influencing policy development and setting out policy solutions. We work with the media and use our website and communications channels to engage decision makers and the wider public in the problems that are affecting vulnerable children.

Achievements and performance in 2017/18

1. Our target outcomes include working with at least 10,000 young people through direct work and youth engagement.

Altogether we worked with over 11,000 young people through direct practice and youth engagement. We helped 9,266 young people through one-to-one practice case work in the areas of multiple disadvantage. There were also 1,765 young people who participated in our insight and youth action work, where we engage with young people to generate insight as a way of informing our work, thereby helping to achieve better outcomes for our young people.

We engaged with a further 17,000 young people through our indirect work, which includes work in schools, events and youth engagement outside of direct practice. This involves participation of our young people through activities such as local campaigning and youth volunteering as mentors and peer groups to our practice base.

2. We will create positive policy changes through our policy and campaigning work that will deliver 400,000 positive impacts for young people facing multiple disadvantage.
3. We will demonstrate a deliberate focus on innovation across the organisation.

At the start of the year we successfully secured the inclusion of the **Breathing Space** scheme for families facing problem debt in the Government's Financial Guidance and Claims Bill.

Familial problems with debt affects the mental health and emotional well-being of children and young people. Debt makes parents, children and young people feel anxious, out of control, ashamed and alone.

Breathing Space will provide additional support for around 530,000 children in families facing problem debt. It creates a breathing space for families, giving them time to repay their debts with no rising fees or visits from intimidating bailiffs.

Young people leaving the care system often struggle on their own and find it difficult to make ends meet. We continue to increase the number of councils introducing the council tax exemption for care leavers up to the age of 25. (83 Councils in England and Wales and all Councils in Scotland).

We have established our Accelerating Impact and Supporter Innovation programmes as key functions to deliver our strategy.

This is to develop our knowledge of 'multiple disadvantage' and to build an expert community with this knowledge. This insight then informs new innovative pilots to identify 'what works' in tackling multiple disadvantage and to inform our direct practice services and future campaigning.

This programme has established Test and Learn projects such as:

- **Next Generation Nottingham** where we are working with Nottingham City Council and Dartington Service Design Lab to design a new service where project workers help young people on the edge of the care system to gain stability in their lives and connect to positive opportunities.
- **Bethnal Green Ventures** partnership, where our partners Ally Chatbot and Mind Moose use technology to help young people manage crisis situations and to improve their emotional well-being and resilience. Our third partner, Chanua Health, has also joined the programme and is developing virtual reality to help young people

understand their brain in order to manage their mental health.

- **Digital Inclusion**, where we engage over 1,000 young people in Manchester, Newcastle, Coventry and Birmingham through an innovative approach to tackling their digital exclusion. We work with young refugees, asylum seekers, children in migrant families and young people in care to improve online safety and digital inclusion at school and college.

4. We will embed our new relational approach with supporters, volunteers and other organisations and sectors, and will unlock the potential to build a wider movement of change for young people. We will build a strong movement of supporters and partners who share our ambition for young people.

We have transformed our structures, processes and – importantly – communications with existing and new supporters and partners to embed our relational approach.

We are prioritising the total contributions that our supporters can achieve through their involvement – valuing time and voice along with financial support – based on our supporters' preferences, interests and passions.

We have also formed new strategic partnerships with funders, delivery and design partners – increasing our collective impact.

We anticipated in our plans that the total number of supporters on our database would reduce during this year – primarily due to a shift of our investment away from high volume transactional fundraising practices towards a focus on maximising the value of our supporters' contributions, rather than the volume. Over the 12 months, approximately 10% of active supporters took no further action – 220,000 people continued to support our work.

5. We aim to maintain our current level of net unrestricted income from fundraising activities, retail and trading activities.

Net unrestricted income from fundraising, retail and trading activities has increased to £11.2m from £10.9m in the prior year.

Our fundraising income fell from £17.8m to £17.4m, but by managing the underlying cost, the net income rose by £0.4m.

Our retail and trading income rose by £0.3m to £10.8m from £10.5m.

There was no net change in the numbers of our shops, but end of lease costs increased the retail costs by £0.4m. Overall the net income from retail and trading fell by £0.1m.

Plans and objectives for 2018/19

In line with the delivery of our five year strategy 2017 to 2022, the objectives for the second year of our strategic plan in 2018/19 are:

1

Focus intensively on multiple disadvantage as experienced by the most marginalised groups of young people.

- Reach at least 10,000 young people through direct support, youth action and youth insight work.
- Deliver over 400,000 positive impacts for young people through policy and campaigning work.

3

Focus explicitly on partnership and inspiring a social movement to achieve change for children and young people.

- Inspire 300,000 individual supporter actions that contribute to positive change for children.

2

Transform our ability to innovate and be disruptive to enhance the lives of young people.

- Pilot three innovative models of support for young people.

4

Be an agile, high performing, supportive organisation.

- To develop in-house skills which result in an agile and continuous improvement culture.
- Restructure our balance sheet by selling two central London properties, moving to a modern, flexible office space, and applying the funds released to reduce balance sheet risk.

Governance, structure and management

Legal status and objects

The Church of England Children's Society ('The Children's Society') is a company limited by guarantee and a charity registered in England and Wales. Our organisation was established in 1881 and incorporated in 1893. It is governed by its Articles of Association, last reviewed and revised in 2014, which sets out our principal objective: to care for and support children and young people in need, whether material, physical, mental, emotional, spiritual or otherwise.

Public benefit

The Trustees have a duty to report on how our organisation's charitable objective has been carried out for the public benefit and to follow the guidance from the Charity Commission on the provision of Public benefit requirement under the Charities Act 2011.

We demonstrate how we have met our principal objective (as stated above) in our Strategic Report, by explaining why we focus on young people facing multiple disadvantages and subsequently reporting on our direct practice work, policy and achievements with and on behalf of these young people.

Children and young people experiencing multiple disadvantage are those who face challenges that affect their physical or mental well-being in more than one area

of their life. Their needs are more urgent because they face risks to their safety and well-being, and the resources they need to flourish and thrive may be compromised or absent. For this reason, we prioritise our work on the needs of these young people, so we can have the maximum positive impact and bring lasting change not just for them, but for our entire society.

Understanding and measuring our impact on children and young people is of vital importance. It is critical in ensuring we achieve our mission of fighting for change and supporting children and young people experiencing multiple and complex disadvantage to thrive, flourish and have better lives.

We set out specific details of our activities in our Impact Report, which demonstrates the substantial impact of our work and which complements this report.

Governance, structure and management

The Trustee Board are the charity's trustees and the legal directors of the company. Members of the Board of Trustees serve a four year term, after which they are eligible for re-election for a further four year term.

The Trustee Board has the responsibility for the governance and strategic direction of The Children's Society, ensuring that the charity upholds its ethos

and values and delivers its key objectives.

The Trustee Board understands that good governance is fundamental to the success of the charity and recognises the need for continuous review and improvement. At the end of 2017, the Trustee Board commissioned an external independent review of its governance, the results of which were reported to the Board in March 2018. This review was based on the seven principles of the Charity Governance Code.

The review concluded that the fundamentals of good governance were in place, and that our governance is aligned with our values. Specific recommendations around structures and processes are being implemented.

The Children's Society complies with its governing documents and all relevant governance-related legislation, and meets the requirements of charity regulators and best governance practice.

Operational management is delegated by the Trustees to the Chief Executive, who is accountable to the Trustee Board for its stewardship of the charity. The Chief Executive and the Senior Leadership Team usually attend Board and Committee meetings.

Trustees are appointed through a transparent and rigorous recruitment and selection process and are elected by the

Members at the AGM. Our Young Trustees participate in this selection process, and their assessments are an integral part of the recruitment process, demonstrating our ongoing commitment to ensuring young people take part in decisions that affect them.

New appointees are provided with a comprehensive induction programme which is tailored to their areas of expertise and includes meeting the Senior Leadership Team, engaging with staff and volunteers and visiting our direct frontline services.

Trustees deploy a wide range of skills, knowledge and experience essential to good governance and the balance of expertise is kept under review. Collectively, the Trustee Board must demonstrate responsible leadership and judgement.

Trustees, Committee Members, the Chief Executive and the Senior Leadership Team are expected to behave with the utmost integrity and professionalism, and at all times, to demonstrate their commitment to the goals and values of The Children's Society.

All our Trustees give their time voluntarily and receive no rewards or benefits from The Children's Society.

The Trustee Board met six times during the year. In addition, two Board away days were held, which enabled Trustees and the Senior Leadership Team to focus on key strategic issues in depth. Trustees who served during the year are listed on page 56, together with information about their membership of Committees.

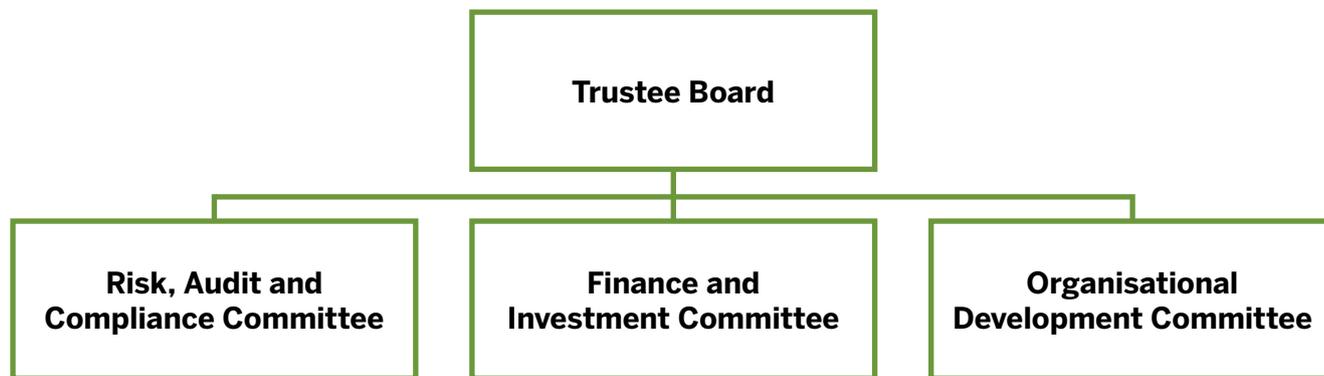
Young trustees

Our Young Trustees are drawn from our direct services and participate at Board meetings, trustee strategic days, as well as being involved in recruitment of Trustees and members of the Senior Leadership Team. Young Trustees do not have legal responsibilities or voting rights, but Trustees pay close attention to their input and advice. Their contributions help shape the future direction of the organisation and its strategy.

Delegation and committees

The Board maintains a written schedule of matters reserved for the Trustee Board and Committees which clearly defines specific areas for delegation. Committees report to the Board on a regular basis.





is primarily responsible for ensuring the effectiveness of the internal and external audit functions, the adequacy of risk management processes and the internal control environment. It considers any significant issues arising in respect of either internal or external audit or inspection arrangements. It monitors and reviews the implementation and compliance with safeguarding and health and safety policies. It oversees all systems, controls and processes, ensuring the charity's ability to meet its key objectives.

Employees

The Children's Society believes that we can only achieve our strategic objectives by attracting and retaining skilled and experienced people across a range of functions.

To this end, we are committed to ensuring that access to employment opportunities, training, reward and progression provides equality of opportunity for all employees.

is primarily responsible for all aspects of the charity's financial strategy and performance, ensuring that its resources are being properly and appropriately applied to its key objectives. It oversees the charity's investments and resources and ensures that these are managed so that they underpin the strategic objectives of the charity. It considers options for the effective management of the DB pension scheme. The Committee has responsibility for safeguarding the charity's assets and ensuring sufficient reserves to fund our work.

Our People Plan focuses on workforce planning and development and we are currently developing a comprehensive action plan to enhance employee well-being.

We launched our new learning and development strategy that focusses on employees taking responsibility for their own organisationally focussed learning whilst giving them the tools to complete their learning, and we are actively encouraging all employees to spend a minimum of four days each year on their learning.

is primarily responsible for overseeing all matters concerned with the effective governance of The Children's Society, recruitment of Trustees, supporting the CEO in building and sustaining an effective leadership team and guiding and monitoring the effectiveness of key human resources policies for the organisation.

The Children's Society considers Equality, Diversity and Inclusion (EDI) as a central component of how we can meet our strategic intent to disrupt disadvantage for children and young people. We are continually seeking to enhance EDI throughout the organisation, taking a holistic view that considers all stakeholders both internally and externally. We take a cross-cutting approach to assess how to best enhance policy, practice and procedure in the context of EDI, as well as a focus on the engagement and well-being of staff and volunteers.

Stronger Together, our new Single Equality Scheme, outlines our vision and key focus areas in the field of Equality, Diversity and Inclusion over the next four years. The scheme includes a two year action plan with specific objectives around what we want to achieve.

We have collaborated with the YMCA to deliver our apprenticeship programme and utilise our apprenticeship levy, and we have launched our **Springboard** apprenticeship programme with our Retail Managers. We will be extending our apprenticeship programme in 2018/19.

We have wholeheartedly embraced the Government's gender pay gap reporting initiative and partnered directly with the Government Equalities Office to become the first large charity to report. We are now working to implement the most effective measures we can take to close gaps.

Volunteers

As ever, we could not have achieved what we did during the last year without the invaluable support from our volunteers. Our volunteers played their part last year, contributing a staggering 588,000 hours of their time in support of The Children's Society and its work. This contribution had a combined value of over £8.4 million in volunteering time given

to help change the lives of young people. We ended the year with 8,744 active volunteers, a 3% increase on the previous year.

A total of 636 volunteers were involved in our frontline services during 2017/18, the highest number in recent years. These skilled and passionate volunteers supported young people and families through mentoring, befriending, outreach, drop-ins and group work.

Overall, 3,524 retail volunteers helped our shops secure their most profitable year on record while promoting our campaigns and fundraising efforts in-store as well.

Furthermore, our cause was tirelessly championed in cities, towns and villages across the country by over 5,500 committed community volunteers, who held thousands of talks, events, meetings, house box openings and Christingle celebrations on our behalf.

Following Investing in Volunteers reaccreditation, which confirmed our volunteer involvement is consistently of the highest standard, we continue to expand and diversify our volunteer programme to ensure that volunteering at The Children's Society is accessible and attractive to all.

Our Campaign Champion programme, which was launched in 2016, gained momentum this year. Our growing network of

Champions galvanised support in their constituencies to help us secure major policy changes in the form of the **'Breathing Space'** debt repayment scheme and the care leavers council tax exemption, making a huge difference to thousands of young people.

We established our first national corporate volunteering offer and saw employees from businesses of all sizes volunteer with us.

In early 2018 we launched our new Volunteer Event Manager role as the flexible alternative to our current Volunteer Committee model. This is already seeing us attract a younger demographic of volunteers who are motivated by the experience the role offers them, and the opportunity to help tackle the exploitation, abuse and neglect that many young people suffer.

In the year ahead, we will be investing further in the volunteer journey across our whole volunteering programme, ensuring that our respected and valued volunteers have the very best experience with us.

Fundraising and supporter engagement

The Children's Society is a movement of supporters, professionals and young people working together to change children's lives. Our Supporter Engagement Approach – which directs our fundraising, campaigning and volunteering

activities – prioritises building long-term relationships with our supporters and partners, ensuring we value the total contribution of every individual, group or organisation.

Building on our Supporter Promise – and proactively engaging with ongoing legal and regulatory changes, from GDPR to Fundraising Regulator reviews – we continue to develop ways to place supporters in control of our relationship, protect vulnerable people and develop high standards for managing personal information.

The majority of our voluntary income last year was raised through legacies, individuals supporting through regular or single gifts and church communities raising funds on our behalf – be that through events, services or houseboxes. We have been especially grateful for the increased number of supporters remembering The Children's Society in their will, which leaves a lasting legacy for children and young people. Many thousands of individuals and communities also joined together for our Promise of Christmas campaign – holding Christingle events, carol singing, playing our raffle and contributing to our Christmas Appeal.

We also continued to receive gifts from companies and trusts and foundations, as well as support from university students and challenge eventers. Meanwhile, tens of thousands of supporters

volunteered their time and campaigned with us for positive change. We are hugely thankful for every gift and contribution.

We proactively comply with the Fundraising Regulator's voluntary regulation scheme, aligning all of our fundraising policies and practices with the Fundraising Codes of Conduct, which we reflect through our Supporter Promise, along with complying with all related legislation and marketing regulation. The majority of our fundraising activity has been led by staff and volunteers at The Children's Society. We have employed fundraising agencies to deliver some telephone fundraising on our behalf, to develop some of our mail appeals, and to help coordinate our student fundraising programme with volunteers. We proactively monitor any fundraising undertaken on our behalf – particularly the telephone fundraising activities – and require external partners to comply with the Fundraising Regulator's voluntary regulation scheme as well as our own Supporter Promise. As part of our approach, policies and standards, we ensure that we protect vulnerable people and other members of the public from inappropriate behaviour – we train everyone involved in fundraising, and clear processes are in place to monitor and manage every interaction. In the past year, we have not uncovered any failure by staff, volunteers, professional

fundraisers or commercial participators to comply with these schemes and standards. We received 33 fundraising complaints relating specifically to fundraising activities, all of which have been resolved.

General Data Protection Regulation (GDPR)

The Children's Society has always been fully committed to the Data Protection Act. This year we have put in place an Information Governance plan to ensure we comply with the new General Data Protection Regulation (GDPR), which is effective from 25 May 2018. This plan has reviewed every aspect of how we handle information relating to our beneficiaries, supporters and staff, to ensure we are always honest and open about how we handle personal data and are taking appropriate measures to keep it safe and secure.

We feel that this approach will not only ensure we comply with the new regulations but also support and enhance The Children's Society's work. We will continue to implement our Information Governance plan in the year ahead.

Remuneration

In 2017 a triennial review took place reviewing the market data which underpins The Children's Society's pay structure. This is part of our commitment to having a fair and equitable pay

system and ensuring that our pay continues to be in line with similar organisations and charities. Our pay system is also underpinned by the Living Wage Foundation recommendations.

The Trustee Board oversees the pay, pensions and any other benefits for the Chief Executive and Senior Leadership Team through the work of its Organisational Development Committee.

Modern slavery

The Children's Society is committed to full compliance with the Modern Slavery Act 2015.

Modern slavery is a crime resulting in an abhorrent abuse of human rights. It is constituted in the Act by the offences of 'slavery, servitude and forced or compulsory labour' and 'human trafficking'. The Children's Society will not knowingly support or deal with any businesses involved in slavery or human trafficking and have taken steps to ensure that slavery or human trafficking are not taking place in our organisation or supply chains. This includes having policy and procedures in place to address the risk of modern slavery in our supply chain, and a procurement policy confirming that it is the responsibility of all The Children's Society's staff to prevent, detect and report modern slavery and trafficking in any part of our operations or supply chain.

In accordance with the Act, The Children's Society has published its Modern Slavery Statement following the end of the financial year March 2017 and this can be downloaded from our website.

Principal risks and uncertainties

The Trustees of The Children's Society have responsibility for ensuring that the charity maintains comprehensive risk management systems and that appropriate actions are being taken to manage and mitigate risks. The Risk, Audit and Compliance Committee monitors and reviews these risk management arrangements and reports to the Trustee Board on their effectiveness.

A formal risk management strategy is in operation and provides a robust framework for developing the corporate risk register and subsequently managing risk across the charity. The Children's Society has an established system of internal controls that governs all of its operations. These controls have been designed to provide a reasonable level of assurance against the risk of error, fraud and inappropriate or ineffective use of resources.

The outsourced internal audit function reviews the Corporate Risk Register to ensure that audits are correctly focused. They evaluate the adequacy and effectiveness of controls across

our activities, and report via the Risk, Audit and Compliance Committee to the Trustee Board.

The Risk, Audit and Compliance Committee also commissioned a Governance Risk Register during 2017/18, using the Charity Commission's guidance on 'Charities and Risk Management' which gives a constructive overview of Trustee obligations. Individual risks are owned by the Trustee Board or one of their delegated committees. The Governance Risk Register is regularly reviewed by the Risk, Audit and Compliance Committee and is approved by the Trustee Board.

The principal risks that have been identified in the Corporate Risk Register through their likelihood and impact on the charity are as follows.

Risk	Examples of mitigating actions
<ul style="list-style-type: none"> ■ A child protection failure results in a child or young person being harmed 	<ul style="list-style-type: none"> ■ Mandatory safeguarding training provided to all staff and volunteers and regular refresher modules for all direct practice staff ■ Safer recruitment processes in place, including review and sign-off of mandatory DBS checks ■ Case recording protocols and management supervision of cases, including case file audits ■ Specialist safeguarding resources, processes and structures in place ■ Quality Improvement Framework includes criteria on safeguarding compliance and Quality Practice Team constantly reviews and shares learning ■ Annual Review of safeguarding practice ■ Internal audit of practice base ensuring compliance with regulatory frameworks and ensuring safeguarding policy and processes are implemented effectively
<ul style="list-style-type: none"> ■ The Children's Society is unable to sufficiently grow unrestricted income from new strategic approach to achieve net unrestricted income targets and to meet our objectives for young people 	<ul style="list-style-type: none"> ■ Fully embed our new supporter engagement approach and strategy ■ Ensure compliance with new GDPR regulations ■ Regular reviews of the external environment at both operational and governance levels. ■ Strategic Business Framework and core plans prioritise support for income generation
<ul style="list-style-type: none"> ■ In an increasingly volatile, shrinking and competitive market, we are unable to develop safe, robust but commercially viable service propositions to benefit young people 	<ul style="list-style-type: none"> ■ Build products and service development capability to develop propositions in line with our Accelerating Impact Plan. ■ Build our capability and capacity ■ Develop collaborative partnerships ■ Be innovative in both services to beneficiaries and the supporter and funding arenas
<ul style="list-style-type: none"> ■ We are unable to translate our strategic intent into operational reality, or to align resources to increase our impact on young people 	<ul style="list-style-type: none"> ■ Ensure core plans reflect strategic intent ■ Close monitoring of progress of against core plans and budget ■ Lean programme in place to support delivery and instil culture of continuous improvement



Financial review

The first year of The Children's Society's strategy for the 2017-2022 period has seen us facing continued financial headwinds, in common with the charitable sector and organisations with publicly funded activities, from continued limitations on statutory budgets and pressures on voluntary income. Within that environment, the financial performance of The Children's Society was encouraging.

We have taken and continue to take decisive actions to create an organisation that is agile in the face of the challenging environment. We aim to generate a continuing surplus, to meet our financial obligations and tackle the causes and effects of multiple disadvantage now and in the future.

Total income is comparable to the prior year at £38.4m (2017: £39.5m) while expenditure has fallen to £36m (2017: £39.5m) reflecting a reduction in the cost of activities that do not impact directly on our work with children and young people, as well as finding lower cost ways to deliver our services to young people.

The effects of the actions we have taken are shown in the cash inflow of £0.8m (2017: £2.4m outflow) from operating activities and the improving net asset position of The Children's Society.

We have met our objective to maintain net unrestricted income from fundraising, retail and

trading activities, which has increased to £11.2m (2017: £10.9m).

The reduction of the accounting value of the pension deficit by £14.4m has been the main cause of the increase in total funds of the Society to £44.6m at 31 March 2018 (2017: £28.4m). We remain alert to the fact that this position may change from year to year.

Income

The Children's Society has continued to benefit from the support of many individuals, businesses and charitable bodies. Details of the amounts received in grants are shown in note 24 on page 55; corporate sponsors of The Children's Society are listed in our 'thank you' list on page 58.

£6.8m (2017: £6.2m) received in legacies highlights the final act of generosity of long-standing supporters.

We are grateful to our supporters for the income raised through regular donations, Christingle services, house boxes, organised walks, student collections, sporting and challenge events and other fundraising activities. In total, income from these sources was £10.6m (2017: £11.6m).

We have continued to engage funders in our strategy of focussing on multiple disadvantage and its two strands of activity: providing direct support to children and young people; and changing

governmental and societal systems that create disadvantage. Our leading work in direct service provision has realised contract funding of services of £7.3m (2017: £8.0m) and grant income of £2.2m (2017: £2.7m). Contract funders include national and local government, police and crime commissioners and the NHS. Our grant income benefits from our long-standing relationship with the Big Lottery Fund that has seen a commitment from the Fund to a new three-year programme for national work on preventing child sexual abuse and dealing with its effects on children and young people.

Our retail network, staffed by committed volunteers and led by professional management, provides a real shop window for the activities of The Children's Society and a significant contribution to our work with children and young people. Income rose by £0.5m to £10.3m (2017: £9.8m) with no increase in the number of shops, demonstrating the continuing generosity of donors of stock and the effective operation of the network.

Expenditure

In Spring 2017, we took the steps needed to align The Children's Society's support and administrative functions with the scale of our direct service delivery and voluntary income, as we shifted our strategy to focus on multiple disadvantage. The reduction in expenditure on staff of £3.8m, or 14%, between 2017 (£26.5m) and 2018 (£22.7m) highlights the scale of the changes made.

Our supporter engagement approach, begun in 2017, has continued to pay dividends; expenditure on direct fundraising was lower by £0.8m in 2018 than in 2017 so that the amount available from these activities to support the work of The Children's Society has grown from £9.8m in 2017 to £10.2m in 2018. End of lease costs have increased expenditure on our network of shops to £9.8m (2017: £9.4m).

Support and governance costs have remained steady between the two years at £6.8m (2017: £6.7m), despite additional amounts being spent this year in Information Systems as we move from our current provider of IT infrastructure, CharITyshare, to a commercial provider. We expect these changes to lead to lower costs and improved service over the five-year contract with our new provider, NIIT, and the investment in the organisation to reduce waste and improve processes.

Fixed assets

Our main activity in relation to fixed assets has been a continued investment in new retail properties and refurbishment of our older and still profitable outlets, while we have ended trading at properties that we have not been able to put back on a profitable track.

During the year, the Trustees took advice on their strategy in relation to The Children's Society's property holdings in London, one being the headquarters building and the other a property formerly used by the Charity, now in our investment portfolio. At the year-end, both properties were on the market. Since then we completed on the sale of the HQ building for £17m.

Investments

At the end of March 2018, The Children's Society held £32.5m (2017: £31.3m) of general and endowed funds invested in medium to long-term assets. During the year, we took advice on optimising the relationship between risk and return in our investment portfolio. As a result, we changed our investment managers from Newton, Ruffer and Veritas to Towers Watson Investment Management, Vanguard and Fulcrum. We took advantage of the change in investment managers to pool the investments from the different funds that hold the assets, to equalise risk and return across

the funds and also to reduce the overall cost of investment management.

Cash and working capital

Our continued focus on the disposal of assets that are no longer required, and the cost reduction programme have provided a boost to cash balances, rising from £1.3m in 2017 to £2.7m at March 2018.

The Children's Society's net cash inflow from operating activities was £0.8m (2017: £2.4m outflow). Net cash inflow is after making payments of £1.4m (2017: £3.1m) to reduce the pension deficit described below. Net cash flows from investment income and the purchase and sale of investments and fixed assets was an inflow of £0.6m (2017: £3.4m).

Pensions

Our obligation to current and former employees and pensioner members of The Children's Society Pension Scheme is one that we are committed to meeting, alongside our obligation to our beneficiaries.

The deficit in the scheme has arisen from economic factors that have led to lower investment returns, and changes in life expectancy.

We have taken steps to reduce the risk associated with the scheme and later this year the trustees of the scheme, who are independent of The Children's Society, will begin the three-yearly review of

the funding position of the scheme.

The valuation of the deficit at 31 March 2018 reflects the current economic position of low inflation and low investment growth. Estimates of life expectancy have been revised to include the latest evidence of increases in length of life such that the expected length of life for current and future pensioners has reduced slightly. These factors have led to a reduction in the expected cost of meeting pension liabilities of £11.7m. When combined with cash payments made and investment returns, the deficit in the scheme shown in the attached accounts has reduced by £14.4m to £3.5m at 31 March 2018. More information is contained in Note 10 to the accounts.

Reserves

The Children's Society holds endowment, restricted and unrestricted reserves. Unrestricted reserves are subdivided into general, designated and pension funds. The reserves policy and the level of unrestricted reserves is reviewed annually by the Finance and Investment Committee before ratification by the Trustee Board.

Unrestricted funds

The Trustees have a policy to hold a level of reserves that they consider suitable to allow The Children's Society meet its day-to-day requirements and to maintain its support and influencing

activities under conditions of stress arising from the risks such as:

- Longer-term changes in income patterns requiring a change in strategy
- Sudden falls in the level of donations and legacies
- Variation in public-sector income
- Short-term changes in cash requirements
- Reputational damage
- Changes in pension liabilities that increase payments

The events of the last year in the charity sector, in particular, have reinforced the need for this risk-based approach.

The trustees have considered the sum of the risks outlined and believe that, for the time being, £20m is an appropriate level of reserves to hold. This equates to 6 months' expenditure (2017:£18.4m; 5.8 months).

Designated funds

The Children's Society has two designated funds.

The designated property fund has reduced to £4.2m (2017:£14.5m) following the decision to sell the head office building. It represents the value of property and other fixed assets used in the activities of The Children's Society and therefore not available for use elsewhere. It is held in the value of those properties and fixed assets, which are used for the charity's primary purposes.

The designated strategy fund of £9.6m (2017:£nil) will be used to ensure the financial stability of The Children's Society through the management of legacy matters such as the pension deficit, the relocation of the head office and other strategic investments identified by the Trustees. It is intended to provide a means for reserving funds which may be required for these purposes, and is represented by liquid assets and investments.

It is expected to take between two and three years to address these matters; the level of the fund will be reappraised at least annually during this period and adjusted if necessary.

Pension reserve

The pension reserve reflects the long-term liability of The Children's Society to meet the deficit in its final salary pension schemes, calculated in accordance with FRS102.

Restricted funds

Restricted funds represent the unspent amounts arising from donations and grants where the activity funded is more specific than the general purposes of The Children's Society. At 31 March 2018, the value of these funds was £1.3m (2017: £1.4m)

Endowment funds

Endowment funds represent the value of assets donated to The Children's Society from which the income may be spent while the underlying capital is maintained. We invest these funds in portfolio investments whose value at 31 March 2018 was £12.9m (2017: £12.6m)

Outlook

The Trustee Board has agreed the business and financial strategies and plans proposed by the Senior Leadership Team within the context of the strategy of The Children's Society, designed to provide a sustainable financial foundation to continue and extend our work in breaking cycles of disadvantage for children and young people and tackling the adverse conditions that prevent them from flourishing.

The introduction of lean operating principles and methodologies to the organisation in the year ended 31 March 2018 has set the foundations for the

transformation of The Children's Society to be a fully supportive, high-performing and agile organisation.

We recognise the continuing challenges presented by reduced public sector expenditure on services for children, the UK economic position, the uncertainty generated by the exit of the United Kingdom from the European Union and the effect of a hung parliament at Westminster.

The sale of our HQ building in London, agreed after the end of the financial year, will release significant levels of funds. The Children's Society has made notable progress in the last year to reduce costs so that general funds are no longer consumed by day to day operations. We have been well served by our history to provide a solid foundation of endowed and general funds. These factors combine to put The Children's Society in position to continue and expand its work with our beneficiaries.

Therefore, the Trustees have used the going concern basis in preparing the financial statements.

Statement of responsibilities

in respect of the trustees' annual report and the financial statements

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure/expenditure over income for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.
- Observe the methods and principles of the Charities SORP

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements

comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Janet Legrand QC (Hon)
Chair of Board of Trustees

24 July 2018

Independent auditor's report to the members of The Church of England Children's Society

We have audited the financial statements of The Church of England Children's Society for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities, the Group and Parent Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2018 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 27, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting



Council's website at: frc.org.uk/auditorsresponsibilities This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears

to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Trustees' Annual Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Annual Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in

relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Anna Bennett
(Senior Statutory Auditor)
for and on behalf of
haysmacintyre, Statutory Auditor

10 Queen Street Place
London EC4R 1AG

15/8/18

Financial statements

Consolidated statement of financial activities

Year ended 31 March 2018

		Unrest- ricted funds	Rest- ricted funds	Endow- ment funds	Total funds	Unrest- ricted funds	Rest- ricted funds	Endow- ment funds	Total funds
	Note	2018 £000	2018 £000	2018 £000	2018 £000	2017 £000	2017 £000	2017 £000	2017 £000
						Restated			
Income and endowments from:									
Donations and legacies	2	17,397	–	–	17,397	17,816	–	–	17,816
Charitable activities	3	7,438	2,508	–	9,946	8,214	2,653	–	10,867
Trading income	4	10,822	–	–	10,822	10,483	–	–	10,483
Investments	5	243	–	–	243	340	–	–	340
Total income and endowments		35,900	2,508	–	38,408	36,853	2,653	–	39,506
Expenditure on:									
Raising funds	6	16,986	–	–	16,986	17,401	–	–	17,401
Charitable activities	7	16,284	2,614	–	18,898	19,535	2,443	–	21,978
Other uses		99	–	–	99	87	–	–	87
Total expenditure		33,369	2,614	–	35,983	37,023	2,443	–	39,466
Finance costs	10	(443)	–	–	(443)	(186)	–	–	(186)
Net gains/(losses) on investments	12	(205)	–	892	687	1,941	–	2,644	4,585
Net income		1,883	(106)	892	2,669	1,585	210	2,644	4,439
Other recognised gains / (losses):									
Gains on revaluation of fixed assets	11	38	–	–	38	960	–	–	960
Actuarial gains / (losses) on defined benefit pension schemes	10	13,485	–	–	13,485	(13,739)	–	–	(13,739)
Net movement in funds		15,406	(106)	892	16,192	(11,194)	210	2,644	(8,340)
Reconciliation of funds									
Total funds brought forward as previously stated		12,650	552	12,469	25,671	24,910	814	9,716	35,440
Restatement	23	2,330	878	(503)	2,705	1,264	406	(394)	1,276
Brought forward funds restated		14,980	1,430	11,966	28,376	26,174	1,220	9,322	36,716
Total funds carried forward		30,386	1,324	12,858	44,568	14,980	1,430	11,966	28,376
Summary of total income and expenditure									
Total income		35,695	2,508	892	39,095	38,794	2,653	2,644	44,091
Total expenditure		(33,812)	(2,614)	–	(36,426)	(37,209)	(2,443)	–	(39,652)
Net income		1,883	(106)	892	2,669	1,585	210	2,644	4,439

Group and Society balance sheets

Year ended 31 March 2018

Company registration number 40004

	Note	Group		Society	
		2018 £000	2017 £000 Restated	2018 £000	2017 £000 Restated
Fixed assets					
Tangible fixed assets	11	4,199	14,471	4,199	14,471
Investments	12	32,482	31,320	32,482	31,320
Total fixed assets		36,681	45,791	36,681	45,791
Current assets					
Debtors	13	5,812	4,503	5,040	4,157
Properties held for sale		8,133	53	8,133	53
Cash		2,656	1,271	2,193	859
Total current assets		16,601	5,827	15,366	5,069
Current liabilities					
Creditors: amounts falling due within one year	14	(4,666)	(4,982)	(3,431)	(4,224)
Net current assets / (liabilities)		11,935	845	11,935	845
Provisions for liabilities	15	(594)	(379)	(594)	(379)
Net assets excluding pension deficit		48,022	46,257	48,022	46,257
Pension deficit	10	(3,454)	(17,881)	(3,454)	(17,881)
Net assets		44,568	28,376	44,568	28,376
Unrestricted funds					
General funds	18	20,000	18,390	20,000	18,390
Designated funds	18	13,840	14,471	13,840	14,471
Pension reserve	18	(3,454)	(17,881)	(3,454)	(17,881)
Total unrestricted funds		30,386	14,980	30,386	14,980
Restricted funds	18	1,324	1,430	1,324	1,430
Endowment funds	18	12,858	11,966	12,858	11,966
Total funds		44,568	28,376	44,568	28,376

The notes on pages 35 to 55 form part of these financial statements

The financial statements were approved and authorised by the Board of Trustees on 24th July 2018 and signed on their behalf by



Chris Gillies
Honorary Treasurer

The result of the parent charity for the year was a net income of £2,670,000 (2017 as restated: net income of £4,439,000)

Funds for the Group and Society include a revaluation reserve of £15,992,000 (2017: £27,775,000)

Group and Society cash flow statements

Year ended 31 March 2018

	Note	Group		Society	
		2018 £000	2017 £000	2018 £000	2017 £000
Net cash generated / (used) by operating activities	A	822	(2,425)	771	(2,812)
Cash flows from investment activities					
Investment income received		188	236	188	236
Purchase of investments		(26,083)	–	(26,083)	–
Proceeds from the sale of investments		26,138	3,000	26,138	3,000
Purchase of tangible fixed assets		(251)	(897)	(251)	(897)
Proceeds from the sale of fixed assets		571	1,044	571	1,044
Net cash provided by investment activities		563	3,383	563	3,383
Increase / (decrease) in cash		1,385	958	1,334	571
Cash at the start of the period		1,271	313	859	288
Cash at the end of the period		2,656	1,271	2,193	859

Notes to the cash flow statements

A Reconciliation of net income / (expenditure) to cash generated / (used) by operating activities

Net income as reported in the statement of financial activities	2,669	4,439	2,669	4,439
Adjustments for:				
Net investment income receivable	(188)	(236)	(188)	(236)
Net interest cost on defined benefit pension liability	443	186	443	186
Depreciation charges	1,349	1,520	1,349	1,520
(Gains) / losses on the sale of fixed assets	69	45	69	45
(Gains) / losses on investments	(725)	(4,694)	(725)	(4,694)
(Increase) / decrease in debtors	(1,309)	389	(883)	(796)
Decrease in creditors	(316)	(994)	(793)	(196)
Increase in provisions for liabilities	215	14	215	14
Net cash provided by operations before pension deficit	2,207	669	2,156	282
Decrease in pension deficit from cash payments	(1,385)	(3,094)	(1,385)	(3,094)
Net cash generated / (used) by operating activities	822	(2,425)	771	(2,812)

Notes to the financial statements

Year ended 31 March 2018

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of these financial statements are as set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. General information

The Society is registered in England and Wales as a company limited by guarantee with registration number 40004. It is registered as a charity with the Charity Commission with registration number 221124.

The registered office of the Society is:

Edward Rudolf House
69-85 Margery Street
London
WC1X 0JL

b. Statement of compliance

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain assets measured at fair value.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) ('Charities SORP') and the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'). The Society is a public-benefit entity as defined by FRS 102.

They also conform to the requirements of the Charities Act 2011 and the Companies Act 2006. No separate Statement of Financial Activities ('SOFA') has been presented for the Charity alone as permitted by the Charities SORP.

c. Basis of consolidation

The results of each of the Society's subsidiary undertakings listed in note 20 have been consolidated into these financial statements, on a line-by-line basis. Uniform group accounting policies have been applied and transactions and balances between the undertakings are eliminated on consolidation.

d. Subsidiaries and joint ventures

Entities related to the Society are treated as subsidiaries when the Society is able to control the entity. Subsidiaries that have been part of the group in the year are shown in note 20.

The Society and two other charities own one-third each of the share capital in a separate entity, CharITyshare Limited registered in England and Wales with company number 5260609. CharITyshare was created and operates under a shareholder agreement to provide IT infrastructure for the shareholder charities using a cost-sharing model. The transactions are not material and therefore CharITyshare is not treated as a joint venture for the purposes of the consolidated

accounts and the share of costs incurred and prepaid charges associated with the activity is recorded in the accounts of the Society.

e. Income from donations, grants and legacies

Income from donations, grants and legacies is recognised when the Society is entitled to the income, when receipt is probable and the amount can be reliably estimated.

Gift Aid receivable is recognised at the same time as the related donations.

When donations are received other than in money, for instance as a donation of property or investments, the donation is recorded at the fair value of the items donated at the date of donation, with the relevant asset recorded at the same initial value.

If there is a requirement to repay a grant received as a result of not meeting the conditions of the grant, a liability is recognised for the repayment and recorded as a reduction in income in the period.

f. Income from contracts

Income from contracts for the delivery of services is recognised on a straight-line basis over the period of time that the contract covers. Where the contract has a set value of expenditure to be met as well as covering a period of time, cumulative income is recognised in proportion to the cumulative value of expenditure. The amount of income recognised in a given reporting period is calculated as the difference between the cumulative income at the beginning and the end of the reporting period.

g. Donated goods

Valuation of donated goods for resale at the time of receipt is not practicable, due to the high volume of low value items received and the absence of detailed stock control systems. Instead, the value of the donated items is recognised as income when they are sold and their value is thus determined.

h. Gifts in kind

The Society receives goods and services that are provided free of charge. When these replace expenditure that the Society would have made if not provided free of charge and the value can be measured reliably, the value of the goods or services received is recognised as donated income at the value that the Society would have paid a third-party supplier. The expenditure or asset arising is recognised at the same value in the appropriate section of the financial statements.

i. Use of volunteers

The Society benefits from volunteer support in its retail network, fundraising groups, working with children and young people, and in administration. If volunteers were not available, their roles would not be provided by salaried staff as it would be financially impractical. There is no ready market comparator for the roles they undertake and it is not possible to reliably measure the financial value of our volunteers. The financial value of the donated services and the related contributed activity are, therefore, not recognised in the financial statements.

Notes to the financial statements (continued)

Year ended 31 March 2018

1 Accounting policies (continued)

j. Accounting for expenditure

Costs are recognised when the Society has an obligation, whether contractual, legal or constructive, to transfer funds to another person or entity. Costs are recorded at the total of the amount due plus any unrecoverable VAT associated with the cost.

Costs are recorded according to the type of expenditure incurred and the charitable, income generation or support purpose to which they are put.

Support and governance costs are allocated to the activities of the Society using the following bases:

Cost group	Allocation basis
HR and organisational development	Headcount
Property services	Number of properties managed
Information systems	Number of users serviced
Financial processing and management	Value of transactions processed
Senior management	Headcount
Governance	Headcount

k. Leases

The cost of the minimum payments under an operating lease is recognised evenly over the non-cancellable period of the lease. To meet this policy, break points are assumed to be taken when calculating lease costs.

l. Employee benefits

Short-term employee benefits

Short-term employee benefits, typically salaries, paid holiday and contributions to money-purchase pension schemes, are recorded as the employees earn entitlement to the benefits through their service.

Long-term employee benefits

Single employer defined benefit pension schemes

Scheme assets are measured at market value. Scheme liabilities are measured using the projected unit credit method and discounted at the current rate of high-quality corporate bonds with an equivalent term and the same currency as the liabilities.

Current service costs are recognised as the scheme members earn entitlement to benefits. Past service costs are recognised immediately in expenditure if the benefits have vested. The administration charges of the scheme are also included in expenditure as they fall due.

An interest cost arising from the unwinding of the discount on the scheme liabilities and an expected return from assets using the same discount rate are recognised in income and expenditure as a net income or cost.

Changes in the valuation of the scheme liabilities and assets caused by changing assumptions in the valuation of the liabilities and difference between expected and actual return on assets are recorded as actuarial gains and losses in the SOFA under 'Other recognised gains and losses'.

Multi-employer defined benefit pension schemes

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate which is the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions. The unwinding of the discount is recognised as a finance cost.

m. Taxation

The Society is a registered charity and, as such, is exempt from taxation of its income provided the income is applied for charitable purposes. Both subsidiary entities are subject to Corporation Tax. Taxable profits earned by the subsidiaries are distributed under the Gift Aid scheme to the Society so that taxable profits are eliminated, to the extent that the profits are available for distribution.

n. Accounting for funds

Monies received and expended are recorded as part of unrestricted general funds unless they meet the criteria to be recorded in one of the funds described below.

Income received that is required (whether by the donor, by written agreement or by the request made by the Society) to be used more narrowly than for the general purposes of the Society is recorded in a restricted fund. These funds are identified and held separately from the other funds of the Society.

The Trustees may also set aside monies into a fund designated for a specific purpose. A fund of this kind remains part of the unrestricted funds of the Society, but not available for use for general purposes.

Expenditure to meet the purposes of a fund is recorded against the fund. The remaining balances of funds are carried forward for future use.

The Charities SORP permits and The Children's Society uses a negative fund to represent the value of the pension deficit as separate from other funds.

Notes to the financial statements (continued)

Year ended 31 March 2018

1 Accounting policies (continued)

o. Tangible fixed assets

Tangible fixed assets are physical and software assets controlled by the Society that are used in the delivery of charitable or support activities.

Tangible fixed assets are recorded when they have an aggregate cost of at least £1,000. They are recorded initially at cost including the costs of bringing them to location and state in which they can be used for their intended purpose.

The cost of the assets is depreciated evenly over their expected useful life with the Society to the expected residual value at the end of its useful life. Depreciation is charged from the point that the asset is ready for use. Initial depreciation rates are based on the following expected lives of assets:

Asset type	Initial expected life	Initial expected residual value
Freehold land	Infinite	Cost
Freehold buildings	50 years	Nil
Leasehold land & buildings	Lease life	Nil
Vehicles	4 years	Nil
Equipment	4 years	Nil

After purchase, freehold land and buildings are carried at their open market value. Valuations are carried out on a rolling three-year programme by a Chartered Surveyor. Where market value is above carrying value, this amount is first applied as reversal of depreciation then as an increase in cost. Surpluses arising are transferred to a revaluation reserve as required by the Companies Act.

Where the market value is below carrying value, deficits arising are first treated as reversals of valuation then as additional depreciation. To the extent that the revaluation reserve has not been realised through depreciation, deficits arising are charged against the revaluation reserve.

p. Investments

Investments are recorded at cost when purchased. Where the market value of an investment can be determined by reference to an external market or a professional valuation, the investment is carried at its open-market value.

Investment property is property held by the Society for the purposes of generating income and/or capital growth. These buildings are not used by the Society for its purposes. Investment property is recorded initially at cost and remeasured each year at its open-market value.

Gains and losses on remeasurement are reported in income and expenditure.

q. Current assets

Trade debtors are recorded at the amount invoiced in accordance with the agreement to which they relate, less any impairment of the asset.

Costs incurred that relate to future periods are carried as prepayments within current assets.

Income that has met the conditions to be recognised either as a result of being earned under an agreement or being a future donation or legacy, able to be recognised as set out above, is recorded within accrued income.

Cash at bank and in hand represents the value of all cash and bank holdings that are available for immediate use.

Where fixed assets have been put on sale and are expected to be sold within the next financial year, their cost or valuation and accumulated depreciation are removed from fixed assets and the asset recorded as an asset held for sale. Assets held for sale are carried at the lower of cost or valuation less accumulated depreciation at the date of being placed on sale or the net amount recoverable from the sale, less associated costs.

r. Impairment of assets

When external events relating to markets or technology or internal events relating to the plans and activities of the Society indicate that the value of an asset may be impaired, an impairment review is conducted. The review determines whether the recoverable value of the asset is above or below its carrying value, using external open-market values or other accepted valuation techniques.

If the recoverable amount of the asset is below its carrying value, the difference is written off. To the extent that the reduction in value represents the reversal of undepreciated revaluation surpluses, the reduction is treated as a reversal of the revaluation. Any further reduction is recorded as an impairment of the asset in depreciation.

s. Liabilities and provisions

Liabilities are recognised when the Society has a legal or contractual obligation to transfer resources to another party to settle that obligation. Liabilities are recorded at the best estimate of the amount that will be required to settle the obligation.

When the timing, value or both of the liability is uncertain, a provision is recognised at the best estimate of the amount to be paid.

t. Financial instruments

The Society applies the provisions of sections 11 and 12 of FRS 102 in full.

Financial instruments are recorded initially at their transaction costs. Financial instruments held at fair value through profit and loss are subsequently measured and reported at their fair value. Changes in fair value from remeasurement are recorded in income and expenditure.

Financial instruments that are debt or financial liabilities are subsequently measured and reported at their amortised cost using the effective interest method. Remeasurement gains and losses are reported in income and expenditure.

Notes to the financial statements (continued)

Year ended 31 March 2018

1 Accounting policies (continued)

u. Assets held on behalf of other charities

The Society from time to time holds assets on behalf of other charities. When such assets held are held separately from those belonging to the Society, they are not recorded in the financial statements. When the assets are combined with other assets of the Society, for example in pooled investments, the portion of the value of the assets held on behalf of the other charity is recorded as a liability. Income, expenditure, and gains and losses related to the portion of the assets held on behalf of the other charity are not reported in the statement of financial activities.

v. Uncertainties and judgements

The principal judgements made in the preparation of the financial statements have been in relation to:

- the assumptions underlying the valuation of the pension scheme deficit disclosed in note 10. The assumptions have been prepared with advice from a qualified actuary.
- the allocation of costs to activities as described above.
- the expected future cost of making good dilapidations to and removing fixtures and fittings from properties held on operating leases.

The most important uncertainties that the Society faces in the preparation of the financial statements are:

- Whether investments can be realised at the market value stated.
- Whether the assumptions on asset return and future cost of the defined benefit pension scheme are borne out.
- Continued funding from government organisations.
- Continued receipt of material values of legacies in future years.

w. Restatement of prior year information

The new strategy for The Children's Society has begun to be implemented this year, and the Society changed the basis on which central support costs are managed and allocated to activities. Restructuring the Society's financial statements to report in line with the strategy and the change to support cost allocations have led to material restatements of the 2016/17 income and expenditure information.

The following changes have been made to brought forward reserves and reported income and expenditure:

- a) In reviewing application of the criteria for the recognition of legacies, the Trustees have concluded that further amounts of legacies receivable should be included at the balance sheet date.
- b) A review of the recognition of restricted income has identified restricted income that was deferred in prior years that should have been recognised and carried forward as part of restricted funds.
- c) A review of the terms of endowment funds previously included within the accounts of the Society has identified that one such endowment fund, The Viney Trust which is a separate charity, should not have been reported within the accounts of the Society. The value of the assets held by the Society in its own name on behalf of The Viney Trust have

been reclassified from funds to creditors, and the value income from and of gains and losses on investments have been excluded from the statement of financial activities of the Society.

The effects of these changes on income, net income and reserves are set out in note 23.

Notes to the financial statements (continued)

Year ended 31 March 2018

2 Income from donations and legacies

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000
				Restated		
Donations						
Christingle	1,172	–	1,172	1,243	–	1,243
House boxes	1,542	–	1,542	1,689	–	1,689
Other donations	7,890	–	7,890	8,694	–	8,694
Legacies	6,793	–	6,793	6,190	–	6,190
Total income from donations and legacies	17,397	–	17,397	17,816	–	17,816

3 Income from charitable activities

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000
				Restated		
Providing direct support to children and young people	7,330	2,197	9,527	7,985	2,653	10,638
Changing governmental and societal systems	108	311	419	229	–	229
Total income from charitable activities	7,438	2,508	9,946	8,214	2,653	10,867

4 Income from trading activities

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000
				Restated		
Income from retail activities	10,287	–	10,287	9,759	–	9,759
Card sales	75	–	75	96	–	96
Event entry fees	460	–	460	628	–	628
Total income from trading activities	10,822	–	10,822	10,483	–	10,483

Notes to the financial statements (continued)

Year ended 31 March 2018

5 Income from investments

	Unrestricted funds 2018 £000	Total funds 2018 £000	Unrestricted funds 2017 £000	Total funds 2017 £000
			Restated	
Income from financial investments	188	188	236	236
Income from investment properties	55	55	104	104
Total investment income	243	243	340	340

6 Expenditure on raising funds

	2018 Direct costs £000	2018 Support costs £000	2018 Total costs £000	2017 Direct costs £000	2017 Support costs £000	2017 Total costs £000
				Restated		
Direct fundraising	5,548	1,651	7,199	6,356	1,641	7,997
Costs of retail operations	8,186	1,601	9,787	7,887	1,517	9,404
Total expenditure on raising funds	13,734	3,252	16,986	14,243	3,158	17,401

7 Expenditure on charitable activities

	2018 Direct costs £000	2018 Support costs £000	2018 Total costs £000	2017 Direct costs £000	2017 Support costs £000	2017 Total costs £000
				Restated		
Providing direct support to children and young people	12,069	2,852	14,921	15,129	3,033	18,162
Changing governmental and societal systems	3,324	653	3,977	3,265	551	3,816
Total expenditure on charitable activities	15,393	3,505	18,898	18,394	3,584	21,978

Net income is arrived at after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets	1,349	1,520
Rentals payable under operating leases	1,880	1,904
Auditor's remuneration		
Audit of the Group's financial statements	37	55
Other fees payable to the auditor	–	–

Notes to the financial statements (continued)

Year ended 31 March 2018

8 Support costs and their allocation to activities

	Direct services £000	Changing systems £000	Donations & legacies £000	Retail £000	Total £000	2017 Total £000
HR and organisational development	1,039	109	242	649	2,039	1,955
Property services	87	–	–	310	397	425
Information systems	346	361	805	100	1,612	1,342
Financial processing and management	941	138	502	405	1,986	2,178
Senior management	224	23	52	70	369	433
Governance	215	22	50	67	354	410
Total support costs	2,852	653	1,651	1,601	6,757	6,743

The allocation basis for support costs is set out in note 1 Accounting policies

Governance costs are made up of:

	2018 £000	2017 £000
External audit	32	62
Internal audit	69	53
Trustee Board administration	38	34
Trustee recruitment	–	31
Trustee expenses	4	7
Trustee meetings	10	15
Professional fees	16	–
Senior Leadership Team	185	208
Total governance costs	354	410

9 Trustees and staff

Group and Society

Average monthly number of full-time equivalent staff employed in:	2018	2017 Restated
Providing direct support to children and young people	240	312
Changing governmental and societal systems	58	52
Direct fundraising	68	95
Retail operations	166	155
Support services	78	82
Total	610	696

Average monthly number of staff employed in:	2018	2017 Restated
Providing direct support to children and young people	334	429
Changing governmental and societal systems	62	55
Direct fundraising	71	96
Retail operations	205	183
Support services	84	86
Total	756	849

Notes to the financial statements (continued)

Year ended 31 March 2018

9 Trustees and staff (continued)

Costs of staff	2018	2017
<i>Group and Society</i>	£000	£000
		Restated
Wages and salaries	18,884	21,625
Social security	1,683	1,920
Pensions	1,042	1,333
Redundancy and compensation for loss of office	156	371
Agency staffing	942	1,238
Total	22,707	26,487

The total amount paid in the year for redundancy and compensation for loss of office was £477,000 (2017: £371,000). The amount accrued for future redundancy payments at the balance sheet date was £Nil (2017: £321,000).

Higher paid staff

The number of employees with remuneration in excess of £60,000 including redundancy and compensation for loss of office but excluding pension contributions is analysed into the following bands:

	2018	2017
	Number	Number
Between £60,001 and £70,000	11	7
Between £70,001 and £80,000	5	3
Between £80,001 and £90,000	–	1
Between £90,001 and £100,000	2	2
Between £100,001 and £110,000	1	–
Between £110,001 and £120,000	–	1
Between £120,001 and £130,000	1	–

The Society paid pension contributions into a money purchase scheme of £84,064 (2017: £63,982) for 20 (2017: 14) of the higher paid staff. Of the higher paid staff, 3 (2017: Nil) are included as a result of redundancy payments made in the year.

Key management personnel

The key management personnel comprise the Chief Executive Officer, Director for Children and Young People, Director of Finance and Corporate Services, Director of Supporter Impact and Income, Director of Marketing, Communications and Digital and Director of External Affairs. The total remuneration paid to key management personnel was £753,340 (2017: £699,907).

The salary of the Chief Executive during the year ended 31 March 2018 was £121,500 (2017: £114,750). In addition, the company paid pension contributions of £14,426 (2017: £11,570) into a defined contribution scheme.

Trustee remuneration

No members of the Trustee Board received, or were entitled to receive, any remuneration. Where expenses were claimed, reimbursement was made. In the year, travelling expenses of £3,407 (2017: £5,932) were reimbursed to five trustees (2017: five). Trustee indemnity insurance was purchased at a cost of £3,696 (2017: £7,898).

Notes to the financial statements (continued)

Year ended 31 March 2018

10 Pensions

The Children's Society operates three pension schemes, a defined contributions scheme, a defined benefits scheme and a multi-employer mixed defined benefit and money purchase scheme for additional voluntary contributions within The Pensions Trust Growth Plan ('the Growth Plan').

The defined contribution scheme is managed by Aberdeen Standard Life; the scheme is compliant with the pension reform rules for automatic enrolment. Contributions by the employee are matched by the employer up to a limit of 8% of salary and a salary sacrifice option is offered. The cost of employer contributions due as a result of service in the year was £704,000 (2017: £819,000).

The defined benefits scheme is externally funded and is contracted-in to the state second-tier of pension provision. Retirement benefits within this scheme are based on employees' final remuneration and length of service. The scheme was closed to new members in June 2003 and is managed by The Pensions Trust.

10(a) Defined benefit scheme

The results of the actuarial valuation of the scheme carried out at 30 September 2015 have been updated to 31 March 2018 by a qualified actuary, independent of the scheme's sponsoring employer. The most recently completed scheme funding actuarial valuation showed a deficit of £24,381,000 as at 30 September 2015. Annual contributions under the deficit recovery plan are £1.4m, rising to £2.0m from October 2019. Total expected payments to the scheme in the year to 31 March 2019 are £1,708,000.

The assumptions used by the actuary are the best estimates chosen each year from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

	2018	2017
Rate of increase in salaries	0.00%	0.00%
Rate of increase in pensions in payment	2.25%	2.35%
Discount rate	2.60%	2.60%
Inflation assumption	3.20%	3.30%
Rate of increase for deferred pensions	3.20%	3.30%

The rate of increase in salaries is assumed at 0% as steps were taken to freeze pensionable salaries for active members as at 31 December 2013.

Life expectancy included in the valuation of the scheme is calculated using the SAPS S2 (All Pensioners - Pension Amounts) tables with a best estimate scheme-specific scaling factor of 96% (2017 - no scaling factor applied). The base tables have been projected using the CMI_2017 projection model with a long-term improvement rate 1.25% for males and of 1% for females.

The resulting average life-expectancies in years (age at death) were:

Pensioners retiring:	2018		2017	
	Females	Males	Females	Males
Now	24.0 (89.0)	22.2 (87.2)	25.5 (90.5)	23.8 (88.8)
In 20 years	25.2 (90.2)	23.6 (88.6)	27.4 (92.4)	26.0 (91.0)

Assets and liabilities of the scheme

	2018	2017
	£000	£000
Bonds	72,551	69,286
Equities	60,654	62,808
Property	9,888	9,165
Cash	122	238
Scheme assets	143,215	141,497
Present value of scheme liabilities	(146,365)	(159,036)
Deficit in the scheme - pension liability	(3,150)	(17,539)
Present value of Growth Plan provision (note 10(b))	(304)	(342)
Net pension liability	(3,454)	(17,881)

Notes to the financial statements (continued)

Year ended 31 March 2018

10 Pensions (continued)

10(a) Defined benefit scheme (continued)

Profit and loss impact

	2018 £000	2017 £000
Current service cost	165	128
Expenses	200	208
Interest on obligation	4,070	4,465
Expected return on scheme assets	(3,631)	(4,279)
Total	804	522

Movement in defined benefit obligation

	2018 £000	2017 £000
Opening defined benefit obligation	159,036	126,384
Current service cost	165	128
Expenses	200	208
Interest cost	4,070	4,465
Contributions by employees	19	23
Actuarial loss/(gain)	(11,715)	32,922
Benefits paid	(5,410)	(5,094)
Closing defined benefit obligation	146,365	159,036

Change in fair value of the scheme assets

	2018 £000	2017 £000
Opening value of the scheme assets	141,497	119,695
Expected return	3,631	4,279
Actuarial (loss)/gain	1,770	19,183
Contributions by employer	1,708	3,411
Contributions by employees	19	23
Benefits paid	(5,410)	(5,094)
Closing fair value of the scheme assets	143,215	141,497

Actual return on scheme assets	5,401	23,462
---------------------------------------	--------------	---------------

Defined benefit costs recognised in other comprehensive income

	2018 £000	2017 £000
Return on plan assets (excluding amounts included in net interest cost)	1,770	19,183
Experience gains and losses arising on the plan liabilities	1,603	2,033
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities	10,112	(34,955)
Total amount recognised in other comprehensive income	13,485	(13,739)

Notes to the financial statements (continued)

Year ended 31 March 2018

10 Pensions (continued)

10(a) Defined benefit scheme (continued)

Sensitivity analysis

Changes in assumptions would have the following indicative effects on the liabilities of the scheme:

<i>Assumption change</i>	<i>Effect on liabilities</i>
Decrease in discount rate by 0.1%	2% increase in liabilities
Increase inflation linked assumptions by 0.1% per annum	2% increase of inflation linked liabilities
Increase in life expectancy of 1 year	2% increase in liabilities

10(b) The Growth Plan

The Children's Society participates in The Pensions Trust Growth Plan, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK.

A full actuarial valuation of the scheme was carried out as at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

	2018	2017
	£000	£000
Present values of provision	304	342
	2018	2017
	£000	£000
Changes in provision		
Provision at start of period	342	361
Unwinding of the discount factor (interest expense)	4	7
Deficit contribution paid	(38)	(37)
Remeasurements - impact of any change in assumptions	(4)	11
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	304	342
Profit and loss impact		
Interest expense	4	7
Remeasurements - impact of any change in assumptions	(4)	11
Remeasurements - amendments to the contribution schedule	-	-
	-	18
	2018	2017
Assumptions		
Discount rate	1.71%	1.32%

Notes to the financial statements (continued)

Year ended 31 March 2018

11 Tangible fixed assets

	Freehold land & buildings £000	Leasehold land & buildings £000	Vehicles £000	Equipment £000	Total £000
Group and Society					
Cost or valuation					
At 1 April 2017 (restated)	12,653	5,008	205	3,795	21,661
Additions	25	152	–	74	251
Disposals	(641)	(279)	(13)	(14)	(947)
Transfer to current assets	(8,415)	–	–	–	(8,415)
Transfer to investment properties	(509)	–	–	–	(509)
Revaluation	4	–	–	–	4
At 31 March 2018	3,117	4,881	192	3,855	12,045
Depreciation					
At 1 April 2017 (restated)	1,196	3,233	156	2,605	7,190
Depreciation charged	281	625	26	417	1,349
Released on disposal	(39)	(246)	(13)	(9)	(307)
Transfer to current assets	(335)	–	–	–	(335)
Transfer to investment properties	(17)	–	–	–	(17)
Revaluation	(34)	–	–	–	(34)
At 31 March 2018	1,052	3,612	169	3,013	7,846
Net book value					
At 31 March 2018	2,065	1,269	23	842	4,199
At 31 March 2017	11,457	1,775	49	1,190	14,471

Freehold land & buildings used by The Children's Society are revalued following the policy set out in note 1. Valuations are carried out by the Society's Head of Property Services, Bruce Clitherow BSc MRICS. The most recent valuations were carried out in 2018.

If the properties (including those held for sale) had not been revalued, they would be reported in the accounts with a cost of £14,691,000 (2017: £15,173,000) and accumulated depreciation of £13,816,000 (2017: £14,178,000) leaving a net value of £875,000 (2017: £995,000).

Two freehold properties have been transferred to current assets during the year and are shown on the balance sheet as properties held for sale. Neither property has been revalued in the current year, and it is anticipated that sales will complete within one year of the balance sheet date at above the carrying value of the asset.

The opening balances of fixed assets have been restated to separate freehold and leasehold land and buildings, and to correctly reflect the status of one property valued at £6.0m as an investment property.

Notes to the financial statements (continued)

Year ended 31 March 2018

12 Investments

Group and Society	Investment	Listed	Total
	properties	investments	
	£000	£000	£000
	Restated		
At 1 April 2016	5,000	24,626	29,626
Purchases	–	–	–
Sales	–	(3,000)	(3,000)
Unrealised gains - Society	1,000	3,585	4,585
Unrealised gains - The Viney Trust	–	109	109
At 1 April 2017	6,000	25,320	31,320
Purchases	57	26,026	26,083
Transfer from fixed assets	492	–	492
Sales	–	(26,138)	(26,138)
Realised and unrealised gains - Society	–	687	687
Realised and unrealised gains - The Viney Trust	–	38	38
At 31 March 2018	6,549	25,933	32,482

13 Debtors

	Group		Society	
	2018	Restated 2017	2018	Restated 2017
	£000	£000	£000	£000
Trade debtors	1,083	831	157	220
Prepayments and accrued income	4,553	3,462	4,105	3,444
Other debtors	176	210	176	207
Amounts due from subsidiary	–	–	602	286
Total debtors	5,812	4,503	5,040	4,157

14 Creditors: amounts due within one year

	Group		Society	
	2018	Restated 2017	2018	Restated 2017
	£000	£000	£000	£000
Trade creditors	676	783	674	781
Accruals	979	1,167	979	1,162
Deferred income	1,400	1,629	358	658
Taxation and social security	843	641	648	699
Other creditors	768	762	768	761
Amounts due to subsidiary	–	–	4	163
Total creditors: amounts due within one year	4,666	4,982	3,431	4,224

Notes to the financial statements (continued)

Year ended 31 March 2018

14 Creditors: amounts due within one year (continued)

Deferred income arises as a result of payment or billing in advance for activities that are to be delivered in the future.

Movements in deferred income in the year have been

	Group		Society	
	2018 £000	2017 £000	2018 £000	2017 £000
Deferred income at the start of the year	1,629	1,609	658	188
Deferred income brought forward released in the year	(994)	(1,295)	(602)	(210)
Income deferred from the year	765	1,314	302	681
Deferred income at the end of the year	1,400	1,628	358	659

15 Provisions for liabilities

Group and Society

	Property dilapidations	Total provisions
	£000	£000
At 1 April 2017	379	379
Charged in the year	348	348
Used in the year	(53)	(53)
Released unused	(80)	(80)
Total provisions	594	594

	Property dilapidations	Total provisions
	£000	£000
Amounts due within one year	128	128
Amounts due after more than one year	466	466
Total provisions	594	594

Under the terms of operating leases for properties, the Society is required to make good any demerit in the condition of properties and to remove fixtures and fittings added to the building during the course of the lease. The amounts and timing of the amounts due are not certain, as leases may be curtailed or extended and the cost of works is not known until they are carried out. The value of works required is estimated by suitably qualified and experienced chartered surveyors.

Notes to the financial statements (continued)

Year ended 31 March 2018

16 Commitments

At 31 March 2018 and 2017, the Group and Society had no capital commitments that had been authorised and contracted, and not provided for in the financial statements.

Minimum payments under operating leases are:

2018	Land and buildings £000	Motor vehicles £000	Office equipment £000	Total £000
Amounts falling due:				
within one year	1,267	40	26	1,333
between two and five years	1,801	154	15	1,970
after more than five years	3	–	–	3
Total operating lease commitments	3,071	194	41	3,306

2017	Land and buildings £000	Motor vehicles £000	Office equipment £000	Total £000
Amounts falling due:				
within one year	1,566	–	26	1,592
between two and five years	2,513	–	41	2,554
after more than five years	18	–	–	18
Total operating lease commitments	4,097	–	67	4,164

17 Contingent liabilities

In common with other charitable organisations, the Society receives legacies arising from wills where the executor has been unable to locate one or more beneficiaries. In these circumstances, the Society may provide an indemnity to the executor under which any funds required to be paid to the missing beneficiary or beneficiaries is recovered from the Society. At the date of these accounts the value of such indemnities provided totals £401,000 (2017: £175,000).

The Society has received a donation from DLA Piper of £44,000 from unclaimed client funds. The Society has provided an indemnity to DLA Piper for any funds subsequently claimed by clients.

Notes to the financial statements (continued)

Year ended 31 March 2018

18 Funds

Group and Society	Restated					Balance at 31 March 2018 £000s
	Balance at 31 March 2017 £000s	Income £000s	Expend-iture £000s	Other gains and (losses) £000s	Trans-fers £000s	
Unrestricted funds						
General Funds	18,390	35,900	(31,659)	(205)	(2,426)	20,000
Designated funds:						
Property fund	14,471	–	(1,349)	38	(8,961)	4,199
Strategy fund	–	–	–	–	9,641	9,641
Total designated funds	14,471	–	(1,349)	38	680	13,840
Unrestricted funds before pension deficit liability	32,861	35,900	(33,008)	(167)	(1,746)	33,840
Pension deficit fund	(17,881)	–	(804)	13,485	1,746	(3,454)
Total unrestricted funds	14,980	35,900	(33,812)	13,318	–	30,386
Restricted funds						
Big Lottery Fund	991	1,734	(1,509)	–	–	1,216
Other grants	439	774	(1,105)	–	–	108
Total restricted funds	1,430	2,508	(2,614)	–	–	1,324
Endowment funds						
The Children's Society Fund	7,512	–	–	559	–	8,071
Charnwood House	1,273	–	–	95	–	1,368
Charnwood Forest	842	–	–	63	–	905
Hampshire Girls and Boys Home	343	–	–	25	–	368
The Children's Society	438	–	–	32	–	470
The Spooner Trust	591	–	–	44	–	635
The George and Marion Slack Fund	967	–	–	74	–	1,041
Total endowment funds	11,966	–	–	892	–	12,858
Total funds	28,376	38,408	(36,426)	14,210	–	44,568

Funds include revaluation reserves in relating to freehold land and buildings and investment properties of £15,872,000 (2017: £16,462,000) and relating to financial investments of £120,000 (2017: £11,313,000)

Analysis of net assets by fund

	General funds £000s	Designated funds £000s	Pension deficit fund £000s	Restrict-ed funds £000s	Endow-ment funds £000s	Total £000s
Tangible fixed assets	–	4,199	–	–	–	4,199
Investments	19,624	–	–	–	12,858	32,482
Total fixed assets	19,624	4,199	–	–	12,858	36,681
Cash	1,557	–	–	1,099	–	2,656
Other current assets	13,945	–	–	–	–	13,945
Total current assets	15,502	–	–	1,099	–	16,601
Current liabilities	(4,666)	–	–	–	–	(4,666)
Net current assets	10,836	–	–	1,099	–	11,935
Pension deficit	–	–	(3,454)	–	–	(3,454)
Net assets	30,460	4,199	(3,454)	1,099	12,858	45,162

Notes to the financial statements (continued)

Year ended 31 March 2018

18 Funds (continued)

Group and Society	Restated Balance at 31 March 2016 £000s	Restated Income £000s	Restated Expend- iture £000s	Restated Other gains and (losses) £000s	Transfers £000s	Restated Balance at 31 March 2017 £000s
Unrestricted funds						
General Funds	18,801	36,853	(35,149)	1,941	(4,056)	18,390
Designated property fund	14,423	–	(1,520)	960	608	14,471
Unrestricted funds before pension deficit liability	33,224	36,853	(36,669)	2,901	(3,448)	32,861
Pension deficit fund	(7,050)	–	(540)	(13,739)	3,448	(17,881)
Total unrestricted funds	26,174	36,853	(37,209)	(10,838)	–	14,980
Restricted funds						
Big Lottery Fund	814	2,161	(1,984)	–	–	991
Other grants	406	492	(459)	–	–	439
Total restricted funds	1,220	2,653	(2,443)	–	–	1,430
Endowment funds						
The Children's Society Fund	5,850	–	–	1,662	–	7,512
Charnwood House	991	–	–	282	–	1,273
Charnwood Forest	656	–	–	186	–	842
Hampshire Girls and Boys Home	267	–	–	76	–	343
The Children's Society	341	–	–	97	–	438
The Spooner Trust	460	–	–	131	–	591
The George and Marion Slack Fund	757	–	–	210	–	967
Total endowment funds	9,322	–	–	2,644	–	11,966
Total funds	36,716	39,506	(39,652)	(8,194)	–	28,376

Description of funds

General Funds represent the other assets available for the general purposes of the Society.

Designated property fund represents the carrying value including revaluations of land and buildings held for use in the activities of The Children's Society. The strategy fund represents amounts set aside by the Trustees to ensure the stability of The Children's Society through the management of legacy financial risks such as the pension deficits, for major changes such as the relocation of the Society's head office and other strategic investments identified by the Trustees.

Restricted funds represent the remaining unspent amount of donations, grants and legacies given to be used for specific purposes or in specific areas. Details of grants received are in note 24.

Endowment funds have additional restrictions on the use of capital. The Children's Society Fund and The Spooner Trust are held to generate income to pay for the care of children. The George and Marion Slack Fund is held to provide educational opportunities for disadvantaged children and young people. Charnwood House, Charnwood Forest, Hampshire Boys & Girls Home and The Children's Society are held to generate income to provide care and support to children and young people in specific places in England.

Transfers between funds arise from the purchase and sale of fixed assets and the payment of pension deficit contributions. As set out in the financial review on pages 23 to 26, the Trustees have transferred general funds in excess of the minimum needed to a newly created strategy fund.

Notes to the financial statements (continued)

Year ended 31 March 2018

19 Financial instruments

	Group		Society	
	2018 £000	2017 £000 Restated	2018 £000	2017 £000 Restated
Financial assets measured at fair value through profit and loss				
Financial investments	25,933	25,320	25,933	25,320
Debt instruments measured at amortised cost				
Trade debtors	1,083	831	157	220
Other debtors	176	210	176	207
Amounts due from subsidiaries	–	–	602	286
Financial liabilities measured at amortised cost				
Trade creditors	676	783	674	781
Accrued expenses				
Other creditors	768	762	768	761
Amounts due to subsidiaries	–	–	4	163

20 Subsidiary undertakings

The Society owns the whole share capital of The Children's Society (Trading) Limited, registered in England and Wales no. 885496 whose principal activity is to carry out commercial activities that generate funds in aid of the Society, and The Children's Society (Services) Limited, registered in England and Wales no. 4545124, whose principal activity is to provide funded direct services for the beneficiaries of the Society.

Both companies have entered into an agreement to donate their taxable surplus each year to the Society under the corporate Gift Aid scheme.

A summary of the information disclosed in the companies' accounts for the year ended 31 March 2018 is:

	Services		Trading	
	2018	2017	2018	2017
Summarised profit and loss account				
Income	4,502	6,219	248	191
Expenditure	(3,785)	(5,354)	(185)	(112)
Profit for the year	717	865	63	79
Gift Aid distribution to The Children's Society	(717)	(865)	(63)	(79)
Retained earnings	–	–	–	–
Summarised balance sheet				
Current assets	1,823	978	15	291
Current liabilities	(1,221)	(1,127)	(19)	(6)
Amounts due from / (to) The Children's Society	(602)	149	4	(285)
Net assets	–	–	–	–
Share capital	–	–	–	–
Retained reserves	–	–	–	–
Total reserves	–	–	–	–

Notes to the financial statements (continued)

Year ended 31 March 2018

21 Related parties

The Society received a donation of £44,000 (2017: Nil) from DLA Piper, a legal firm in which Janet Legrand, Chair of Trustees, is a partner. The Society paid Bates Wells Braithwaite, a legal firm in which Jim Clifford, a Trustee, is a partner, £106,000 (2017: £14,000) for legal advice. Jim Clifford was not involved in the decision to spend these funds. Information on Trustees' expenses is set out in note 9.

The total amount of Trustee donations made, without conditions, was £12,108 (2017: £22,858).

The Children's Society, Age UK and the Alzheimers Society have joined parts of their IT resources to provide a shared IT service to the three charities. The service is provided through a separate company, CharITyshare Limited. This joint service has the form but not the substance of a joint venture. The Children's Society accounts directly for its share of the assets, liabilities and cash flows according to the shared services agreement. The value of purchases from CharITyshare Limited in the year was £940,000 (2017: £1,234,000) and at the balance sheet date the amount due from CharITyshare Limited was £55,000 (2017: £43,000)

Transactions with subsidiary undertakings	2018		2017	
	£000 Services	£000 Trading	£000 Services	£000 Trading
Balance sheet amounts				
Amounts due to the parent undertaking	602	–	163	–
Amounts due from the parent undertaking	–	4	–	285
Income				
Donations from the parent undertaking	–	–	–	–
Expenditure				
Donations to the parent undertaking	716	63	183	79

22 Post balance sheet events

In the period between the balance sheet date and the signing of the accounts, the Society has sold two of the properties held for sale at the balance sheet date. Proceeds arising were £17,075,000 on properties with a carrying value of £7,860,000.

Notes to the financial statements (continued)

Year ended 31 March 2018

23 Restatement of prior year comparatives

Note 1 Accounting policies section w describes the changes to prior year comparative information that have been made in the preparation of these financial statements. The changes in the value of reserves at 31 March 2016 and 2017 are shown in the table below.

	Unrestricted funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
As previously stated at 31 March 2016	24,910	814	9,716	35,440
Change to legacy recognition (a)	1,264			1,264
Change to restricted income recognition (b)		406		406
Derecognition of The Viney Trust endowment fund (c)			(394)	(394)
Restated funds at 31 March 2016	26,174	1,220	9,322	36,716
As previously state at 31 March 2017	12,650	552	12,469	25,671
Change to legacy recognition (a)	2,330			2,330
Change to restricted income recognition (b)		878		878
Derecognition of The Viney Trust endowment fund (c)			(503)	(503)
Restated funds at 31 March 2017	14,980	1,430	11,966	28,376

(a) Recognition of legacy income

The Society's application of its policy for the recognition of legacies has been reviewed with the conclusion that a material value of legacies met the criteria for recognition at 31 March 2016 and 2017, which had not previously been recognised. The changes to legacy income reported and to accrued income are:

	Income £000	Accrued income £000
Legacies recognised up to 31 March 2016	1,264	1,264
Legacies recognised in year ended 31 March 2017	1,066	1,066
Legacies recognised up to 31 March 2017	2,330	2,330

(b) Recognition of restricted income

The Society has identified that restricted income has been deferred in previous years when it should have been recognised as income and carried forward as part of restricted reserves. The changes to recognition of restricted income reported and deferred income are:

	Restricted income £000	Deferred income £000
Restricted income recognised up to 31 March 2016	406	(406)
Restricted income recognised in year ended 31 March 2017	472	(472)
Restricted income recognised up to 31 March 2017	878	(878)

(c) Derecognition of The Viney Trust endowment fund

A review of the terms of endowment funds previously included within the accounts of the Society has identified that one such endowment fund, The Viney Trust which is a separate charity, should not have been reported within the accounts of the Society. The value of the assets held by the Society in its own name on behalf of The Viney Trust have been reclassified from funds to creditors, and the value income from and of gains and losses on investments have been excluded from the statement of financial activities of the Society.

	Gains on investments £000	Endowment Funds £000	Creditors £000
At 31 March 2016	–	(394)	394
Investment gains in year ended 31 March 2017	(109)	(109)	109
At 31 March 2017	(109)	(503)	503

Notes to the financial statements (continued)

Year ended 31 March 2018

24 Grants received

The following grants have been received in the year: £000

The Big Lottery

Life Chances Fund:

Family Builders - Young People not in Education, Employment or Training	70
Birmingham - Tier 4 Mental Health Support	5
Peers Without Fears - Innovation development partner for adolescence collaborative programme	40

Reaching Communities Grants:

Streetwise in Birmingham and Coventry - Programme against Child Sexual Exploitation and Missing from Home	142
Programme against Child Sexual Exploitation in Devon	101
Check Point Torquay - Programme against Child Sexual Exploitation	122
Hidden Harm - Community Hidden Harm Awareness Team	88
Greater Manchester Programme - Missing from Home	115
London Hub - Programme against Child Sexual Exploitation	95
London Hub, Safe Choices Young Men - Programme against Child Sexual Exploitation	9
London Hub, Family Voices - Refugee and Migrants support	125
London Hub, Stand By Me - Refugee and Migrants support	118
London Hub - Young Destitution	108
Greater Manchester, Oldham - Families Greater Together	115
Yorkshire - Family Food Together	78
Hub and Spoke, Street Safe Lancashire - Programme against Child Sexual Exploitation	39
Safer Families Lancashire - Refugee and Migrants support	99
Northeast - Supporting Migrants, Asylum-seekers and Refugees Together	132
Pacific Waves - Counselling & Mental Health	132

Other Grants:

Wellcome Trust - Cataloguing and Preservation of The Children's Society's Archive	74
The Eveson Charitable Trust - Supporting Migrants & Asylum seekers	8
The Richard Cadbury Trust - Supporting work with children in Birmingham	1
Sir John Sumner's Trust - Supporting work with children in Birmingham	0.2
Randal and Mary Bale Charitable Trust - Supporting Migrants & Asylum seekers	2
BBC Children in Need, Check Point Torquay - Programme against Child Sexual Exploitation	37
West Ham Hotels - Greater Manchester, Emotional Health & Wellbeing Service	26
Guardian News & Media Limited - Supporting Migrants & Asylum seekers	93
Comic Relief Lancashire - Programme against Child Sexual Exploitation	28
Bromley Trust - Programme against Child Sexual Exploitation	23
Oglesby Charitable Trust - Support for Young People Missing from Home	50
Roger and Jean Heath Charitable Fund - London Programme against Child Sexual Exploitation	1
City Bridge Trust, London Hub - Trafficked Youth At Risk	60
Sir James Knott Trust - Safeguarding Children At Risk - Prevention and Action	18
The Bryan Guinness Charitable Trust - Safeguarding Children At Risk - Prevention and Action	10
The Ballinger Charitable Trust - Safeguarding Children At Risk - Prevention and Action	30
Mission in Britain Fund - Safeguarding Children At Risk - Prevention and Action	29
Samantha Sykes Foundation, Yorkshire - Programme against Child Sexual Exploitation	4
Northern Powergrid, Tees Valley - Programme against Child Sexual Exploitation & Missing from Home	25
The AIM Foundation, Hidden Harm Service - Essex - Community Hidden Harm Awareness Team	40
The Alice Ellen Cooper Dean Charitable Foundation - Counselling & Mental Health	10
Coutts & Co Head Office - Young Carers in Schools	20
Nominet Trust - digital skills training for vulnerable young people	100

Other grants from charitable bodies in the year amount to: **87**

Total	2,508
--------------	--------------

Corporate information

The Church of England Children's Society

(A company limited by guarantee). Also known as The Children's Society.

Registered Office

Edward Rudolf House
Margery Street
London WC1X 0JL

Company Registration No. 40004
Charity Registration No. 221124

Telephone 020 7841 4400
Website childrenssociety.org.uk

Subsidiary companies:

The Children's Society (Services) Limited,
Company No. 4545124
The Children's Society (Trading) Limited,
Company No. 885496

The Children's Society is not a grant making body

Royal President

HRH The Duchess of Gloucester GCVO

Presidents

The Most Reverend and Right Hon the Lord
Archbishop of Canterbury Justin Welby
The Most Reverend and Right Hon the Lord
Archbishop of York Dr John Sentamu

Vice-Presidents

Bishops of the Church of England

Honorary Vice-Presidents

Mr S E D Fortescue
Mrs A Lush MBE
Mr D J Lush MBE
Dr N de M Rudolf

Trustee Board

Janet Legrand, QC (Hon) Chair (b)(c)
The Rt Rev'd Elizabeth Lane, Bishop of Stockport (c)
Christopher Gillies, Honorary Treasurer (a)(b)
Adrian Bagg (b)
Cindy Rampersaud (c)
David Ramsden (b) *appointed September 2017*
Dianne Smith (a)
Jessica Lee (a)
Jim Clifford OBE (b)
Ken Caldwell OBE (c)
Martin Woodroofe (c)
Nasima Patel (a)
Wesley Cuell (a)

(a) member of the Risk, Audit and Compliance Committee
(b) member of the Finance and Investment Committee
(c) member of the Organisational Development Committee

Children and Young People Representatives

Ryan Richards
Robert Honey
Aya Hachem
Latifa Messiouri
Musa Nela

Members of Committees

Jayanti Durai (a)
Peter Tompkins (b)
Robert Weir (b)

Chief Executive

Matthew Reed

Company Secretary, Finance and Corporate Services Director

Elizabeth Walker

Director of Children and Young People

Dara de Burca (appointed January 2018)
Krutika Pau (resigned December 2017)

Director of Supporter Impact and Income

Joe Jenkins

Director of External Affairs

Peter Grigg

Director of Marketing, Communications and Digital

Jayne Whitton (resigned June 2018)

Auditors

haysmacintyre
10 Queen Street Place
London EC4R 1AG

Bankers

Barclays plc
1 Churchill Place
London E14 5HP

Principal Solicitor

RadcliffesLeBrasseur
85 Fleet Street
London EC4Y 1AE

Thank you

Special thanks to our corporate partners:

Bullring and Grand Central Coinstar Ltd
Crane
DLA Piper
Giveacar Ltd
HSBC Bank plc
Northern Gas Networks
Northern Powergrid
Parcelforce
ShareGift
Swinton Group

Special thanks to our funders:

The AIM Foundation
The Alice Ellen Cooper Dean Charitable Foundation
The Ballinger Charitable Trust
BBC Children in Need
Big Lottery Fund
The Bromley Trust
The Bryan Guinness Charitable Trust
City Bridge Trust
Comic Relief
Eveson Charitable Trust
The Henley Festival Trust
The J.C. Flowers Foundation
Sir James Knott Trust
Mission in Britain Fund
The Robert Fleming Hannay Memorial Charity
The Samantha Sykes Foundation Trust
The Samworth Foundation
Stanley Thomas Johnson Foundation
The 29th May 1961 Charitable Trust
The Oglesby Charitable Trust
Nominet Trust
Ofenheim Charitable Trust
Wellcome Trust
West Ham Home and Hostel Trust
The Zochonis Charitable Trust

Thank you to everyone who has campaigned for us, made donations to our shops, volunteered their valuable time and skills, and supported us financially.

Because of your generosity we've been able to keep more children safe, to find more stability, security and love. Thanks to your support, we've been researching how children feel about their lives and we make sure the country knows how they feel and what needs to be done.

We remain committed to working to create a country where every child has somewhere to turn, wherever they are. We can only do this by coming together and making sure no child feels alone.

Their stories of courage and tenacity continue to inspire us all, and drive everything we do.

Right now in Britain there are children and young people who feel scared, unloved and unable to cope. The Children's Society works with these young people, step by step, for as long as it takes.

We listen. We support. We act.

There are no simple answers so we work with others to tackle complex problems. Only together can we make a difference to the lives of children now and in the future.

Because no child should feel alone.

Find out more at
childrenssociety.org.uk

If you would like to know more about The Children's Society and our work with children and young people, please visit childrenssociety.org.uk or call our Supporter Care Team on 0300 303 7000.