Annual Report

2019/20

The Children's Society

Chair's introduction

The world is changing fast. Life is more uncertain than ever before. More challenging. More complex. Covid-19 brought an extraordinary sting to the year's tail, turning children's lives upside down in ways we had never imagined.

This year, The Children's Society has flexed and adapted with great speed, as we respond to the extraordinary world around us and endeavour to build a society that works for all children.

Our approach to direct practice with young people develops as we test, learn, improve and scale up innovative service models such as Inside Out – an intensive coaching model to help stabilise care placements – which has been expanded from Essex into Norfolk and Hertfordshire. In Greater Manchester we have been trialling providing safe spaces for young people in mental health crisis to prevent them being hospitalised. And our Coordinating Community Support programme is working with local authorities and partners in four areas as it tests ways of addressing the impact of poverty and destitution.

Working directly with young people remains central to our approach. But using what we learn from our direct practice means we can find solutions to the bigger, systemic problems young people face. As institutions struggle to keep pace with the challenges in young people's lives, we must challenge their systems so that children don't become victims of these too.

Last year we worked with nearly 24,000 young people in this way, running awareness sessions in schools, influencing national policy at the Young Carers Festival, and working with young people who have run away to create resources to stop others going missing.

Few people would have understood what county lines was 10 years ago, but today it is an all too familiar term, with child trafficking and exploitation among the greatest scourges of our era. Having recognised the growing reality of criminal exploitation in recent years, our work to fight it has expanded. We have established three national programmes working in partnership to tackle exploitation in major cities, bringing together both direct practice and systems change.

Thanks to our work, police forces are increasingly seeing children as victims of criminal exploitation. Our #LookCloser campaign is making exploitation more visible to people that work in public spaces such as bus and train stations or shopping centres. We have reached more than 14,500 police, teachers and social workers, influencing and improving the way they respond to children and young people – and we estimate every professional we work with then goes on to reach a further 40 young people each year.

Transforming our digital capability has been a key focus this year. As we relocated two of our offices in 2019, we took the opportunity to invest in our digital infrastructure. The arrival of Covid-19 fast forwarded this transformation and saw us move all our face-to-face work with young people onto digital platforms in a matter of weeks. Having secured funding from The National Lottery Community Fund for digital transformation in 2019, we will be building on the changes we've made during lockdown to accelerate the role digital can play across all our work.

A decade of austerity has left Children's Services stripped of funding and a million more children growing up in poverty. This has been a key focus for our policy, lobbying and campaigning work and this year we have seen some success. We used our voice as part of the Children's Services Funding Alliance to secure an extra £1bn of funding for children and adult social care. Our campaign to end the benefits freeze also saw success, ensuring that all children in poverty see an uplift in support. We secured a housing benefit for vulnerable young people – including care leavers, rough sleepers, and victims of domestic violence or modern slavery – living in shared private rented accommodation. And we secured Government backing for legislation designed to cut the cost of school uniforms for families.

Pleasingly, we have seen a 15% increase in campaign actions taken to improve young people's lives this year. Engaging more people in our work is crucial to achieving our vision for young people – and this year we have taken a different approach to communicating the challenges young people face. Our award-winning pop-up shop The Store of Modern Childhood engaged new audiences in our work by stocking 'products' that told the stories of the Good Childhood Report. Our pledge #IHearYouth reminded supporters in the importance of listening to what young people are saying – a pledge that continued to resonate for us through the general election in late 2019.

I want to thank all our supporters for their commitment and dedication to supporting the most vulnerable children in our society, especially in recent times as we grapple with the challenges Covid-19 brings. Without your support we simply could not do what we do, and we need your support now more than ever. So many of the ways people usually support our work have been closed to us since March – our shops, the London Marathon, our House Box networks and our relationships with local communities have all been affected. The third sector is threatened like never before and yet the need for it is likely to be even greater, especially for children and young people who have been out of school and hidden from view. I am so grateful for your continued support.

This financial year we have been led by two Chief Executives; Nick Roseveare on an interim basis to whom I extend my thanks, and Mark Russell, the permanent incumbent who we welcomed in August. Mark's arrival has given us renewed energy and purpose. In his first six months Mark kicked off a Big Conversation, engaging people in all our communities to tell us about their dreams for young people in the decade ahead. Hope and optimism are powerful tools in the hands of young people, especially those facing the greatest adversity, and will guide us as we head into the next strategic period.

I am hugely grateful to the Trustee Board who continue to serve, support and scrutinise the charity's work and I want to thank Wes Cuell and Jessica Lee, who have stepped down from the board this year.

Finally, I want to remember Aya Hachem, one of your young trustees since 2017, who was tragically killed while out shopping in Blackburn earlier this year. Aya was a truly remarkable young woman, and an inspiring voice for children and young people. She was known to many at The Children's Society through our services in Preston, and initiatives like Pot of Gold and Over The Rainbow. Our thoughts are with her family, their loss is unimaginable.

As the decade turns, we are focused on the next 10 years, considering what we need to achieve to ensure the most vulnerable children have hope for their future. The charity's ability to flex and adapt has been tested this year, yet this stands us in good stead for whatever the year ahead throws at us.

2020 has shown itself to be fierce and uncompromising. But in building a society that works for all children, so are we.

Janet Legrand QC (Hon)

July 2020

Vision, Mission and Values

Our Vision

A society built for all children

Our Mission

By 2030, we will have overturned the damaging decline in children's well-being, setting a path for long lasting growth.

Our Values

We are brave, ambitious, supportive and trusted

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

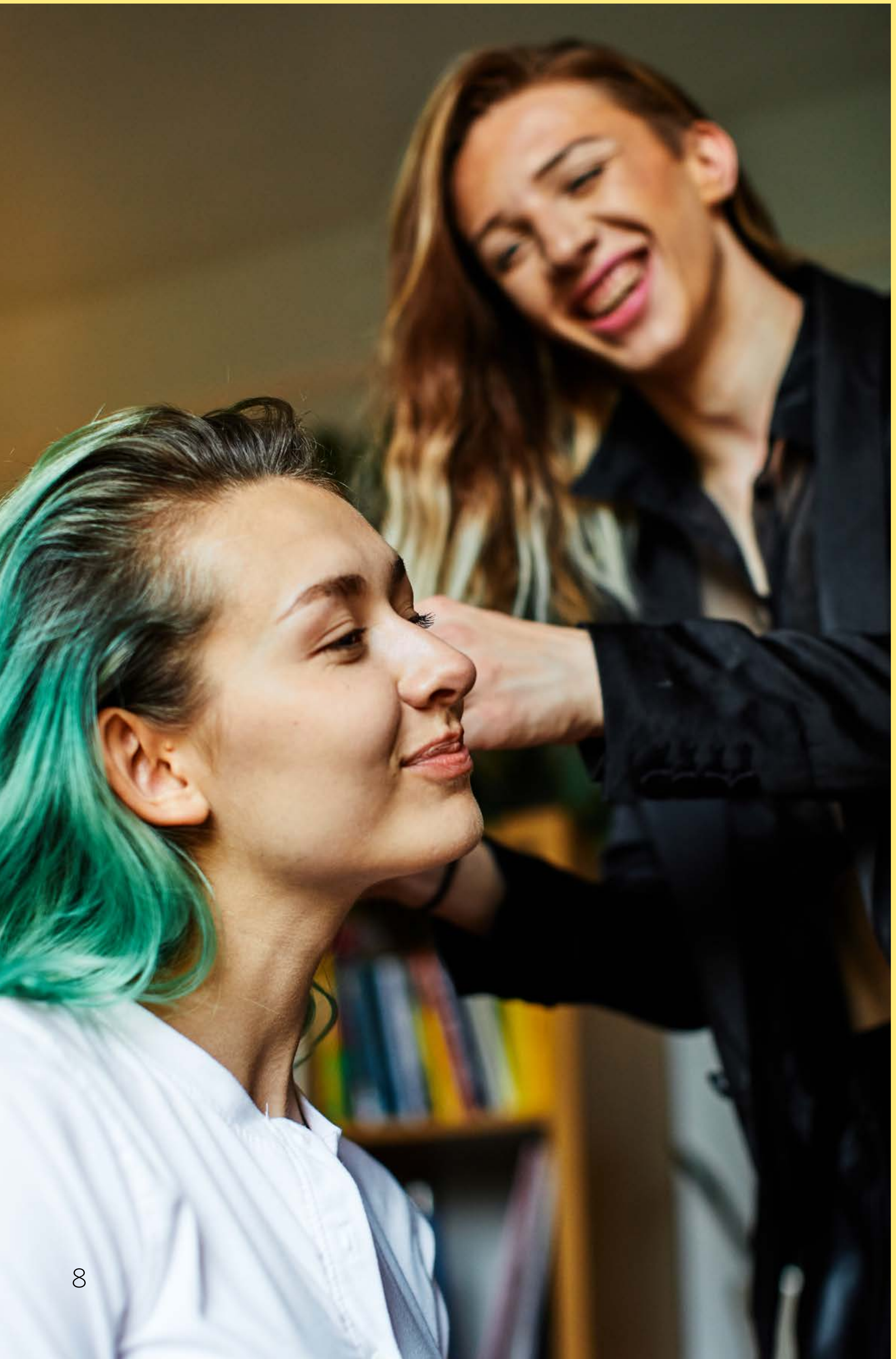
We support children in their personal development and to build positive relationships. Together we enable children to reach their full potential and realise their ambitions.

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.



Plans and Objectives for 2020/21

The key objectives for 2020/21 are:

We will tackle the underlying causes that prevent young people who face multiple disadvantage from thriving.

- Reach at least 10,000 young people through our direct support
- Engage directly with at least 1,500 young people to gain insight
- Impact on 180,000 young people through the professionals we support through systems change
- Deliver over 400,000 positive impacts for young people through policy and campaigning work

We will grow the total contribution of our supporter base.

- Deliver a rewarding experience for 85,000 active supporters
- Generate gross unrestricted income of over £27.3m
- Generate restricted income of £11.3m for delivery in year

We will develop organisational capabilities that allow us to maximise our impact.

- Optimise the use of working capital
- Maintain a healthy balance of staff
- Improve our tech user experience

Strategic Report

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

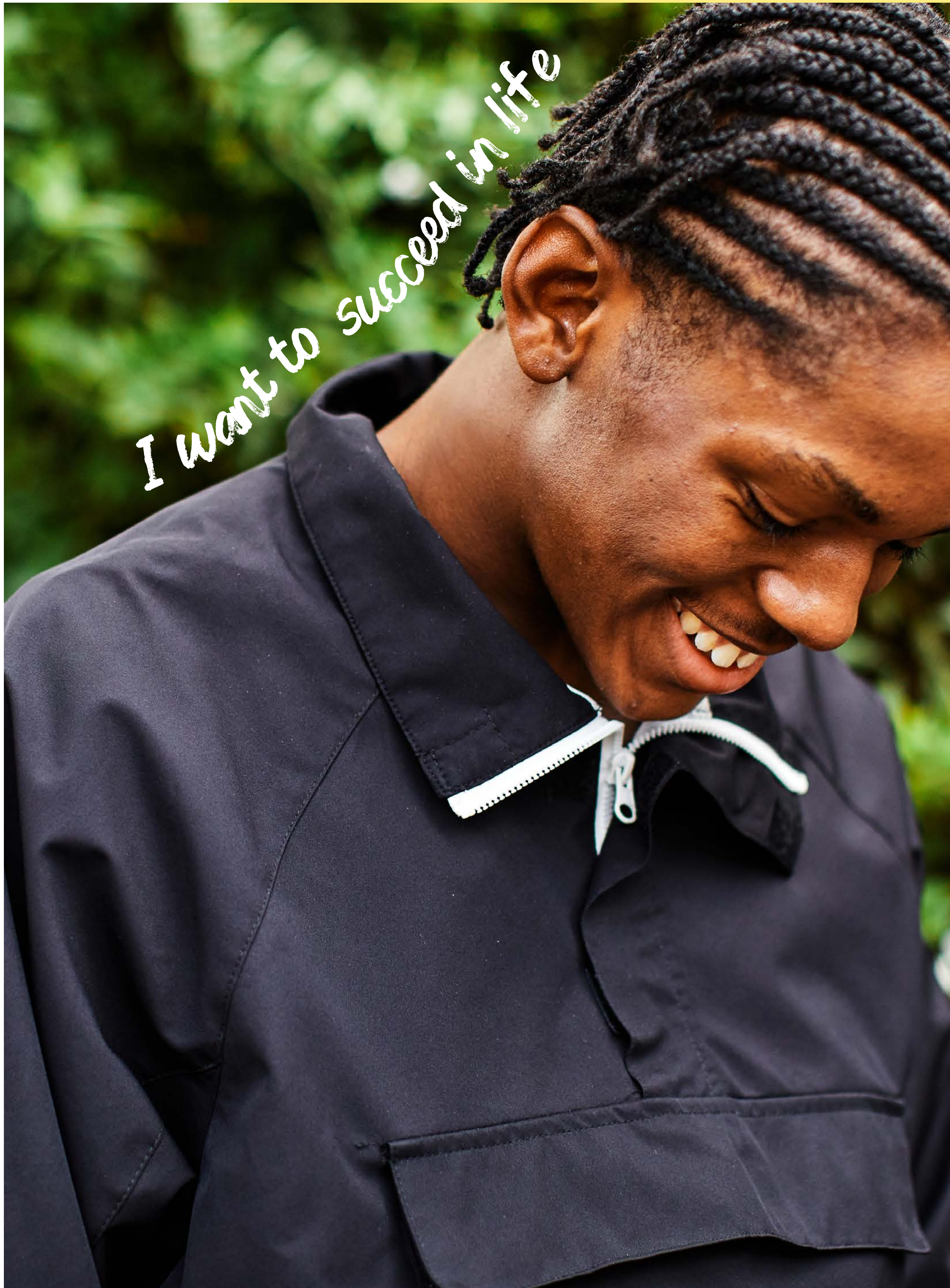
Our strategy is underpinned by four strategic choices:

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

2. **To transform our ability to innovate and be disruptive to enhance the lives of young people.**
   - We want to permanently improve the systems around young people even where we aren't able to work directly with them. We'll achieve these changes through policy work, campaigning, systems change work and social innovation.

3. **An explicit focus on partnership to achieve change for children and young people.**
   - Our ambitions for young people far exceed that which we can achieve alone. We want to work with partners to increase the benefits for children and young people, and are implementing a relational approach to our engagement with supporters.

4. **To be an agile, high performing, supportive organisation.**
   - To ensure we maximise the impact of our available resources for our beneficiaries, we are becoming a more dynamic, lean and responsive charity.



Achievements and performance in 2019/20

We will tackle the underlying causes which prevent young people who face multiple disadvantage from thriving.

Work with at least 8,000 young people through direct support.

Through 2019-20 we worked tirelessly to tackle and prevent child exploitation, improve young people's access to mental health and well-being support, and help provide a safety net for children and their families facing crippling poverty or in some cases destitution. We worked directly with more than 11,500 young people, significantly exceeding our expected reach and evidencing impact and outcomes through structured evaluations.

In 2019-20 over 2,100 young people played an active role in sharing their voice and influence in youth action and insight work across the charity. This included shaping and participating in campaigns for change, research projects and helping design services.

Throughout the year, and in line with a belief that there is a need to continually adapt and change service delivery in line with a continuously changing world, we have been testing, improving and scaling up models of service delivery to change young people's lives. Programmes such as Inside Out, an intensive coaching model with young people proven to help stabilise care placements, has been expanded from Essex to Norfolk and Hertfordshire. We have tested approaches to using police custody and arrest as a 'reachable moment' for young people being exploited and working in partnership with the police have expanded this work from London to Greater Manchester in our Disrupting Exploitation programme. Our Co-ordinating Community Support programme has been testing an approach to addressing the impact of poverty and destitution working with local authorities, other charities and communities in four areas. In Greater Manchester we have been trialling providing a safe space for young people in mental health crisis to prevent them being hospitalised.

Stories of difficulties being overcome and the hope being restored for young people are detailed in our Impact Report 2019-20.

Directly reach at least 38,000 young people through systems change.

Using what we learn from our direct practice with young people, we are dedicated to finding solutions to systems problems faced by young people, locally and nationally.

Last year we worked with nearly 24,000 young people to this end. This work ranged from engaging young people in schools-based awareness sessions; influencing national policy from activities at the National Young Carers Festival; being a part of the Manchester Missing Crew creating resources to help stop others going missing; and providing open access well-being services that are changing the way early access mental health support is provided to young people. Whilst the number of young people we reached was less than our target, we have learnt that identifying a useful metric for systems change is hard.

This year we started the Tackling Child Exploitation Programme in consort with partners Research in Practice and the University of Bedfordshire. Together, the multi-disciplinary team supports local authorities across England to improve their strategic response to child exploitation and extra familial harm. Our National Prevention of Child Exploitation and Disrupting Exploitation programmes have been working with different professionals to tackle or prevent exploitation. Examples of this work include increasing the 'reachable moment' when young being exploited are arrested; increasing use of Modern Slavery legislation and National Referral Mechanism (NRM) to ensure children are being viewed as victims in county lines, and delivering the #LookCloser campaign in the East Midlands, which focused on changing public awareness of public spaces like bus and train stations, fast food outlets, shopping centres etc where young victims of exploitation may be visible.

We have reached 14,514 professionals such as police, teachers and social workers, helping increase their understanding of the issues faced by young people and changing the way they respond to them. Through them we reach approximately 40 young people per professional per year.

What we have learnt is that measuring systems change through a single metric is hard, as the work is complex and difficult. Taking the learning from 2019-20 we have refined and adapted a single indicative measure of professionals reached as a proxy indicator of wider systems change. Our hypothesis is that through reaching these professionals we will be able to influence and improve the way in which they respond to children and young people with whom they are working (but whom we might never come into contact with) therefore changing the system response these children and young people receive.

Deliver over 400,000 positive impacts for young people through policy and campaigning work.

Over the course of the year we have had several significant successes resulting in 4,417,050 positive impacts.

Following our work through the Children's Services Funding Alliance calling for better funding for children's social care, the Government committed in September to an additional £1bn of funding for children and adult social care.

Following our campaigning – both through the End Child Poverty coalition and independently – for an end to the benefits freeze, the Government announced in October that this would end in April 2020, ensuring that all children in poverty see an uplift in support.

Following our work on the European Union Settlement Scheme (EUSS), the Government committed to introduce changes to guidance to clarify how Local Authorities should identify and support EU national looked after children. They also committed to produce quarterly EUSS statistics.

Under the existing rules around the Shared Accommodation Rate, from the ages of 18-21 care leavers living in privately rented home were eligible for sufficient housing support to rent a one bedroom flat, but once they turned 22, the maximum amount of help they could receive dropped to the amount provided for a room in a shared house (the so-called 'Shared Accommodation Rate'). The policy change we helped achieve makes care leavers exempt from the Shared Accommodation Rate until their 25th birthday. This will help these young adults to continue to build secure lives, rather than being uprooted and forced to move somewhere cheaper. Following our joint working on this issue with Centrepoint and DePaul, we were also delighted that we were also able to ensure that rough sleepers under 25, and victims of domestic violence and modern slavery under 35, are exempt from the Shared Accommodation Rate.

Following a lengthy legal challenge by The Children's Society, the Government finally agreed to bring separated children back within scope of legal aid for their immigration and citizenship matters. We have since worked closely with the Ministry of Justice to craft the amendment to the Legal Aid, Sentencing and Punishment of Offenders Act 2012 that would entitle this group to legal aid. This amendment was laid before parliament in July 2019, and was debated in the House of Lords in October 2019 with every Peer speaking in that debate commending The Children's Society's work in bringing forward the legal challenge. The amendment passed the Lords stage unopposed, and passed in the House of Commons in October 2019. We continue to work closely with the Ministry of Justice to ensure that professionals supporting separated children and legal practitioners are aware of these changes.

We will develop organisational capabilities that allow us to maximise the impact for our beneficiaries.

We have invested this year in improving our organisational agility, most significantly by upgrading our Manchester and London workspaces to enable remote working. We have also invested in replacement technology to facilitate this move.

Develop our workforce in key skills areas, including digital capabilities.

We secured £0.2m funding from The Digital Fund managed by The National Lottery Community Fund in late 2019, which focuses our attention on delivering digital transformation activity for young people.

We have rolled out new technology and training to staff as part of our move to working in new workspaces and giving staff the tools to work online and remotely. Our Children and Young People Directorate skills framework now includes specific reference to use of technology to support staff to identify opportunities for training, and we have facilitated Innovation training and Agile Project Management training for key staff.

Through our Innovation and Digital Attitudes Survey in 2019, we found that digital has become more relevant to our staff over time. 179 respondents completed the survey in 2019 and we have seen that between 2013 and 2019 there has been a steady increase (from 61% to 78%) in those who see digital as relevant to their role. Focus groups have been undertaken with particular groups of staff to identify gaps and opportunities for digital skills and learning, and we continue to test ways to measure digital skills, for example through our Pulse survey to staff.

We will grow the total contribution of our supporter base.

Increase total supporter actions by 10%.

In 2019/20, we aimed to grow the number of supporters taking actions with us by an ambitious 10%, seeking to increase the lifetime value of our supporter base. We are particularly pleased that some components of the overall target have exceeded this target, particularly noting campaign actions grew by 15% to 33,626. There has also been a modest increase in financial actions, in the form of regular giving plans, up 2% to 36,006 at the end of the year.

A key part of our strategy has been to engage new supporters and we’re pleased to also report 15,144 new pledges of support, allowing us to open a dialogue with people beginning their relationship with The Children’s Society.

Volunteering sessions represented 160,164 actions in the year which was on a par with the prior year.

Generate unrestricted gross income of £28m and £12.7m net.

This year we generated unrestricted gross income of £27.2m and £7.5m net.

We fell narrowly short of our gross income target, even though we did feel the early impact of Covid-19 in March 2020, especially in our retail portfolio. We also received £2m less in legacy income this year.

In terms of our net position, this year we made an active decision to invest in our income generating parts of the business in order to improve future sustainability. This investment is to attract new supporters and provide innovative new fundraising solutions to our existing supporter base. The costs of the retail network have also increased in line with the income as we have invested in extending shop opening hours.

Combined with the income shortfalls, we achieved £7.5m net income, but we are in a stronger place going forward.

Ensure long term viability by addressing the pension deficit and unlocking endowment funds.

In reviewing the repayment plan following the triennial review of the defined benefit pension scheme, we used our strategic fund to fund the technical provision deficit which releases us from an annual obligation to fund the scheme for the time being.

We are in the process of releasing permanent endowment restrictions which would allow us to apply the funds in a more strategic way and to have greater impact for young people.

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 November 2018, which set 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.

Our strategic report (see page 10), demonstrates how we have met our principal objective.

Children and young people experiencing multiple disadvantage are those who face issues 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 and 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 hope in their 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 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-appointment 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.

Operational management is delegated by the Trustees to the Executive Leadership Team, which is accountable to the Trustee Board for its stewardship of the charity.

The Chief Executive and the Executive Leadership Team attend Board and Committee meetings.

Trustees are appointed through a transparent and rigorous recruitment and selection process. 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. This year, we recruited four new trustees through this process.

New appointees are provided with a comprehensive induction programme which is tailored to their areas of expertise and includes meeting the Executive 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, including throughout the recruitment process. Collectively the Trustee Board must demonstrate responsible leadership and judgement.

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

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 Executive Leadership Team to focus on key strategic issues in depth. Trustees who served during the year are listed on page 72, together with information about their membership of Committees and attendance.

Young Trustees

We have a number of young trustees each serving a two-year term. They are young people from across the country who have previously accessed our direct services through one-to-one support, group work or participation groups. Although they do not hold the legal responsibilities formally assigned to other Trustees, they otherwise have equal status on the Board in terms of discussions and decisions. Their significant contributions help shape the future direction of the organisation and its strategy.

As well as attending and inputting to Board meetings and trustee strategy days, our young trustees also support the organisation in a variety of other ways depending on their particular interests. Their involvement this year included sitting on interview panels for the four new trustees recruited this year, the recruitment of the Executive Director of Diversity and Talent and project staff, being members of advisory groups or campaign groups, writing blogs, and providing feedback on different projects. The young trustees' advice and contributions help shape the future direction of the organisation and its strategy, and they have fed back on the intrinsic learnings they have developed in the role such as governance and leadership skills, responsibility and how meetings are run, which they have found really beneficial. There is also an intrinsic value for them in being heard.

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.

Risk, Audit and Compliance Committee

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.

Finance and Investment Committee

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 ensures that these are managed so that they underpin the strategic objectives of the charity. The Committee has responsibility for safeguarding the charity's assets and ensuring sufficient reserves to fund our work.

Organisational Development Committee

is primarily responsible for overseeing all matters concerned with the effective governance of The Children's Society, 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.

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 of human trafficking and we have taken steps to ensure that slavery or human trafficking are not taking place in our business 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 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 2020. The statement includes examples of modern slavery which we see in the work which we do, and 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 use a Governance Risk Register in line the Charity Commission's Guidance on 'Charities and Risk Management.' Individual risks are owned by the Trustee Board or one of its delegated committees. The Governance Risk Register is regularly reviewed by both the Risk, Audit and Compliance Committee and is approved by the Trustee Board.

Children and young people are at the heart of all that we do. Particular attention is paid to the mitigation of safeguarding risk. This and other principal risks that have been identified in the Corporate Risk Register through their likelihood and impact on the charity are as follows:

Principal risk	Examples of mitigating actions
We experience a safeguarding failure, or an instance of historic abuse that affects our reputation.	• All policy and procedures updated and communicated • Safeguarding Group and Historic Abuse Working Group meet monthly • Quality Framework requires all managers to assess practice against standards at all 4 to 6 week supervisions.
In an increasingly uncertain external environment, we fail to anticipate or respond to threats, endangering our stakeholders and our business.	• Business continuity plans and process in place • Key site/recovery plans in place, informed by Covid-19 crisis • Scenario planning against possible outcomes • Partner relationships in place within/beyond sector • Diverse portfolio of investment, and prudent budget
We fail to set ourselves up to deliver against our strategy, or to harness the full potential of our people and partners.	• Clear definition of 'multiple disadvantage' and alignment of practice portfolio • Strategic Framework, Impact Plan and budget in place • Lean programme to support process improvement • Focused technology, data and legal teams • Partnership framework and monitoring of key SLAs
We are unable to communicate our strategy and engage external audiences.	• Marketing approach and engagement frameworks • Internal and external engagement surveys to gauge understanding
We are unable to generate income to resource our strategy.	• Prioritisation of attraction and new supporter engagement • Improved performance reporting and monitoring • Staff capabilities enhanced through 'building the team' • Consolidated High Value team in place and sales process
We fail to respond to funding and financial challenges in the sector.	• Annual compliance review and action plan • Supporter Engagement approached geared to new market realities • Pensions advisors and FIC subgroup in place • Pension derisking strategy/Reserves policy reviewed
We fail to meet our obligations in respect of compliance, regulatory requirements, or good governance.	• Governance review action implemented, including Board Terms of Reference, Trustee roles, subcommittee structure • Regulatory requirements built into practice standards • Information governance strategy and oversight in place • Mandatory GDPR and data protection training • Framework and approach for managing crisis comms

Diversity and Talent

Good progress has been made across the people agenda in the year for The Children's Society. There has been a blend of focus across policy and procedure, skills and talent development, management capability and our commitment to equality, diversity and inclusion.

Driving an engaging experience at work means that the policies and procedures governing our practice must continue to remain robust and relevant. In line with this, three important policies have been updated, which are the Dignity at Work, Grievance and Whistleblowing policies. Making sure these foundations are in place for our people means that we create a supportive working environment and one where any concerns raised are addressed in a safe and transparent way. In support of this, 24 people received mediation training demonstrating our responsibility in resolving minor workplace issues effectively and informally.

Recruiting people with the right skills and capabilities is important in our recruitment processes and this is further supported by our commitment to uphold Safer Recruitment. Safer recruitment training has been delivered for all new managers in the year, ensuring a solid base of skills and knowledge in the organisation.

Retaining skills and talent in our organisation has continued to remain a priority.

As such, delivery of successful retendering processes and proactive effort in redeployment opportunities led to a 90% retention rate of employees facing potential redundancy due to contracts and funding streams coming to an end.

Recognising the importance of both, we have recruited an Executive Director of Diversity and Talent who started in April 2020. This appointment is key to making further progress on a number of initiatives.

Remuneration

Our pay structure is benchmarked against other charities as part of our commitment to having a fair and equitable pay structure. The pay structure is underpinned by the Living Wage Foundation.

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

Supporter Engagement

We are hugely grateful to every individual, group and organisation that joined forces with The Children's Society over the past year – we share every success with our amazing supporters, without whom we would be unable to transform children's lives. We recognise and value every contribution – whether that's the gift of time, money or voice (volunteering with us, raising funds or campaigning for children). In this section we summarise our approach.

Volunteering

Volunteers are integral to so much of what we do and are very much part of The Children's Society team alongside our staff. Over the last year, 9,307 people volunteered with us, with over 1,000 new volunteers taking action for the first time. Over 500 volunteers in our services directly supported thousands of young people to be safer, happier and heard through one-to-one support or group activities. We had 3,216 retail volunteers assisting in the running of our network of 106 shops – which raised £11.2m over the year – while raising vital awareness of our work and serving as inclusive hubs for the local community. Our amazing movement of over 5,000 community volunteers held events, delivered talks, coordinated donations, influenced decision makers and galvanised local people to take action for children.

We've continued to innovate and diversify our volunteering programme to involve a wider range of people. We've established important new roles such as Safe Zones Volunteers, Volunteer Therapists and Family Activities Volunteers. We took our impactful Pause mental health service into the university arena, initially supporting students at University of Birmingham, and we successfully piloted volunteer drop-ins for young people in coffee shops. Volunteers have supported our Disrupting Exploitation work in new ways as well as our Evidence and Impact team and Policy and Research work as more and more of our teams think creatively about how they can involve volunteers. Volunteers were more involved in communicating the learning from our Good Childhood Report than ever before, talking about the findings and having conversations about the issues and the local response in their communities. We are excited about equipping and empowering volunteers to do more on the back of our Good Childhood report in 2020.

We awarded an unprecedented 16 National Volunteering Awards this year, due to the exceptional contribution of the nominees, and have recognised a cumulative total of over 960 years of volunteering over the course of the year as part of our Volunteering Recognition Scheme. We also thanked thousands of volunteers as part of Volunteers Week and again during our Thankathon week in March. But we can never say it enough and we would like to thank every single volunteer who gave even an hour of their time over the last year – it all makes a difference and we could not do it without you.

Fundraising

In the past year, we received gifts and funding from a wide range of sources, enabling us to campaign and deliver our projects for young people around the country.
Our voluntary income includes individuals supporting through regular and single cash gifts, church communities raising funds through events, services and home collections, groups undertaking challenge events (locally and overseas), donations and purchases in our shops, and bequests in people's wills. We also continue to partner with professional funders and commissioners, companies, trusts and foundations to deliver our projects and services.

Every interaction with our supporters is guided by our Supporter Promise – to keep our supporters up to date in ways that work for you, to ensure we always treat people respectfully and sensitively, and to meet/exceed fundraising and data protection standards. With the latter in mind, we continue to proactively comply with the voluntary Fundraising Regulator regulation scheme, aligning all of our fundraising policies and practices with the Fundraising Code of Conduct, 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 partner agencies to help us develop some of our fundraising appeals, and to help coordinate our student fundraising programme with volunteers. We proactively monitor any fundraising undertaken on our behalf and require external partners to comply with the Fundraising Regulator's voluntary regulation scheme, as well as our own Supporter Promise.

Our strategy, programme, activities and contracts with suppliers are all focused on offering a positive supporter experience for every person involved in our fundraising and supporter engagement. As part of our approach, policies and standards, we ensure that we protect vulnerable people and other members of the public from inappropriate behaviour and are always trying to learn from our practices to continuously improve. We audited our compliance this year and are developing even more advanced training programmes for everyone involved in fundraising. In the past year, we have not uncovered any major failure by staff, volunteers, professional fundraisers or commercial participators to comply with these schemes and standards. We received 85 fundraising complaints in 2019-20, (2018-19: 84) all of which have been satisfactorily resolved.

GDPR

The Children's Society has always been fully committed to the Data Protection Act. We have oversight through an Information Governance Group which meets monthly.
This group considers 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 that we take appropriate measures to keep it safe and secure. The group engages with any project in the organisation which involves personal data such as the implementation of new systems or changed processes.

Since the General Data Protection Regulation became effective, we have continued to focus on information governance and we are committed to further strengthening our position in this area whenever appropriate.

Energy and Carbon Reporting

We had an independent audit to confirm our compliance with the Energy Sharing Opportunity Scheme for the year to 31 December 2018.

Total energy consumed in that year was 2773,997 KWh, of which electricity is the largest single use of energy (accounting for 70% of the total). It is used for lighting in shops and offices and for heating where there is no gas supply.

Financial review

Total income was lower than the prior year at £37.4m (2019: £49m) mainly due to a one-off gain of £9.1m in the prior year from the disposal of The Children's Society's central London building. Expenditure increased to £52.6m from £37.7m which includes an extraordinary payment of £11m to our defined benefit pension scheme in order to de-risk our future liabilities to the scheme. We also invested an additional £4m in both our charitable activities and our supporter engagement.

We have focused on becoming a more agile organisation and spent the last year working towards increasing our digital capabilities and investing in our systems with the intention that we would not be dependent upon premises. This meant that we were able to continue to operate when the Government imposed lockdown.

We used the proceeds of the major asset sale in 2019 to fund the payment to the pension scheme which we had been holding as unrestricted investments. As a result of this and other investments our cash outflow for the year was £14.6m (2019: £3.7m inflow). Our reserves have fallen by £13.6m as planned, and reflect the removal of the pension deficit, funded by the asset disposals in 2018.

Having addressed the legacy pension scheme liability, we have strengthened our balance sheet.

Income

The Children's Society has continued to benefit from the generosity of individuals, businesses and charitable bodies. Details of the amounts received in grants are shown in note 23 on page 69; corporate sponsors of The Children's Society are listed in our 'thank you' list on page 75.

Legacy income fell from last year to £6.3m (2019: £8.1m), representing final acts of generosity from long-standing supporters.

This year, our income was lower than last year for both our unique Christingle events, which generated £1.2m of income (2019: £1.4m) while our dedicated house box groups gave us £1.3m from their collections (2019: £1.5m). Other donations dropped to £6.9m (2019: £7.3m) with a decline in donations from regular giving commitments being the largest part of the reduction. This is a continuation of the trends seen across the charity sector and is why we have been investing in alternative approaches to build longer term sustainability in these donation income streams.

Income from charitable activities was more or less in line with last year, bringing in £9.7m of resources (2019: £9.8m) to be used in disrupting multiple disadvantage affecting young people. We have increased the amount of work we do in changing governmental and societal systems to 17% of our portfolio, up from 5% in 2019, reflecting our strategic intent to disrupt cycles of disadvantage and innovate our practice base. Contract funding is provided by national and local government, police and crime commissioners and the NHS. Our grant income has continued to benefit from the long-standing relationship with the Big Lottery Fund as we have continued with our national programme to disrupt child exploitation. We also embarked on a new contract with the Big Lottery Digital Fund involving the recruitment of digital practitioners to boost our capabilities, and a focus on upskilling staff in the latest approaches. Since the start of the lockdown in mid-March, all of our practice base adopted virtual and online interactions with young people and only in summer did we see face-to-face meetings commence again.

Our retail network is staffed by committed volunteers and led by professional management and provides a local link in over 100 high streets across England and Wales. The number of Children's Society retail shops was 106 shops (2019: 105) generating income of £11.2m (2019: £11.2m). We have also recognised £700k of grants received from local government related to the retail lockdown that were announced in March. There was a strong financial performance in our retail network until mid-March when we closed the shops due to the lockdown.

Expenditure

Our biggest item of expenditure is staff costs. Included in charitable expenditure and the total costs of staff is an £11m extraordinary payment to our main defined benefit pension scheme made to de-risk our exposure to future liabilities. Excluding this item, total staff costs were £25.6m, increased from last year by £1.8m or 7.4%. This is mainly due to a 2.3% increase on basic salaries (compared to a UK national average of 2.9%), an increase in pension contributions under the auto enrolment rules and an increase in agency costs related to interim senior colleagues.

The continuation of our investment in supporter engagement has led to an increase in direct costs of fundraising to £7.2m (2019: £6.3m), in order to attract new supporters, and provide innovative new fundraising solutions to our existing supporter base. The costs of the retail network have increased in line with the income as we have invested in extending shop opening hours. Combined with Covid-19 shortfalls in retail income, and a reduced legacy position from last year, the net amount provided from these activities to support the work of The Children's Society is £7.5m (2019: £11.4m).

Costs of providing direct support to young people have increased from last year as we have increased our spending on both direct support work and in changing governmental and societal systems. We have also strengthened our central safeguarding and quality teams to ensure we continue to deliver safe and effective services. Some of our innovative work is naturally more risky, and we have to make sure we invest the right amount of money to drive impact and effect societal change. Excluding the exceptional pension contribution, the cost of our charitable activities would be £21.8m (2019: £19.2m). Of this, £5.6m of our expenditure in the year (2019: £4.7m) is the contribution made by our supporters to fund direct services, over and above the income received from government and charitable funders.

Support and governance costs are higher than the prior year at £7.2m (2019: £6.6m) Within support costs, we have incurred one-off costs in the year as we added valued new trustees to our Board, and strengthened our recruitment and organisational design as well as our financial management capability to support greater organisational effectiveness and agility.

Fixed assets

During the year we have invested in developing agile workspaces with commensurate technology and are part way through delivering a new eCRM system as part of improving our data strategy and engagement with supporters.

Investments

At 31 March 2020, The Children's Society held £33.5m of investments (2019: £49.1m) of general and endowment funds invested in a range of short to long-term investments. During the year we sold one of our investment properties generating £4.9m of cash and incurring a small loss on disposal of £65k. We also used the funds to pay £11m as a contribution to the technical provision deficit of the defined benefit pension scheme.

The investment strategy mitigates risk by diversifying the portfolio across a number of investment managers who themselves are investing in a diverse range of assets, a significant proportion of which are intentionally inversely correlated in their risk profile. This strategy prevented a sharp decline in value when markets collapsed in the wake of Covid-19.

Cash and working capital

We continue to manage our working capital effectively, ensuring that we pay suppliers within the terms agreed and collecting debts on a timely basis. The Children's Society's funded work is paid for mainly by local and national government agencies and therefore represents a low credit risk.

Our operational activities absorbed £14.6m of cash (2019: £3.7m surplus). The cash position of The Children's Society has maintained the position from last year at £6.6m (2019: £6.5m).

Pensions

The pensions liability at 31 March 2020 was £0.2m (2019: £0.9m).

Our obligation to current and former employees and pensioner members of The Children's Society Pension Scheme is one that we are committed to. During the year we finalised the triennial review of the scheme and took the decision to pay a sum of £11m to meet the technical provision liability in lieu of further annual payments, a position which will be reassessed at each triennial review.

The accounting treatment for the defined benefit scheme gives rise to a surplus which we have not recognised.

We continue to have a modest liability for a money purchase scheme known as the Growth Plan.

Reserves

Unrestricted funds

The trustees take a risk-based approach to determining the adequacy of holding sufficient general funds to meet the liabilities of The Children's Society as they fall due by considering stresses such as:

- Longer-term changes in income patterns requiring a change in strategy
- Sudden falls in the level of donations and legacies due to unforeseen circumstances like a pandemic
- Variation in public-sector income
- Short-term changes in cash requirements, such as an unplanned retail portfolio closure
- Reputational damage
- Changes in pension liabilities that increase payments

The trustees have considered these stresses and taken due consideration of the current situation with the Covid-19 pandemic. During the last year the stress of pension liabilities has fallen due to the steps taken to meet that future liability.

They currently assess that the required level of reserves, taking into account the above risks, should be in the range £15-20m. As at 31 March 2020 the general unrestricted reserves were £16.2m (2019: £20m) which is within the range.

Designated funds

The Children's Society holds two designated funds.

The designated property fund has increased to £4.9m (2019: £3.8m) reflecting the investments in workspaces, technology and an eCRM system. The assets are used for The Children's Society's primary purpose and the funds are not available for general use.

The designated strategy fund has decreased from last year and is now £7.9m (2019: £20.2m) reflecting the management of the pension deficit. The fund was set aside to ensure the financial stability of The Children's Society through the management of legacy matters such as the pension deficit, now addressed, the move to a new London workspace and other strategic investments identified by the Trustees.

Plans for the use of the remaining fund will be defined and agreed later this year as we refresh our strategy for the next 10 years with a clear signaled intent that the monies will be used to have greater impact for young people.

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 FRS 102, and does not take account of a surplus on any scheme. As permitted by the Charity SORP, this commitment is shown as a separate, negative reserve, equal in value to the net pension deficit of £0.2m.

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 2020, the value of these funds was £0.3m (2019: £0.8m). Restricted funds are held in cash.

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. The funds are invested in portfolio investments whose value at 31 March 2020 was £14.5m (2018: £13.3m). We will continue to look at ways of sustainably unlocking funds from the endowment portfolio to support investments in impact for young people.

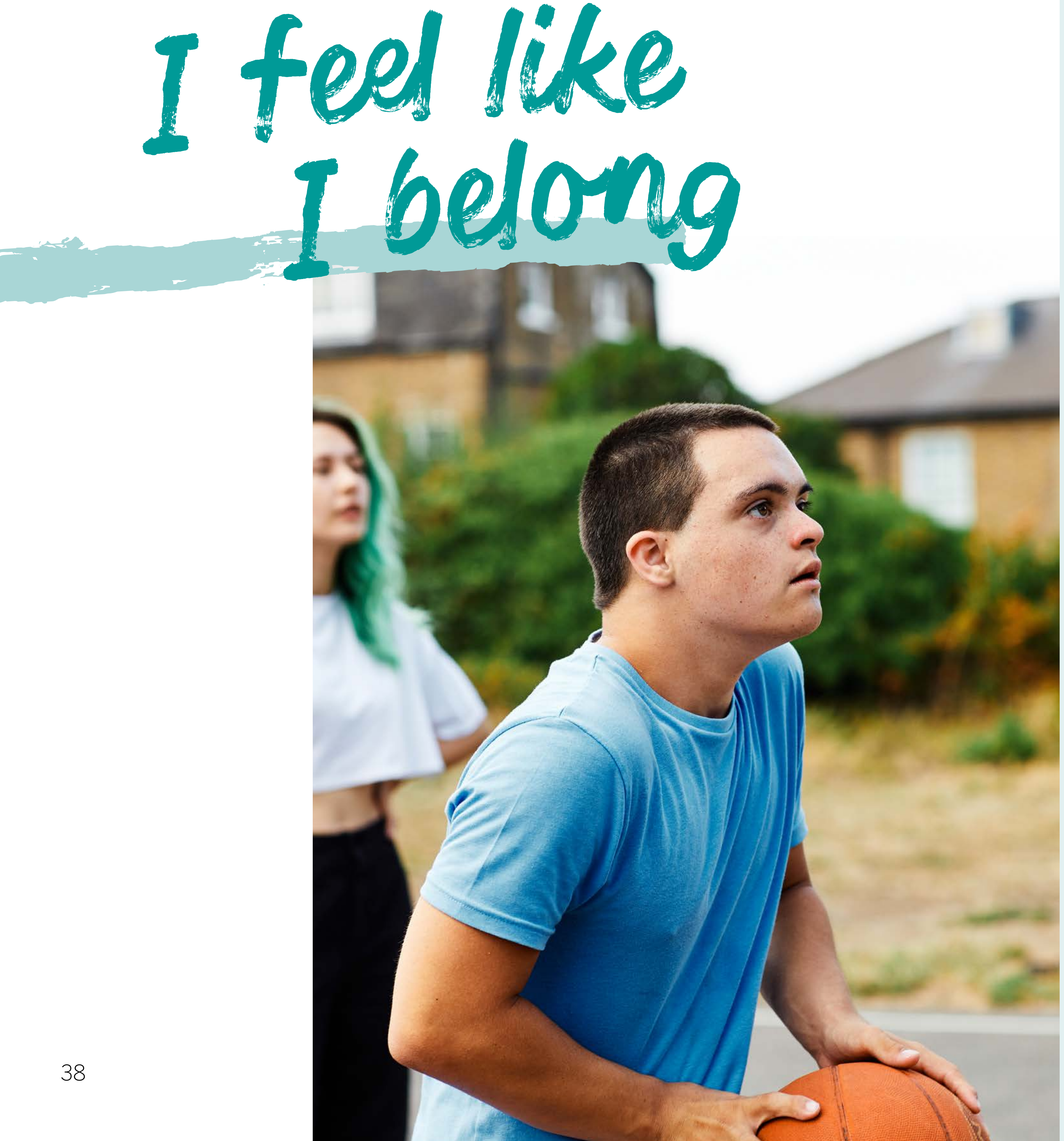
Outlook

During the year we engaged staff, young people, supporters and others in a Big Conversation to help us frame our Vision and Goal for the next decade. These are shown on page 7 and are being used to help frame a new strategy, a piece of work which will be completed during 2020 and will give us focus as we enter the next round of planning. Aligned with this we are refreshing our brand and website to help us to better engage with our community.

Covid-19 has had a marked impact on the first quarter of the financial year, with income substantially reduced following the closure of all of our shops and our community and events fundraising restricted. As we come out of lockdown it is clear that income will be dependent upon the confidence of the public to shop or to participate in events.

We have taken advantage, where relevant, of Government schemes including furlough for staff unable to fulfill their duties, grants for closed retail premises and rates reliefs. We launched an emergency appeal which has generated in excess of £1m to date to displace lost income from other sources.

The level of uncertainty continues and we have taken measures to reduce and contain our cost base until we have greater clarity on the financial position. However, we have the ability to manage through a period of deficit. The trustees have reviewed financial scenarios and considered the availability of both cash and reserves. Having carried out this review, the Trustees consider that the going concern basis is the appropriate basis for preparing these financial statements.



Statement of Trustees' 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 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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

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

Opinion

We have audited the financial statements of The Church of England Children's Society for the year ended 31 March 2020 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 2020 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 39, 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 twelve 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 our 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 LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 22 July 2020

Financial Statements

Consolidated statement of financial activities
Year ended 31 March 2020

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Endowment funds 2020 £000	Total funds 2020 £000	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000
Income and endowments from:									
Donations and legacies	2	15,785	–	–	15,785	18,317	–	–	18,317
Charitable activities	3	6,323	3,204	–	9,527	7,344	2,453	–	9,797
Trading income	4	11,960	–	–	11,960	11,507	–	–	11,507
Investments	5	253	–	–	253	267	–	–	267
Other income	6	(113)	–	–	(113)	9,158	–	–	9,158
Total income and endowments		34,208	3,204	–	37,412	46,593	2,453	–	49,046
Expenditure on:									
Raising funds	7	19,675	–	–	19,675	18,424	–	–	18,424
Charitable activities	8	29,101	3,716	–	32,817	16,312	2,956	–	19,268
Other uses		65	–	–	65	21	–	–	21
Total expenditure		48,841	3,716	–	52,557	34,757	2,956	–	37,713
Finance costs	11	125	–	–	125	(67)	–	–	(67)
Net gains/(losses) on investments	13	605	–	1,173	1,778	(887)	–	442	(445)
Net income		(13,903)	(512)	1,173	(13,243)	10,882	(503)	442	10,821
Other recognised gains / (losses):									
Gains on revaluation of fixed assets	12	–	–	–	–	–	–	–	–
Actuarial (losses) / gains on defined benefit pension schemes	11	(382)	–	–	(382)	1,777	–	–	1,777
									–
Net movement in funds		(14,285)	(512)	1,173	(13,624)	12,659	(503)	442	12,598
Reconciliation of funds									
Funds brought forward		43,045	821	13,300	57,166	30,386	1,324	12,858	44,568
Total funds carried forward		**28,759**	**309**	**14,473**	**43,542**	**43,045**	**821**	**13,300**	**57,166**
Summary of total income and expenditure									
Total income		34,813	3,204	1,173	39,190	47,483	2,453	442	50,378
Total expenditure		(49,098)	(3,716)	–	(52,814)	(34,824)	(2,956)	–	(37,780)
Net income		**(14,285)**	**(512)**	**1,173**	**(13,624)**	**12,659**	**(503)**	**442**	**12,598**

Group and Society balance sheets
As at 31 March 2020

Company registration number 40004

	Note	Group 2020 £000	Group 2019 £000	Society 2020 £000	Society 2019 £000
Fixed assets					
Tangible fixed assets	12	5,042	3,773	5,042	3,773
Investments	13	33,455	49,066	33,455	49,066
Total fixed assets		38,497	52,839	38,497	52,839
Current assets					
Debtors	14	5,587	4,859	4,988	4,316
Properties held for sale		208	–	208	–
Cash		6,624	6,154	6,524	5,675
Total current assets		12,418	11,013	11,719	9,991
Current liabilities					
Creditors: amounts falling due within one year	15	(5,923)	(5,003)	(5,919)	(4,681)
Net current assets / (liabilities)		6,495	6,010	5,800	5,310
Provisions for liabilities	16	(1,226)	(745)	(1,226)	(745)
Net assets excluding pension deficit		**43,766**	**58,104**	**43,071**	**57,404**
Pension deficit	11	(183)	(938)	(183)	(938)
Net assets		**43,583**	**57,166**	**42,888**	**56,466**
Unrestricted funds					
General funds	19	16,168	20,000	15,473	19,300
Designated funds	19	12,774	23,983	12,774	23,983
Pension reserve	19	(183)	(938)	(183)	(938)
Total unrestricted funds		28,759	43,045	28,064	42,345
Restricted funds	19	309	821	309	821
Endowment funds	19	14,474	13,300	14,474	13,300
Total funds		**43,542**	**57,166**	**42,847**	**56,466**

The notes on pages 49 to 69 form part of these financial statements

The financial statements were approved and authorised by the Board of Trustees on 22nd July 2020 and signed on their behalf by

Chris Gillies

Honorary Treasurer

The result of the parent charity for the year was a net deficit of £13,259,000 including an £11m payment to the DB pension scheme (2019: net income of £10,121,000)

Funds for the Group and Society include a revaluation reserve of £418,000 (2019: £6,239,000)

Group and Society cash flow statements
Year ended 31 March 2020

	Note	Group 2020 £000	Group 2019 £000	Society 2020 £000	Society 2019 £000
Net cash generated by operating activities	**A**	**(14,628)**	3,662	**(14,249)**	3,646
Cash flows from investment activities					
Investment income received		231	146	231	146
Purchase of investments		(2,767)	(18,333)	(2,767)	(18,333)
Proceeds from the sale of investments		20,188	1,323	20,188	1,323
Purchase of tangible fixed assets		(2,830)	(595)	(2,830)	(595)
Proceeds from the sale of fixed assets		276	17,295	276	17,295
Net cash provided by investment activities		15,098	(164)	15,098	(164)
Increase in cash		**470**	3,498	**849**	3,482
Cash at the start of the period		6,154	2,656	5,675	2,193
Cash at the end of the period		**6,624**	6,154	**6,524**	5,675

Notes to the cash flow statements

A Reconciliation of net income to cash generated by operating activities

	Group 2020 £000	Group 2019 £000	Society 2020 £000	Society 2019 £000
Net income as reported in the statement of financial activities	**(13,243)**	10,821	**(13,259)**	10,121
Adjustments for:				
Net investment income receivable	(231)	(146)	(231)	(146)
Net interest cost on defined benefit pension liability	(125)	67	(125)	67
Depreciation charges	1,006	1,008	1,006	1,008
(Gains) / losses on the sale of fixed assets	124	(9,149)	124	(9,149)
Losses / (gains) on investments	(1,778)	445	(1,778)	445
(Increase) / decrease in debtors	(728)	953	(672)	724
Increase in creditors	899	318	1,238	1,231
Increase in provisions for liabilities	481	151	481	151
Net cash provided by operations before pension contributions	(13,595)	4,468	(13,216)	4,452
Pension contributions (not including the £11m payment)	(1,033)	(806)	(1,033)	(806)
Net cash generated by operating activities	**(14,628)**	3,662	**(14,249)**	3,646

Notes to the financial statements
Year ended 31 March 2020

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:

Whitecross Studios
50 Banner Street
London
EC1Y 8ST

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 Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) 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 21 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. Going concern and C-19

The accounting policies of The Children's Society include the preparation of the accounts on the assumption that the Society will be a going concern for the 18 month period from the date of signing of the accounts. We have extended the view from 12 months due to the significant impact that the current pandemic has and will continue to have upon our activities. The nature of C19 is to increase the level of uncertainty for ourselves, the sector and the economy generally.

e. 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 21.

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. 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.

f. 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.

g. 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.

h. 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.

i. 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.

Notes to the financial statements (continued) Year ended 31 March 2020

j. 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.

k. 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 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

l. 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.

m. 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.

n. 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.

o. 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 2020

p. 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.

q. 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.

r. 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.

s. 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.

t. 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.

u. 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.

v. 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

Notes to the financial statements (continued)
Year ended 31 March 2020

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.

w. 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 11. 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:

- The uncertainty around the impact of Covid-19
- 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.

Notes to the financial statements (continued)
Year ended 31 March 2020

2 Income from donations and legacies

	Unrestricted funds 2020 £000	**Restricted funds 2020 £000**	**Total funds 2020 £000**	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
Donations						
Christingle	1,238	–	1,238	1,374	–	1,374
House boxes	1,349	–	1,349	1,460	–	1,460
Other donations	6,942	–	6,942	7,347	–	7,347
Legacies	6,256	–	6,256	8,136	–	8,136
Total income from donations and legacies	**15,785**	**–**	**15,785**	18,317	–	18,317

3 Income from charitable activities

	Unrestricted funds 2020 £000	**Restricted funds 2020 £000**	**Total funds 2020 £000**	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
Providing direct support to children and young people	5,507	1,691	7,198	7,187	2,161	9,348
Changing governmental and societal systems	816	1,513	2,329	157	292	449
Total income from charitable activities	**6,323**	**3,204**	**9,527**	7,344	2,453	9,797

4 Income from trading activities

	Unrestricted funds 2020 £000	**Restricted funds 2020 £000**	**Total funds 2020 £000**	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
Income from retail activities	11,194	–	11,194	11,236	–	11,236
Covid-19 relief grants	700	–	700	–		–
Card sales	58	–	58	70	–	70
Event entry fees	8	–	8	201	–	201
Total income from trading activities	**11,960**	**–**	**11,960**	11,507	–	11,507

5 Income from investments

	Unrestricted funds 2020 £000	**Total funds 2020 £000**	Unrestricted funds 2019 £000	Total funds 2019 £000
Income from financial investments	231	231	146	146
Income from investment properties	22	22	121	121
Total investment income	**253**	**253**	267	267

Notes to the financial statements (continued)
Year ended 31 March 2020

6 Other income

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
(Losses) / gains on disposal of fixed assets	(124)	–	(124)	9,149	–	9,149
Sundry income	11	–	11	9	–	9
Total income from other sources	**(113)**	**–**	**(113)**	9,158	–	9,158

7 Expenditure on raising funds

	Direct costs 2020 £000	Support costs 2020 £000	Total costs 2020 £000	Direct costs 2019 £000	Support costs 2019 £000	Total costs 2019 £000
Direct fundraising	7,197	1,637	8,834	6,346	1,544	7,890
Costs of retail operations	9,325	1,516	10,841	8,945	1,589	10,534
Total expenditure on raising funds	**16,522**	**3,153**	**19,675**	15,291	3,133	18,424

8 Expenditure on charitable activities

	Direct costs 2020 £000	Support costs 2020 £000	Total costs 2020 £000	Direct costs 2019 £000	Support costs 2019 £000	Total costs 2019 £000
Providing direct support to children and young people	12,573	2,611	15,184	11,939	2,474	14,413
Changing governmental and societal systems	5,174	1,459	6,633	3,836	1,019	4,855
Payment to the pension scheme	–	11,000	11,000	–	–	–
Total expenditure on charitable activities	**17,747**	**15,069**	**32,817**	15,775	3,493	19,268

Net income is arrived at after charging:

	2020 £000	2019 £000
Depreciation of tangible fixed assets	1,015	1,008
Rentals payable under operating leases	2,704	1,925
Auditor's remuneration		
Audit of the Group's financial statements	43	38
Other fees payable to the auditor	–	–

Notes to the financial statements (continued)
Year ended 31 March 2020

9 Support costs and their allocation to activities

2020	Direct services £000	Changing systems £000	Donations & legacies £000	Retail £000	Total £000
HR and organisational development	623	359	148	503	1,633
Property services	103	–	–	420	523
Information systems	554	543	424	117	1,638
Financial processing and management	1,015	353	896	393	2,657
Senior management	164	50	39	66	319
Governance	153	154	129	17	453
Total support costs	**2,611**	**1,459**	**1,637**	**1,516**	**7,224**

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

2019	Direct services £000	Changing systems £000	Donations & legacies £000	Retail £000	Total £000
HR and organisational development	679	141	159	492	1,471
Property services	120	–	–	426	546
Information systems	512	604	682	175	1,973
Financial processing and management	758	189	608	350	1,905
Senior management	170	35	40	62	307
Governance	235	49	55	85	424
Total support costs	**2,474**	**1,018**	**1,544**	**1,590**	**6,626**

Governance costs are made up of:

	2020 £000	2019 £000
External audit	43	49
Internal audit	108	87
Trustee Board administration	66	49
Trustee recruitment	30	30
Trustee expenses	3	3
Trustee meetings	12	12
Professional fees	3	3
Senior Leadership Team	187	191
Total governance costs	**452**	**424**

10 Trustees and staff

Group and Society

Average monthly number of full-time equivalent staff employed in:	2020	2019
Providing direct support to children and young people	236	248
Changing governmental and societal systems	76	57
Direct fundraising	74	81
Retail operations	190	180
Support services	66	61
Total	**642**	**627**

Notes to the financial statements (continued)
Year ended 31 March 2020

10 Trustees and staff (continued)

Average monthly number of staff employed in:	**2020**	2019
Providing direct support to children and young people	311	333
Changing governmental and societal systems	84	60
Direct fundraising	77	82
Retail operations	243	233
Support services	68	64
Total	**783**	**772**

Costs of staff *Group and Society*	**2020** **£000**	2019 £000
Wages and salaries	19,871	19,420
Social security	1,747	1,721
Pensions	13,724	1,603
Redundancy and compensation for loss of office	137	183
Agency staffing	1,101	885
Total	**36,580**	**23,812**

The pensions cost includes £11m paid into the defined benefit pension scheme as disclosed in note 11

The total amount paid in the year for redundancy and compensation for loss of office was £123,243 (2019: £172,000). The amount accrued for future redundancy payments at the balance sheet date was £13,757 (2018: £10,626).

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:

	2020 **Number**	2019 Number
Between £60,001 and £70,000	7	8
Between £70,001 and £80,000	9	4
Between £80,001 and £90,000	1	
Between £90,001 and £100,000	1	3
Between £100,001 and £110,000	2	3
Between £120,001 and £130,000	–	–

The Society paid pension contributions into a money purchase scheme of £82,487 (2019: £86,948) for 20 (2019: 18) of the higher paid staff.

Key management personnel

The key management personnel serving in the year comprise the Chief Executive Officer, Executive Director for Children and Young People, Executive Director of Finance and Corporate Services, Executive Director of Engagement and Income Generation, and Director of External Affairs. The total remuneration paid to key management personnel was £475,485 (2019: £685,233).

The salary of the Chief Executive during the year ended 31 March 2020 comprised of salary £74,545 (2019: £108,955) and agency fee £79,217 (2019: £34,665). In addition, the company paid pension contributions of £2,982 (2019: £25,575) 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 £2,289 (2019: £3,309) were reimbursed to 7 trustees (2019: 7). Trustee indemnity insurance was purchased at a cost of £5,824 (2019: £5,055).

Notes to the financial statements (continued)
Year ended 31 March 2020

11 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 was managed by Aberdeen Standard Life until 31 March 2019; from 1 April 2019 it is managed by Scottish Widows. 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 £901,552 (2019: £720,000).

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.

11(a) Defined benefit scheme

An actuarial valuation was completed as at 30 September 2018 and the results of this have been updated to 31 March 2020 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below. The most recently completed actuarial valuation showed a deficit of £15,277,000 as at 30 September 2018. The employer agreed with the trustees that it will aim to eliminate the deficit over a period of 4 years 6 months from 1 December 2019 by the payment of a one-off lump sum contribution of £11,000,000 by 31 December 2019 coupled with expected future investment returns.

The payment of £11,000,000 into the scheme by the employer, combined with expected future returns is expected to fully fund the Scheme on the Technical Provisions basis, based on the funding position at 11 November 2019. After this cash injection, the Trustees will adopt an investment strategy that minimises as far as possible the level of investment risk whilst supporting the Technical Provisions discount rate. This reduces the risk of the employer having to pay any further deficit contributions in future. The investment strategy that will therefore be implemented after the cash injection has an expected return of gilts + 1.1% p.a. and a Value at Risk (VaR) of 4% of liabilities. The Scheme's Long Term Objective (LTO) is to be fully funded on gilts + 0.5% p.a. This is intended to happen automatically as the Technical Provisions converge to the LTO with the tapering of the discount rate.

In addition and in accordance with the actuarial valuation, the employer has agreed with the Trustee that with effect from 1 December 2019 it will pay 17.5% p.a. of pensionable earnings (previously 14.5% p.a.) in respect of the cost of accruing benefits for members who are not participating in the salary sacrifice arrangement and 27.5% p.a. of pensionable earnings (previous 24.5% p.a.) for members participating in the salary sacrifice arrangement and will pay £187,800 per annum to meet scheme expenses and levies to the Pension Protection Fund. Member contributions are payable in addition at the rate of 10.0% p.a. of pensionable earnings for members who are not participating in the salary sacrifice arrangement.

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.

Notes to the financial statements (continued)
Year ended 31 March 2020

11 Pensions (continued)

	2020	2019
Rate of increase in salaries	0.00%	0.00%
Rate of increase in pensions in payment	1.85%	2.30%
Discount rate	2.30%	2.40%
Inflation assumption	2.70%	3.30%
Rate of increase for deferred pensions	2.70%	3.30%

The rate of increase in salaries is assumed at 0% as pensionable salaries for active members were frozen 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 112% (2018 - 96%). The base tables have been projected using the CMI_2019 projection model with a long-term improvement rate 1.25% for males and of 1.0% for females.

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

Pensioners retiring:	2020		2019	
	Females	**Males**	Females	Males
Now	23.8 (88.8)	22.0 (87.0)	23.3 (88.3)	21.6 (86.6)
In 20 years	25.0 (90.0)	23.4 (88.4)	24.6 (89.6)	23.0 (88.0)

Assets and liabilities of the scheme

	2020 £000	2019 £000
Bonds	111,586	92,164
Equities	5,871	46,628
Property	12,546	8,378
Cash	501	489
Other	35,904	–
Scheme assets	**166,408**	147,659
Present value of scheme liabilities	(141,344)	(148,374)
Surplus/(Deficit) in the scheme - pension liability	25,064	(715)
Effect of asset ceiling	(24,152)	–
Eliminate FRS102 scheme surplus	(912)	–
Present value of Growth Plan provision (note 11(b))	(183)	(222)
Net pension liability	**(183)**	(938)

Notes to the financial statements (continued)
Year ended 31 March 2020

11 Pensions (continued)

11(a) Defined benefit scheme (continued)

Profit and loss impact

	2020 £000	2019 £000
Current service cost	151	150
Past service cost	–	621
Expenses	208	197
Interest on obligation	3,501	3,727
Expected return on scheme assets	(3,629)	(3,665)
Total	**231**	1,030

Movement in defined benefit obligation

	2020 £000	2019 £000
Opening defined benefit obligation	148,374	146,365
Current service cost	151	150
Past service cost	–	621
Expenses	208	197
Interest cost	3,501	3,727
Contributions by employees	13	15
Actuarial loss/(gain)	(5,681)	3,472
Benefits paid	(5,222)	(6,173)
Closing defined benefit obligation	**141,344**	148,374

Change in fair value of the scheme assets

	2020 £000	2019 £000
Opening value of the scheme assets	147,658	143,214
Expected return	3,629	3,665
Actuarial (loss)/gain	8,001	5,249
Contributions by employer	12,328	1,688
Contributions by employees	13	15
Benefits paid	(5,222)	(6,173)
Closing fair value of the scheme assets	**166,407**	147,658
Actual return on scheme assets	**11,630**	8,914

Defined benefit costs recognised in other comprehensive income

	2020 £000	2019 £000
Return on plan assets (excluding amounts included in net interest cost)	8,001	5,249
Experience gains and losses arising on the plan liabilities	776	(38)
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities	4,905	(3,434)
Payment to eliminate deficit	11,000	–
Effect of asset ceiling	(24,152)	–
Eliminate FRS102 scheme surplus	(912)	–
Total amount recognised in other comprehensive income	**(382)**	1,777

Notes to the financial statements (continued)
Year ended 31 March 2020

11 Pensions (continued)

11(a) Defined benefit scheme (continued)
Sensitivity analysis

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

Assumption change	*Effect on liabilities*
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	2-3% increase in liabilities

11(b) The Growth Plan

The Children's Society participates in The Pensions Trust Growth Plan, a multi-employer scheme which provides benefits to some 950 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 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions (relating to all 950 employers)

From 1 April 2019 to 30 September 2025:	£11,243,000 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.

	2020 £000	2019 £000
Present values of provision (only relating to The Children's Society)	183	222

	2020 £000	2019 £000
Changes in provision		
Provision at start of period	222	304
Unwinding of the discount factor (interest expense)	3	5
Deficit contributions paid	(37)	(39)
Remeasurements - impact of any change in assumptions	(5)	2
Remeasurements - amendments to the contribution schedule	–	(50)
Provision at end of period	183	222
Profit and loss impact		
Interest expense	3	5
Remeasurements – impact of any change in assumptions	(5)	2
Remeasurements – amendments to the contribution schedule	–	(50)
	(2)	(43)

	2020	2019
Assumptions		
Discount rate	2.53%	1.39%

Notes to the financial statements (continued)
Year ended 31 March 2020

12 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 2019	3,117	5,372	192	3,924	12,605
Additions	–	1,354	–	1,475	2,830
Disposals	(531)	–	(160)	(2)	(693)
Transfer to current assets	(208)	–	–	–	(208)
Transfer to investment properties	(11)	–	–	–	(11)
Revaluation	20	–	–	–	20
At 31 March 2020	**2,387**	**6,726**	**32**	**5,397**	**14,543**
Depreciation					
At 1 April 2019	1,080	4,200	184	3,368	8,832
Depreciation charged	38	547	5	417	1,006
Released on disposal	(131)	–	(160)	(2)	(293)
Transfer to current assets	(41)	–	–	–	(41)
Transfer to investment properties	–	–	–	–	–
Revaluation	(3)	–	–	–	(3)
At 31 March 2020	**943**	**4,747**	**29**	**3,783**	**9,501**
Net book value					
At 31 March 2020	**1,444**	**1,979**	**3**	**1,614**	**5,042**
At 31 March 2019	2,037	1,172	8	556	3,773

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 Estates Surveyor, Ian Birtwistle MRICS. The most recent valuations were carried out in 2020.

If the properties (including those held for sale and in investments) had not been revalued, they would be reported in the accounts with a cost of £2,813,921 (2019: £2,883,000) and accumulated depreciation of £619,915 (2019: £638,000) leaving a net value of £2,194,006 (2019: £2,245,000).

Notes to the financial statements (continued)
Year ended 31 March 2020

13 Investments

Group and Society	Investment properties £000	Listed investments £000	Total £000
At 1 April 2018	6,549	25,933	32,482
Purchases	–	18,333	18,333
Transfer from fixed assets	–	–	–
Sales	–	(1,323)	(1,323)
Realised and unrealised gains - Society	(1,057)	612	(445)
Realised and unrealised gains - The Viney Trust	–	19	19
At 1 April 2019	**5,492**	**43,574**	**49,066**
Purchases	–	2,767	2,767
Transfer from fixed assets	11	–	11
Sales	(4,936)	(15,252)	(20,188)
Realised and unrealised gains / (losses)- Society	(65)	1,843	1,778
Realised and unrealised gains - The Viney Trust	–	21	21
At 31 March 2020	**503**	**32,954**	**33,455**

14 Debtors

	Group		Society	
	2020 £000	2019 £000	**2020 £000**	2019 £000
Trade debtors	976	508	517	106
Prepayments and accrued income	4,447	4,277	4,307	4,136
Taxation debtors	126	–	126	–
Other debtors	38	74	38	74
Amounts due from subsidiary	–	–	–	–
Total debtors	**5,587**	4,859	**4,988**	4,316

15 Creditors: amounts due within one year

	Group		Society	
	2020 £000	2019 £000	**2020 £000**	2019 £000
Trade creditors	339	881	339	881
Accruals	1,575	1,412	1,575	1,412
Deferred income	2,726	1,563	1,917	671
Taxation and social security	471	357	471	357
Other creditors	812	790	811	789
Amounts due to subsidiary	–	–	806	571
Total creditors: amounts due within one year	**5,923**	5,003	**5,919**	4,681

Notes to the financial statements (continued)
Year ended 31 March 2020

15 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	
	2020 £000	2019 £000	**2019 £000**	2019 £000
Deferred income at the start of the year	1,563	1,400	671	358
Deferred income brought forward released in the year	(69)	(1,348)	425	(178)
Income deferred from the year	1,233	1,511	822	490
Deferred income at the end of the year	**2,726**	1,563	**1,917**	671

16 Provisions for liabilities

Group and Society

	Property dilapidations £000	Total provisions £000
At 1 April 2019	745	745
Charged in the year	511	511
Used in the year	–	–
Released unused	(30)	(30)
Total provisions	**1,226**	**1,226**

	Property dilapidations £000	Total provisions £000
Amounts due within one year	484	484
Amounts due after more than one year	742	742
Total provisions	**1,226**	**1,226**

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 2020

17 Commitments

At 31 March 2020, the Group and Society had £1.1m (2019: £1.5m) of authorised but not contracted capital commitments and £1.5m (2019: Nil) contracted capital commitments that had not been reflected in the financial statements.

Minimum payments under operating leases are:

2020	**Land and buildings £000**	**Motor vehicles £000**	**Office equipment £000**	**Total £000**
Amounts falling due:				
within one year	1,932	60	–	1,992
between two and five years	6,564	79	–	6,643
after more than five years	4,366	–	–	4,366
Total operating lease commitments	**12,862**	**139**	**–**	**13,001**

2019	Land and buildings £000	Motor vehicles £000	Office equipment £000	Total £000
Amounts falling due:				
within one year	1,396	61	15	1,472
between two and five years	5,130	141	–	5,271
after more than five years	3,424	–	–	3,424
Total operating lease commitments	9,950	202	15	10,167

18 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 £348,315 (2019: £348,000).

In the year ended 31 March 2018, the Society 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 2020

19 Funds

Group

	Balance at 31 March 2019 £000	**Income £000**	**Expend-iture £000**	**Other gains and (losses) £000**	**Transfers £000**	**Balance at 31 March 2020 £000**
Unrestricted funds						
General Funds	20,000	34,208	(36,095)	223	(2,167)	16,168
Designated funds:						
Property fund	3,773	–	(1,006)	–	2,091	4,858
Strategy fund	20,210	–	–	–	(12,294)	7,916
Total designated funds	23,983	–	(1,006)	–	(10,203)	12,774
Unrestricted funds before pension deficit liability	43,983	34,208	(37,101)	223	(12,370)	28,943
Pension deficit fund	(938)	–	(11,234)	(382)	12,370	(183)
Total unrestricted funds	43,045	34,208	(48,335)	(159)	(0)	28,759
Restricted funds						
Big Lottery Fund	428	1,051	(973)	–	–	506
Other grants	393	2,153	(2,743)	–	–	(197)
Total restricted funds	821	3,204	(3,716)	–	–	309
Endowment funds						
The Children's Society Fund	8,348	–	–	736	–	9,084
Charnwood House	1,415	–	–	125	–	1,540
Charnwood Forest	936	–	–	83	–	1,019
Hampshire Girls and Boys Home	381	–	–	34	–	415
The Children's Society	486	–	–	43	–	529
The Spooner Trust	657	–	–	58	–	715
The George and Marion Slack Fund	1,077	–	–	95	–	1,172
Total endowment funds	13,300	–	–	1,173	–	14,474
Total funds	**57,166**	**37,412**	**(52,051)**	**1,014**	**(0)**	**43,542**

Funds include revaluation reserves in relating to freehold land and buildings and investment properties of £90,000 (2019: £5,090,000) and relating to financial investments of £328,000 (2019: £1,148,000)

Analysis of net assets by fund

	General funds £000	**Designa-ted funds £000**	**Pension deficit fund £000**	**Restric-ted funds £000**	**Endow-ment funds £000**	**Total £000**
Tangible fixed assets	1,619	3,423	–	–	–	5,042
Investments	9,630	9,351	–	–	14,474	33,455
Total fixed assets	11,249	12,774	–	–	14,474	38,497
Cash	6,498		(183)	309	–	6,624
Other current assets	5,795	–	–	–	–	5,795
Total current assets	12,292	–	(183)	309	–	12,418
Current liabilities	(5,923)	–	–	–	–	(5,923)
Net current assets	6,369	–	(183)	309	–	6,495
Provisions for liabilities	(1,226)					(1,226)
Net assets excluding pension deficit	16,392	12,774	(183)	309	14,474	43,766
Pension deficit	(183)	–	–	–	–	(183)
Net assets	16,209	12,774	(183)	309	14,474	43,583

Notes to the financial statements (continued)
Year ended 31 March 2020

19 Funds (continued)

Group

	Balance at 31 March 2018 £000s	Income £000s	Expend-iture £000s	Other gains and (losses) £000s	Transfers £000s	Balance at 31 March 2019 £000s
Unrestricted funds						
General Funds	20,000	46,593	(32,829)	(887)	(12,877)	20,000
Designated funds:						
Property fund	4,199	–	(1,008)	–	582	3,773
Strategy fund	9,641	–	–	–	10,569	20,210
Total designated funds	13,840	–	(1,008)	–	11,151	23,983
Unrestricted funds before pension deficit liability	33,840	46,593	(33,837)	(887)	(1,726)	43,983
Pension deficit fund	(3,454)	–	(987)	1,777	1,726	(938)
Total unrestricted funds	30,386	46,593	(34,824)	890	–	43,045
Restricted funds						
Big Lottery Fund	1,216	1,691	(2,479)	–	–	428
Other grants	108	762	(477)	–	–	393
Total restricted funds	1,324	2,453	(2,956)	–	–	821
Endowment funds						
The Children's Society Fund	8,071	–	–	277	–	8,348
Charnwood House	1,368	–	–	47	–	1,415
Charnwood Forest	905	–	–	31	–	936
Hampshire Girls and Boys Home	368	–	–	13	–	381
The Children's Society	470	–	–	16	–	486
The Spooner Trust	635	–	–	22	–	657
The George and Marion Slack Fund	1,041	–	–	36	–	1,077
Total endowment funds	12,858	–	–	442	–	13,300
Total funds	**44,568**	**49,046**	**(37,780)**	**1,332**	**–**	**57,166**

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 23.

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.

Notes to the financial statements (continued)
Year ended 31 March 2020

20 Financial instruments

	Group		Society	
	2020 £000	2019 £000	**2020 £000**	2019 £000
Financial assets measured at fair value through profit and loss				
Financial investments	32,954	43,574	32,954	43,574
Debt instruments measured at amortised cost				
Trade debtors	976	508	517	106
Other debtors	38	74	38	74
Amounts due from subsidiaries	–	–	–	–
Financial liabilities measured at amortised cost				
Trade creditors	339	881	339	881
Accrued expenses	1,575	1,412	1,575	1,412
Other creditors	812	790	811	789
Amounts due to subsidiaries	–	–	806	571

21 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 2020 is:

	Services		Trading	
	2020	2019	**2020**	2019
Summarised profit and loss account				
Income	4,279	5,221	75	157
Expenditure	(3,996)	(4,521)	(67)	(139)
Profit for the year	283	700	8	18
Gift Aid distribution to The Children's Society	(283)	(700)	(8)	(18)
Retained earnings	–	–	–	–
Summarised balance sheet				
Current assets	1,509	1,592	16	3
Current liabilities	(809)	(892)	(16)	(3)
Amounts due from / (to) The Children's Society	–	–	–	–
Net assets	700	700	–	–
Share capital	–	–	–	–
Retained reserves	–	–	–	–
Total reserves	–	–	–	–

Notes to the financial statements (continued)
Year ended 31 March 2020

22 Related parties

The Society paid Bates Wells & Braithwaite London LLP, a legal firm in which Jim Clifford, a Trustee, was a partner for 10 months of the year, retiring on 5th February, £42,720 (2019: £26,000) 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 £13,068 (2019: £11,558).

The Children's Society, Age UK and the Alzheimers Society have equal shares in a company called CharITyshare Limited which previously provided a shared IT service to the three charities. This company ceased to trade on 30 June 2018. On 1 June 2020 Karen Spears and Matthew Haw of RSM Restructuring Advisory LLP were appointed as joint liquidators in a Members Voluntary Liquidation, a solvent wind up.

The Children's Society accounts directly for its share of the assets, liabilities and cash flows. The value of services from CharITyshare Limited in the year was £14,000 (2019: £576,000) and at the balance sheet date the amount due from CharITshare Limited was £1,000 (2019: £40,000).

Transactions with subsidiary undertakings	**2020**		2019	
	£000 Services	**£000 Trading**	£000 Services	£000 Trading
Balance sheet amounts				
Amounts due to the parent undertaking	–	16	–	3
Amounts due from the parent undertaking	822	–	574	–
Income				
Donations from the parent undertaking	–	–	–	–
Expenditure				
Donations to the parent undertaking	283	8	700	17

Notes to the financial statements (continued)
Year ended 31 March 2020

23 Grants received

The following grants have been received in the year:	**£000**
Reaching Communities Grants	
The National Lottery Community Fund - Be more digital	208
Disrupting Exploitation	694
Essex - Community Hidden Harm Awareness Team	122
Lancashire-new Blackburn Lottery 63QL	131
Missing from Home Extension	50
Programme against Child Sexual Exploitation - London	103
Grants from other charities and funders	
Home Office EUSS	217
Paul Hamlyn - Voice and Influence project	103
NHS Salford CCG Innovation Fund Locality Call Contract - Virtual Reality with You, Counselling Services for Chilc	99
The London Education Fund - Coordinated Crisis Support	89
One Family Foundation	40
BBC Children in Need - Safeguarding Children At Risk - Prevention and Action	31
The Sir James Knott Trust - Safeguarding Children At Risk - Prevention and Action	29
Oglesby Charitable Trust - Support for Young People Missing from Home	21
Lankelly Chase Foundation - System Changers	21
Bryan Guinness - Safeguarding Children At Risk - Prevention and Action	1
Safeguarding Children At Risk - Prevention and Action	9
Other grants from charitable bodies in the year amount to:	
National Prevention Project CSE/A	548
Safe Zones	447
Other	240
Total	**3,204**

Corporate Information

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

Registered Office:
Whitecross Studios
50 Banner Street
London
EC1Y 8ST

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 Stephen Cottrell

Vice-Presidents
Bishops of the Church of England

Honorary Vice-Presidents
Mr S E D Fortescue BA FSA
Mrs A Lush MBE
Mr D J Lush MBE
Dr N de M Rudolf MA BM BCh FRSM

a. Member of the Risk, Audit and Compliance Committee
b. Member of the Finance and Investment Committee
c. Member of the Organisational Development Committee

Trustee Board and Committee attendance

Name	Trustee Board	Finance and Investment Committee	Organisational Development Committee	Risk, Audit and Compliance Committee	Trustee Board away days
Trustee Board members					
Janet Legrand (Chair)	4/4	3/4	4/4		2/2
+Libby Lane (Vice Chair)	3/4		3/4		1/2
Chris Gillies	4/4	4/4		3/4	2/2
Adrian Bagg**					1/1
Amelia Torode	3/4		3/4		1/2
David Ramsden	4/4	4/4			2/2
Deborah Harris-Ugbomah*	3/3			1/1	
Diane Blausten	4/4		4/4		2/2
Dianne Smith	4/4			2/3	2/2
Florence Kroll*	2/3			0/1	
Jessica Lee**	2/2			0/2	0/2
Jim Clifford	2/4			2/3	1/2
Nasima Patel	2/4			2/3	0/2
Sam Monaghan*	2/3		1/2		
Sarah Payne*	3/3	2/2			
Stuart Duncan	2/4			0/3	1/2
Theo Ricketts	1/4	0/4			0/2
Wes Cuell**	2/2			2/2	1/2

*Appointed during the 2019/20 financial year
**Retired or resigned during the 2019/20 financial year

Young Trustees
Aya Hachem (Deceased May 2020)
Musa Nela
Chloe Brown
Latifa Messiouri
Bilkis Ahmed
Chloe Pollitt-Johnson
Taha Diallo
Adil Said

Members of committees
Shivani Patel (a)
Alison Hopkinson (b)
Simon Foster (b)

Chief Executive
Nick Roseveare
(Interim, resigned August 2019)
Mark Russell
(Appointed August 2019)

Company Secretary and Executive Director, Finance and Corporate Services
Elizabeth Walker

Executive Director of Children and Young People
Dara de Burca

Executive Director of Diversity and Talent
Michelle Clark
(Appointed March 2020)

Executive Director of Engagement and Income Generation
Joe Jenkins

External Affairs Director
Peter Grigg
(Resigned, December 2019)

Auditors
Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

Bankers
Barclays plc
1 Churchill Place
London E14 5HP

a. Member of the Risk, Audit and Compliance Committee
b. Member of the Finance and Investment Committee
c. Member of the Organisational Development Committee

Thank you to Supporters

The Children's Society is a growing community of people together doing all we can to change the lives of the most vulnerable children in our country. We are immensely grateful to everyone who joined with us this past year – campaigning, donating, fundraising, volunteering and encouraging everything we do.

We also wish to thank everyone that has responded to our emergency appeal as the Covid-19 crisis broke early in 2020. This is a critical time for children and young people, particularly the most vulnerable, who have been disproportionately impacted by the effects of the pandemic. Thank you to everyone who has taken action with us during this crisis and offered support to ensure we can continue to be there for the children who need us most.

These are challenging times for young people and while we may feel daunted by the crisis, our resolve is stronger than ever. We take inspiration from the supporters who stand with us, shoulder-to-shoulder, and encourage us to keep going. We will do all we can to offer a lifeline for children who have nowhere else to turn – children who we believe should and must feel hope for their future.

Thank you. Together, we will prevail.

Thank you to Corporate Partners

Special thanks to our corporate partners:

- Coinstar Ltd
- Crane
- Northern Gas Networks
- ShareGift
- Bullring and Grand Central
- OneFamily Foundation
- Helpcards Ltd.
- #iwill Fund with support from Virgin Money Foundation
- DLA Piper LLP
- Parcelforce
- Ebay
- Sharpe Pritchard LLP
- Dentons UK and Middle East LLP
- Morgan, Lewis & Bockius UK LLP
- Bupa UK Foundation

Special thanks to our funders:

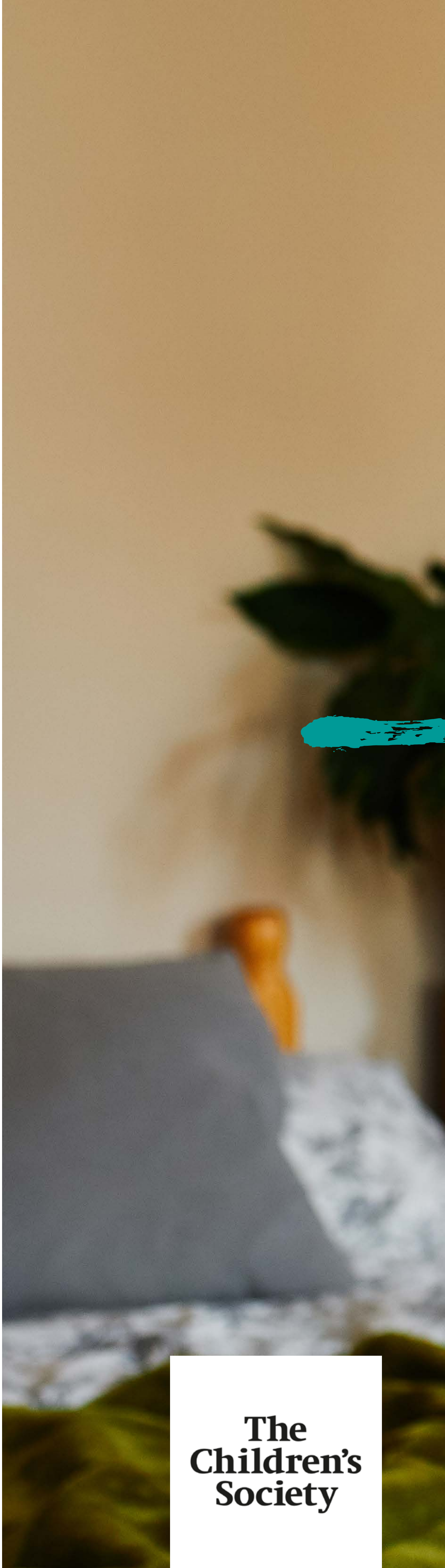
- BBC Children in Need
- City Bridge Trust
- Lloyds Bank Foundation
- Mission in Britain Fund
- Masonic Charitable Foundation
- Oglesby Charitable Trust
- The Ballinger Charitable Trust
- The Eveson Charitable Trust
- The Legal Education Foundation
- The Ofenheim Charitable Trust
- The Paul Hamlyn Foundation
- The PF Charitable Trust
- The Robert Fleming Hannay Memorial Charity
- The Samworth Foundation
- Trust for London
- Wellcome Trust

Every young person should have the support they need in order to enjoy a safe, happy childhood.

That’s why we run services and campaigns that make children’s lives better and change the systems that are placing them in danger.

The Children’s Society is bringing hope back to children’s lives.

Twitter: @childrensociety
Tel: 0300 303 7000



Charity Registration No. 221124 Photos: Chris ‘Donovanash. FIN003/1220