ANNUAL REPORT 2020-21

Believe in children

Barnardo's

WE BELIEVE IN CHILDREN

CONTENTS

Introductions 04

Chair's introduction 05
Joint Chief Executives' (Interim) Introduction 06

Report of the Board of Trustees 08

Impact Report: Progress against our Corporate Strategy 09
Financial Review 30
Structure, Governance and Management 38
Sustainability Report 42
Section 172 of the Companies Act 2006 44

Statement of Trustees' Responsibilities 46

Independent Auditor's Report 48

Financial Statements 52

Consolidated statement of financial activities 53
Balance sheet 54
Consolidated statement of cash flows 55
Consolidated summary income and expenditure account 55

Notes to the Accounts 56

Gifts and Grants received 80

Board of Trustees 86

INTRODUCTIONS

CHAIR'S INTRODUCTION



This report covers an extraordinary year for Barnardo's, for the UK and for the world.

I am extremely proud of the charity's achievements in 2020-21, which are a testament to its strength and resilience, but also to the tremendous commitment and creativity of our people.

Throughout its long history, Barnardo's has always supported vulnerable children when they are most in need, including at times of crisis, and when COVID hit, I can say with confidence that we rose to the occasion.

It quickly became apparent that the economic and social effects of the necessary lockdown measures would take a heavy toll on children's education and their wellbeing, both in the short term and potentially for months and years to come.

We were deeply concerned that the pandemic would give rise to a 'perfect storm', with children and families at even greater risk, while statutory services faced being overwhelmed, and charities like ours took a huge hit to their income.

Our response to this unique situation was to think differently about how we could use our experience and expertise to meet the demands of the day. Importantly, we were clear that we would achieve far more in partnership than we ever could alone, which is why we worked with the Department for Education to develop the See, Hear, Respond programme, through which we led a partnership of more than 80 charities and community-based organisations to reach over 100,000 children and young people who were not accessing statutory support, but who were struggling as a result of the pandemic.

Through all of this, hundreds of our colleagues continued to work face to face throughout the lockdowns, supporting the most vulnerable children. Thousands of other colleagues transformed their ways of working overnight to use phone, messaging apps and video calls to continue reaching children and young people at risk of harm and those struggling with their mental health. Additionally, thanks to the generosity of the British public and our corporate partners in supporting our Coronavirus Crisis Appeal, we were able to provide thousands of families with food parcels, help paying for their bills, and vital technology, so that children could stay fed and warm, and continue with their schoolwork.

Like many other organisations, COVID had a significant impact on our income in 2020-21. In particular, the closure of our retail shops during periods of lockdown, combined with a severe impact on our fundraising, meant that overall our income was £61m less than originally projected (gross). However, the charity has worked hard to address this challenge, whilst protecting our vital frontline work, and I am now confident that we are now in a strong position.

Looking forward, despite the varied challenges presented by the pandemic, there are many reasons to be optimistic. Amongst them is the fact that adversity clearly gave rise to invention, with Barnardo's embracing both hybrid physical and digital ways of working and developing partnerships with others, to a greater degree than ever before. I believe this ability to flex our approach will serve us, children, families and communities, especially well in the years to come.

I would like to record my thanks, on behalf of the Board of Trustees, to the outgoing Chief Executive Javed Khan, for his significant contribution during more than seven years at the charity. We are particularly grateful to Javed and the whole leadership team for successfully steering Barnardo's through the COVID pandemic, with the unwavering support of our colleagues and volunteering right across the charity.

The events of the last year have demonstrated that Barnardo's vital work is needed more than ever before, especially as the true impact of the pandemic on children and young people becomes apparent.

Finally I want say a special thank you to my fellow Board Trustees, all of whom devoted much time and effort to the charity through this challenging period. As we look forward to Barnardo's next chapter, we are confident that we have the foundations required to continue achieving long-term, positive change for vulnerable children across the UK.

John Bartlett, Chair, Barnardo's

JOINT CHIEF EXECUTIVES' (INTERIM) INTRODUCTION



We are incredibly honoured to take on the role of interim co-Chief Executives and to lead Barnardo's at this critical time.

Having spent the first part of our careers on the frontline supporting children and young people, before serving in leadership roles, we are acutely aware of the impact of the pandemic on families across the UK. For all children, but especially for the most vulnerable, the Covid period has been deeply disruptive and traumatic – affecting everything from school to friendships to access to sports. It has also created a strong sense of uncertainty and insecurity, that is likely to continue for some time to come.

We are extremely proud of how our amazing colleagues and volunteers across Barnardo's responded to the unique and unforeseen challenges we faced in 2020-21, and which we continue to face today. Our people are truly our most precious resource. We would always say that colleagues in our vital services go above and beyond what is expected, but when the first lockdown began, the outpouring of generosity, self-sacrifice and creativity was unparalleled, as they worked to reach all those who needed our help.

Looking forward, just as we start to look tentatively to the next stage in the pandemic, and seek to restore some sense of normality to the experience of childhood in the UK, we now have thousands of evacuee families from Afghanistan who face profound and multiple challenges, which as a society we must seek to address.

At Barnardo's, the challenge ahead is clear: our services have never been more needed by so many, at a time when our income, like that of many others', has taken a significant hit.

But we also know that the world has changed, and that Barnardo's must change with it. More children and families are facing significant and complex challenges, needing support with their mental health and wellbeing, to help keep them safe, and to address poverty and disadvantage.

We have already taken vital learning from recent months and begun building on it to make sure we are in the best possible place to meet the challenges of tomorrow. This means fully embracing technology to maximise the reach and effectiveness of our services; embedding equality, diversity and inclusion deep into the heart of our charity; and continuing wholeheartedly on our journey towards becoming a truly learning organisation.

It also means harnessing the power of partnership working – joining forces across the charity sector, with Government, with business and beyond, to deliver the best possible outcomes for children and young people. Through strategic partnerships focussed on innovation and system change, through national centres of expertise and through local delivery partnerships, we will continue to evolve and respond to existing and emerging needs across the four nations of the UK.

In reflecting on our work during the pandemic, we are mindful that the support we provided to children and young people was only possible thanks to our partners, donors, and the generosity of the British public. We want to take this opportunity to record our sincere thanks to everyone who has contributed to our work during this critical period. With rising need and a challenging external environment, your support is needed more than ever before.

In leading Barnardo's, we are custodians of the charity's legacy, but also of its future. Between us, we have already served the charity for 42 years, and we look forward to building on this experience and on our profound commitment to the mission and purpose, vision and values, as we move forward.

As female leaders in a field where the workforce is overwhelmingly made up of women, we also hope to inspire others, and to demonstrate that at Barnardo's, opportunities are available to everyone.

Finally, we are very grateful for the support of the wider leadership team, and of the Board of Trustees, and are excited to enter this new chapter in the spirit of collaboration and partnership, working with hope and a fundamental belief in children at the heart of all we do.

Lynn Perry MBE and Michelle Lee-Izu, Co-CEOs (Interim), Barnardo's


“I CAN JUST SAY I’M FINE AND NOBODY CAN DISAGREE BECAUSE THEY DON’T KNOW.”

REPORT OF THE BOARD OF TRUSTEES

IMPACT REPORT: PROGRESS AGAINST OUR CORPORATE STRATEGY

"This year we reached the mid-point in our 2016-2025 Corporate Strategy, which sets out our goal to achieve better outcomes for more children. In the face of unprecedented circumstances, we continued to deliver on our aims, by creating stronger families, safer childhoods and positive futures.

Included in the report of the Board of Trustees is the Strategic Report and the Directors' Report.

CONTEXT

In our 2016-2025 Corporate Strategy, we set out our goal to achieve better outcomes for more children, building on our achievements over more than 150 years. We have been doing this by creating stronger families, safer childhoods and positive futures, building on our core aims. Beyond this we want to achieve long-term, meaningful change for vulnerable children. This means that wherever possible, we want to step in early and prevent challenges from occurring in the first place – tackling the causes as well as the symptoms. Central to this ambition is working in partnership with national and local government, agencies and other charities, to change children's lives and the systems around them for the better.

In this section we outline how our activities during the last year served to meet our objects, including by promoting the health and wellbeing of children and young people.

In the Summer of 2020, it was clear that the world had changed beyond recognition as a result of the Covid-19 pandemic. **Like many other charities, we were hit very hard by the pandemic. While our contractual income mostly held up, our fundraising was severely affected, and the closure of our retail shops had a devastating impact on our income. As a result, in 2020-21, our income was £61m less than originally projected.**

Although the fundamentals of our Corporate Strategy remained relevant, we decided that to continue achieving our aim, we had to change the way we operate.

This was in response to the twin challenges of growing demand for our services, and a significant reduction in income, which together create the potential for a 'perfect storm'.

We therefore published our ***Revised Corporate Strategy: Towards Resurgence 2020-23.***

It sets out that during this period, we will focus on three objectives, which are:

1. **To focus our resources on our core mission – supporting vulnerable children and young people through our front-line services**
2. **To generate as much net income as we can, to invest in our vital services**
3. **To work with partners to improve the system surrounding vulnerable children and young people**

This approach recognised that to achieve our aim of better outcomes for more children, we would need to narrow our focus for a period of time, directing our efforts towards our core purpose to support vulnerable children and young people. During this period, we will need to reduce our operating costs and stop some of our current activities. Despite this, we are clear that our intention is not simply to 'get through' this period of difficulty, but to 'bounce back' as soon as possible and to do so stronger, more innovative, and better able to meet the increasingly

complex needs of vulnerable children and young people.

The impact of Covid-19 on children, young people and families

Evidence suggests that by Winter 2020, Covid-19 had driven some 690,000 more people into poverty. This is despite Government interventions, including the temporary increase in Universal Credit[1]. By October 2020, 67 per cent of Barnardo's frontline workers were supporting someone in poverty or at risk of being in poverty (up from 47 per cent in April 2020) and 77 per cent were supporting young people or families experiencing reduced earnings[2].

"I've been applying for so many jobs but the only ones going right now are like delivery drivers and I can't drive, and supermarket work and I can't do that because of my physical health."

Female, aged 22, Care leaver

Covid-19, and the measures to contain it, also had a significant negative effect on children and young people's mental health. Official data from July 2020 suggests that one in six children aged 5 to 16 probably had a mental disorder, up from one in nine in 2017[3].

In April 2020, 48 per cent of Barnardo's frontline workers were supporting children reporting an increase in mental health issues because of the Covid-19 pandemic. By July 2020 this had increased to 64 per cent. The most common issues connected to the pandemic were anxiety and difficulties sleeping.

The pandemic had a severe impact on every aspect of education. There is evidence that, by Autumn 2020, children had experienced two months of 'learning loss'. The impact on schools with high levels of pupils from deprived backgrounds was about 50 per cent higher than in schools with the fewest pupils from deprived backgrounds[4].

In October 2020, more than half (53 per cent) of Barnardo's frontline staff who were supporting children not attending school, said families had not been provided with enough support to help children to learn from home.

Children being out of school, together with services and support which were either withdrawn, paused, or taking place remotely, resulted in reduced oversight of children during the first national lockdown. This placed many children at increased risk of harm, including neglect, abuse and exploitation. Reduced social contact and lockdown restrictions meant that there were fewer opportunities to escape unsafe home environments and access help and support.

The impact of Covid-19 is not uniform. Black people were four times more likely to die of Covid-19 than white people, the number of children suffering anxiety or stress in lockdown increased by 11 per cent for Black, Asian or ethnic minority children, compared to 3 per cent for white children[5].

1 Legatum Institute (2020) Briefing: Poverty During the Covid-19 Crisis. London: Legatum Institute. Available from https://li.com/wp-content/uploads/2020/11/Legatum-Institute-briefing-on-poverty-during-the-Covid-crisis.pdf.

2 Barnardo's Quarterly Practitioner Survey launched in June 2019 to capture emerging issues and impacts on children and families, directly from Barnardo's service staff. To date, nine waves of the survey have been undertaken, each completed by an average of 559 practitioners.

3 NHS Digital (2020) Mental Health of Children and Young People in England, 2020: Wave 1 follow up to the 2017 survey. NHS Digital. Available from https://digital.nhs.uk/data-and-information/publications/statistical/mental-health-of-children-and-young-people-in-england/2020-wave-1-follow-up.

4 Department for Education (2021) Understanding progress in the 2020/21 academic year. Interim findings. London: Department for Education. Available from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/962330/Learning_Loss_Report_1A_-_FINAL.pdf.

5 Kooth (2020) Week 14: How Covid-19 is Affecting the Mental Health of Young People in the BAME Community, June 2020.

In 2020-21 Barnardo's and partners reached **382,872** children, young people, parents and carers.



We supported work with:

103,057
vulnerable children and young people through our Covid-19 response programme, See, Hear, Respond[5] *(see page 13)*

81,792
people through one-to-one support

159,984
through 62 Barnardo's children's centres and family hubs including 105,400 through our Essex Child and Family Wellbeing Service (partnership)

38,039
through our school-based programmes

PG 11



791 services and partnerships throughout the UK

Northern Ireland **90** services | Scotland **157** services | Wales **57** services | England **487** services

7,338 colleagues[6]

10,400 volunteers[7]

650 retail shops

Our reach in 2020-21

5,294 Child Abuse and Exploitation

51,398 Early Support

250,425 Family Support Services

2,071 Leaving Care

1,171 Looked After Children

48,500 Mental Health

6 See, Hear, Respond data may include duplicates, and therefore cannot be compared to previous years' Service User Counts.

7 Full time, part-time and as and when staff

8 Number of volunteers on 5th May 2021

PROGRESS AGAINST THE OBJECTIVES IN OUR REVISED CORPORATE STRATEGY 2020-23

Objective 1: Focus our resources on our core mission – supporting vulnerable children and young people through our front-line services.

PG 12

In 2020-21 we had to rethink how we deliver services, focusing on supporting the most vulnerable children, and innovating to provide services differently. While more than 500 frontline colleagues continued to provide face-to-face support throughout the national lockdowns (in line with Government guidance), many of our services had to move quickly to operate differently, providing support by phone, messaging apps, and video calls. Towards the end of 2020-21 an anonymous feedback survey found that 93 per cent of service users said that they always felt listened to, 95 per cent said that they always felt respected, 88 per cent said that they felt that they always had a say in decisions that were made about their support, and 87 per cent stated that the support was always helpful[9].

As the Covid-19 crisis hit, we launched the Barnardo's Coronavirus Crisis Appeal, which raised vital funds, as well as awareness of the needs of vulnerable children and families during the pandemic. This enabled us to:



deliver 7,207 food parcels for children, young people and families living in food poverty



deliver 7,260 mental health and wellbeing packs to children, young people and families we support



make 1,350 emergency fuel payments for families and young people, courtesy of the Energy Savings Trust



buy 1,383 laptops/tablets and 218 mobile phones to connect with online learning and family and friends

In 2020-21 Barnardo's also provided a number of national services delivering direct support to vulnerable children and young people.

"My support with young people has become more creative. Through Facetime and WhatsApp some have been showing me how they are keeping busy."

Support Worker, Forth Valley

9 Anonymous pilot survey with 146 service users when closing support, across 20 services between 18th December 2020 and 24th March 2021.

See, Hear, Respond

See, Hear, Respond was a unique and innovative programme, reaching **103,057** vulnerable children, young people, parents and carers struggling as a result of the pandemic, between June 2020 and March 2021. A further 360,000 benefited from the online advice hub. Feedback from around 3,000 families collected by delivery partners showed that 98 per cent felt listened to, 95 per cent felt respected, 89 per cent felt they had a say in their support, and 98 per cent said the support was helpful.

Funded by the Department for Education and led by Barnardo's, See, Hear, Respond was delivered through interdependent partnership with 87 charities and community-based organisations – large and small, national and local, to support children who did not qualify for statutory support, and were 'hidden' from professionals during the crisis.

Together, we provided:

- an online support package to make sure children and families had accessible, interactive support
- online and telephone triage by trained professionals who sourced tailored support from charity workers within the partnership
- online counselling or therapy for those experiencing mental health issues that can be safely addressed online
- youth work and face-to-face crisis support, particularly for those at risk of or experiencing exploitation

An independent evaluation of the first phase (between June – November 2020) by Cordis Bright[10] concluded that the programme demonstrated the role that the voluntary and community sector can play to support children and young people, working as part of a coordinated network of partners. This included the important role that delivery partners played in engaging communities as well as the value of a diverse offer of support. It found that See, Hear, Respond was able to achieve this due to:

- being collaboratively designed and established rapidly
- identifying children and families requiring support
- effective delivery of support
- good quality support
- exit planning



10 Cordis Bright, (2021) See Hear Respond Final Evaluation Report.

Caitlin, aged 13, is a Year 8 pupil who received support with her confidence and to help her re-engage in education, through See, Hear, Respond. Her mother has health issues and was experiencing financial hardship during this period. Caitlin described the challenges of caring for her mum coupled with a lack of appropriate technology to continue her education during lockdown until Barnardo's provided her with a computer:

It's definitely stressful, getting supplies for the house... Even before COVID, Mum didn't go out, but then online shopping was tougher to access. I couldn't access the [school] work during quarantine [... because] I had issues with my computer. But then they gave me a new one.

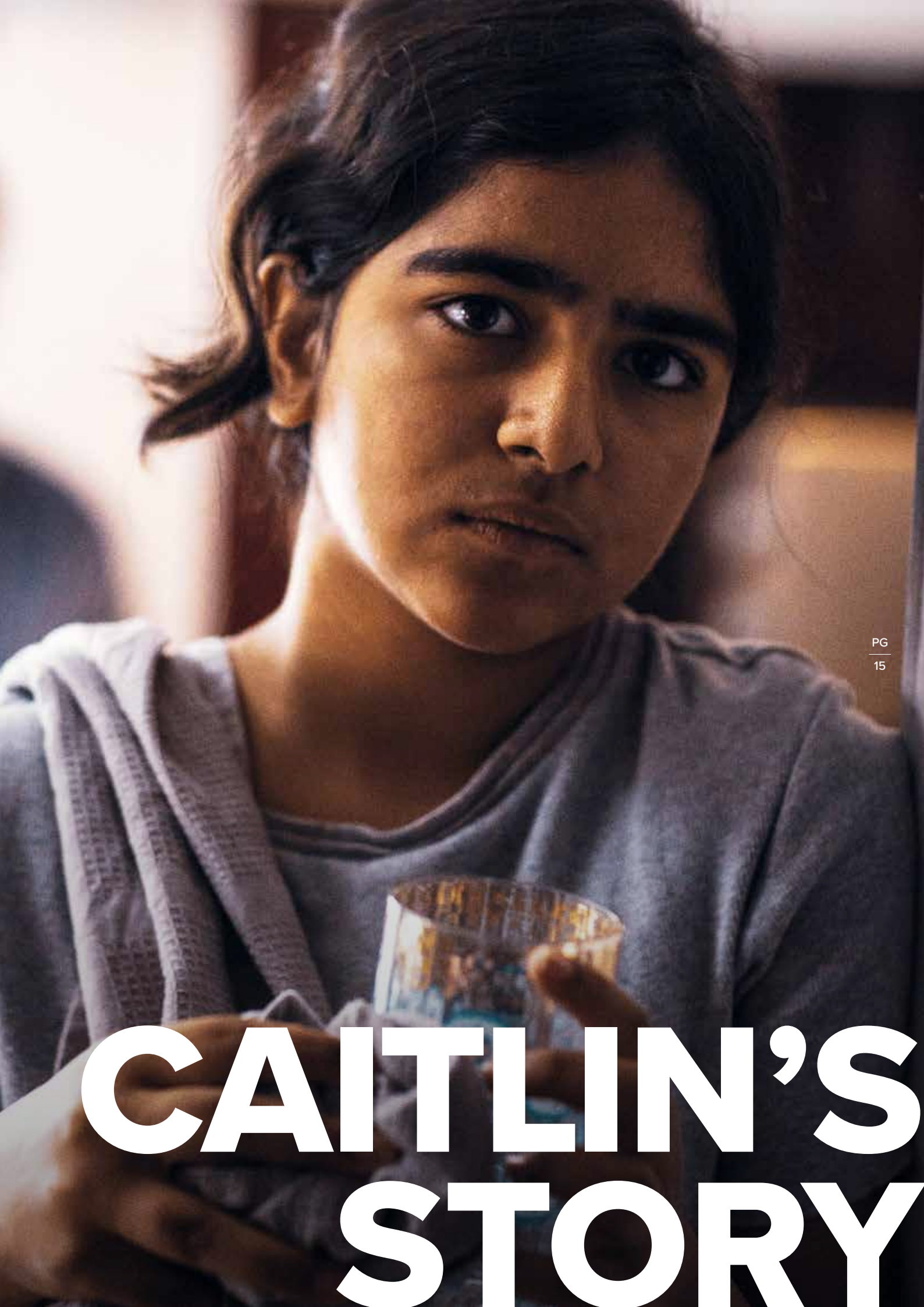
Caitlin described how the support she received from her support worker has helped to alleviate some of these challenges:

Talking to [my support worker], it's different to talking to my Mum.. I can relate with [her].... [She] always says if I'm upset, I can just call her.

The supporter worker also worked with the family to address some of their financial challenges around outstanding bills, as well as working to improve Caitlin's mental health and wellbeing. Caitlin's mum described their experience:

This was the best and quickest help we've had. It's not just about financial support – when someone also takes care of your mental health, it's so important.





CAITLIN'S STORY

See, Hear, Respond Celtic Nations

We also received funding from the National Emergencies Trust (NET) to extend some aspects of See, Hear, Respond to Scotland, Wales and Northern Ireland, to respond to unmet needs in these countries. See, Hear, Respond Celtic Nations offered therapy through a helpline which supported children, young people and their carers experiencing distress, trauma or mental health difficulties and who could be worked with safely online. Barnardo's supported people to reflect on and understand their difficulties, develop coping strategies, build wider support networks, and manage feelings during this period. As well as providing online therapy to young people and families, See, Hear, Respond Celtic Nations referred children and families to relevant agencies and services, to make sure they can access wider forms of support. Between 30 September 2020 and 31 March 2021, a total of 1,429 children and young people and parents or carers were referred to the service.

PG 16

Boloh

Barnardo's is committed to reaching out to children from all communities who need our help. As described in the context on page 10, children of Black, Asian and Ethnic Minority heritages are disproportionately affected by the pandemic in many ways. Unfortunately, other services have not always been accessible or able to meet their needs. In some cases, this is about language and so Boloh services were available in a range of languages but for many children and families, speaking to someone from their own community, who understands cultural norms or traditions, can feel safer and easier.

"I am grateful for the emotional support provided and it has helped me to be a better parent. I have told my friends about Boloh and recommend that they make contact if they need support."

45-year old mother from West Africa, Boloh helpline user

Barnardo's was funded by the National Emergencies Trust to provide Boloh, a UK-wide telephone helpline and web chat facility for Black, Asian, and ethnic minority children, and their families, who have been affected by Covid-19. Our Boloh advisers have helped vulnerable children and parents with issues including an overwhelming number of deaths, unemployment, increased stress, mental health difficulties and poverty. The helpline is providing a lifeline by reaching the neediest and providing them with vital support. Alongside helpline support, where callers require further, specific, or more intensive support, Barnardo's also provides therapy. Between 30 September 2020 and 31 March 2021, 897 children, young people and parents/carers contacted the Boloh helpline. The most common reason for accessing Boloh support was financial problems (including unemployment and furlough, debt and need for food vouchers, and the need for computers), followed by the need for mental health and well-being support due to lockdown.

"I couldn't have expected a better service and I feel elated I chatted with you from the get go although I'm rushed with baby I feel your patience and understanding."

Arabic speaking mother,
Boloh helpline user

Independent Child Trafficking Guardians

Barnardo's is one of the few organisations in the UK which provides direct, specialist support to children who have been trafficked. We help children and young people cope with the practical and emotional trauma of being trafficked and exploited. Our specialist support workers help them to understand and navigate complex processes in order to engage effectively with social care services, the police and immigration – helping them to understand and navigate complex processes. We are commissioned by the Home Office to run specialist Independent Child Trafficking Guardianship Service (ICTGS) services across locations in England and Wales that:

- build trusting relationships with trafficked children to help them build a positive future
- help children navigate the criminal justice, immigration, and social care systems
- give practical support, such as help with housing, medical needs and education
- give emotional and psychological support
- train professionals working with children so they can spot the signs of trafficking and know how to support trafficked children

The ICTG service now covers two thirds of local authorities across England and Wales; an important milestone in the National Referral Mechanism Transformation Programme and the commencement of Section 48 of the Modern Slavery Act.



Objective 2: Generate as much net income as we can, to invest in our vital services

2020 was a challenging year for fundraising across the charity sector with retail stores closed and activity such as face to face fundraising and events unable to continue during lockdowns. However, it also presented new opportunities to engage our supporters and we adapted our plans to find innovative ways to continue generating income. From late March 2020 to the end of March 2021, with the help of our generous supporters, including donations from members of the public, and in-kind contributions from our corporate partners, other organisations, and local businesses, the Barnardo's Coronavirus Crisis Appeal raised £2.4million.

We are grateful for the ongoing generosity of all our supporters, not least our individual donors who have continued to give to us during this challenging time. In fact, in 2020-21 our supporter retention improved by almost 10 per cent in comparison to the previous year. In addition, thousands of new and loyal supporters gave to the Crisis Appeal, and our seasonal appeals raised 8 per cent more than in 2019-20.

PG 18

Online Retail

Ecommerce was one of the areas that profited from the closure of the high streets during the pandemic restrictions and Barnardo's online shop was no exception.

- turnover rose from £91,653 in 2019-20, to £330,097 in 2020-21
- over the last year the online shop attracted more than 292,000 new visitors, compared to 61,000 in the previous year
- the number of transactions increased by over 460 per cent
- the online shop's conversion rate also saw a healthy increase of over 16 per cent, rising to 3.16 per cent of website visitors making a purchase in 2020-21 from 2.70 per cent in 2019-20

Our eBay operation saw an increase in revenue from just over £1M in 2019-20, to £1.44M in 2020-21 despite suffering from a lack of donated stock due to store closures[11]. eBay sales during lockdown benefited from additional new goods being introduced to the channel, and a large volume of gift in kind products coming through the doors.

Challenge Events

During 2020, lockdowns and social distancing measures meant that many of our regular outdoor and indoor fundraising challenge events were cancelled. We had to find a way to keep hundreds of supporters engaged and actively fundraising throughout the year, so the Challenge Events team worked quickly to identify, promote and deliver a range of do-it-yourself or home-based fundraising activities which included Barnardo's Dance Challenge – a weeklong Dance-athon that brought supporters from all ages together (virtually) to show off their moves and dance to make a difference. One hundred and two people took part in our pilot event and raised over £8,000. iTRI was held in March 2021 and saw a twist on the conventional triathlon where participants could swap out swimming for their own choice of activity. From open water swimming to paddle boarding, participants came up with amazing alternatives to beat lock down restrictions and still take on the challenge. Nearly 200 people took part in our third iTRI raising almost £20,000. Do Your Own Virtual Challenges was our most popular activity in 2020-21 with over 300 people climbing, running, cycling, and walking to take on their own



11 These figures include sales of new goods, gift in kind and gift-aided transactions.

challenge in their own way and raised £96,000. £20,000 of this was raised by people taking on The 2.6 Challenge that was created by the mass participation events industry.



Kidsmas

Kidsmas is Barnardo's flagship Christmas fundraising and awareness campaign. Based on a successful trial the previous year, Kidsmas 2020 had been in the planning for months when the pandemic struck. Every fundraising team across Barnardo's had to look at their plans and adapt quickly to make sure our supporters, audiences and partners could still engage with Kidsmas during a time of uncertainty and lockdowns.

Kidsmas 2020 was a great success for Barnardo's. We were able to:

- raise over £410,000 for our work
- reach over 700,000 people on social media, and create over 250m opportunities for people to engage with Kidsmas via media and online promotional activity
- create a range of engagement activities including fun packs, mailings, virtual events and a range of Kidsmas-themed jewellery sold in Barnardo's stores
- launch Kidsmas Live – an online showcase for Kidsmas, sponsored by Vodafone

Many opportunities were created for participation, for example, over 50,000 people attended the online Kidsmas event which featured our President Natasha Kaplinsky and performances by children and young people from across the UK.

Trusts

The Westminster Foundation

In response to the Covid-19 crisis, The Westminster Foundation generously awarded Barnardo's £315,895 in 2020-21 to help us develop the Barnardo's Education Community (BEC), a free online 'one stop shop' where professionals working in the education sector can go for trauma-informed resources, support, and advice about how to help children and young people cope with feelings of loss, grief, and bereavement (including the impact of trauma). By protecting mental and emotional wellbeing throughout and after the pandemic, children can use their time in school to focus on their education and reach their full potential.

Alongside this, the Foundation also funded the provision of mental health and wellbeing packs for 1,250 vulnerable young people across London during the early stages of the pandemic. These packs provided tailored support for children already struggling with their wellbeing and the increased pressures of lockdown, taking their mind off the stresses of the pandemic and promoting the development of good mental health.

The People's Postcode Lottery

Our relationship with People's Postcode Lottery goes from strength to strength. Over the last year, we received £2.56m to support a wide range of our services in Positive Futures, Safer Childhoods and Stronger Families across the UK. This includes our life-changing RISE project in Scotland which supports young people dealing with the trauma of sexual abuse and exploitation, and our Family Space service which started in 2020 in response to the growing crises facing families affected by COVID19.

In summer 2020, we were notified of an additional gift of £2.5m, which is being used to support our existing services and to kick-start some exciting new programmes of work around housing for care leavers, health and wellbeing of young people and creating better outcomes for Black and Asian children and young people. As we look forward to 2022 and beyond, we are thrilled to have been selected in the highest category for People's Postcode Lottery's new Children's Trust, which will provide £3m per year over the next three years to continue this amazing work. We are very grateful to People's Postcode Lottery and their players for their fantastic commitment to Barnardo's.

Corporate Partnerships

We're grateful for the ongoing support of our Corporate Partners who worked with us to respond to the crisis, adapt our plans and continue to support vulnerable children and young people. Here are some examples of what we achieved together in 2020-21.



Vodafone

We worked closely with Vodafone through its Great British Tech Appeal to support families and young people by tackling the 'digital divide'. This involved asking the British public and businesses to provide pre-loved donated devices, along with connectivity, to people who might otherwise not be connected. By the end of March 2021, we had distributed 2,716 donated devices via this project.

IKEA

2020 saw the beginning of our third year in a national partnership with IKEA, a partnership that aims to improve the lives at home for care leavers across the UK. In September we embarked on a number of key activities to support care experienced young people as they move towards independent living. This included a bespoke piece of research that highlighted young people's experiences of accommodation when they left care, and an innovative digital platform where care experienced young people could learn independent living skills. IKEA also funded the development of the Discover Digital programme, ensuring vulnerable young people could get the digital skills they need.

In response to the COVID-19 crisis, IKEA generously donated 7,500 wellbeing packs for vulnerable children and their families, and were there for 500 care leavers by providing Life at Home packs, that contained everything a young person would need to set themselves up in their homes.

IKEA also allocated £180,000 of funding for Barnardo's services, split across care leavers services and services that support children and young people with their mental health and wellbeing, in the local communities of IKEA stores. In total, this funded the equivalent of 13,700 hours of support.

Amazon

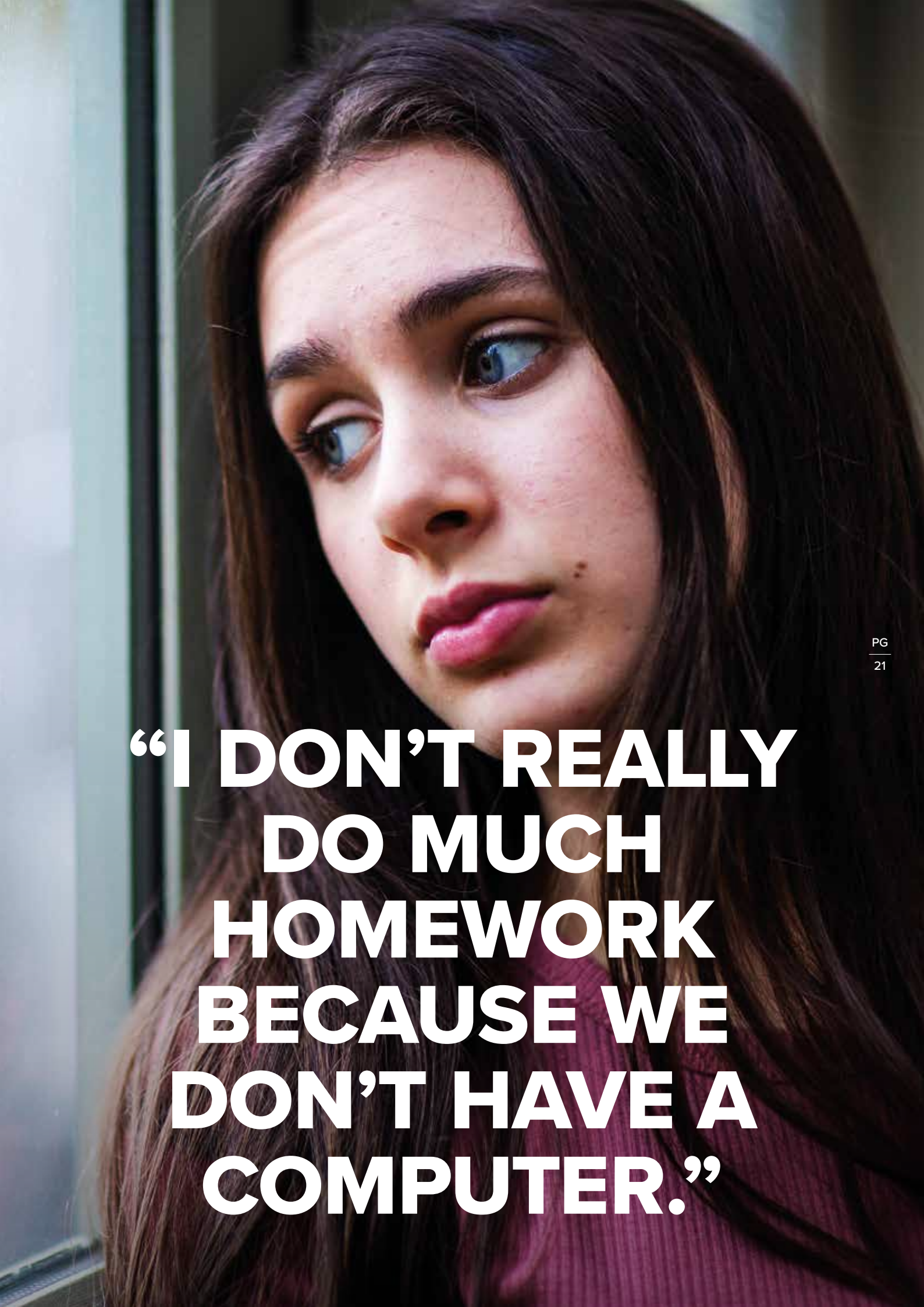
Barnardo's partnership with Amazon included launching an employability programme pilot in Tilbury, Essex which focused on supporting vulnerable young people, including care leavers, to overcome challenges to find work, including with Amazon. The first eight young people have completed the programme, with all of the young people getting a job. Plans are in place to grow the initiative in 2021 and beyond. Amazon also supported over 1,000 Barnardo's beneficiaries through our Kidsmas campaign, providing festive cheer through Kidsmas parties and donations of food and toys to help families after such a challenging year.

QA

Barnardo's launched a new charity of the year partnership with QA, aiming to raise £50,000 to support our work across the UK. Barnardo's and QA are also working together on projects to support vulnerable young people in securing a career in the digital sector – including embedding QA's Teach the Nation to Code sessions across our employability services across the UK. QA employees got involved in the Kidsmas campaign and a virtual challenge from Slough to San Francisco to raise crucial funds.

Saint-Gobain

Barnardo's partnership with Saint-Gobain delivered important opportunities for young people leaving care during 2020, including the launch of Barnardo's first two Gap Homes in Renfrewshire, Scotland funded by Saint-Gobain. The homes provide supported accommodation for care leavers on their journey to independent living, with the first two young people completing their placements and moving onto positive destinations at college and into their own homes. The partnership was recognised at the Business Charity Awards – winning the Community Impact Award.



“I DON’T REALLY DO MUCH HOMEWORK BECAUSE WE DON’T HAVE A COMPUTER.”

Objective 3: Work with partners to improve the system surrounding vulnerable children and young people

The challenges facing the most vulnerable children and young people during the crisis (and even before) are too complex to solve by working directly with their families alone. We recognise that many issues are structural and involve the complex systems around children and young people. We have a growing range of strategic partnerships throughout the UK. In our experience, the most successful partnerships are achieved through shared values, when everyone works together to include children's and young people's voices to design new ways of working.

Leicestershire

Over the last two years, work has been undertaken through our Children's Innovation Partnership with Leicestershire County Council (LCC) to understand the need for residential and edge of care services, bringing together the expertise of many professional disciplines to provide young people and their families with a high level of therapy and tailored attention when and where they need it.

The strategic partnership co-designed a new residential care model where LCC capital investment purchased buildings and Barnardo's will be the service delivery partner for the residential homes.

Frontline staff across both Barnardo's and the Local Authority were actively involved in helping to shape a new model for care homes through a range of consultation events and individual feedback sessions relating to current provision.

This collaboration worked to provide more children with:

- a reduction in the number of placement breakdowns
- a return to birth families where this is safe and appropriate
- a long term / permanent sustainable home where a child/ young person needs to remain Looked After

This will be achieved by providing intensive therapy to individual children and to their families by our team of workers, supported by three specialist workers and a wider multi-agency team.

Children and young people are important participants so they have been influential in the design of the model. As work on each of the new homes makes progress, children will be supported to continue to make an important contribution to their development.

The Strategic Partnership with LCC has demonstrated a completely new way of working and commissioning services based on being trustworthy and respectful when collaborating on new ways of providing support to children, young people and their families.

Plymouth

Our Strategic Partnership with Plymouth City Council focuses on loneliness and social isolation as its main theme. We worked with Plymouth City Council to design several services together so care experienced young people in Plymouth can connect with and support each other. In 2020-21, the partnership worked together to develop several new projects such as wellbeing workshops, where young people can meet other care experienced young people on a range of topics from mindfulness, to budgeting, to internet safety. Lifelabs, is an online portal where care experienced young people have made video blogs to support others to build their skills and knowledge around independent living, which has been developed in partnership with a



local design agency called LEAP and funded by IKEA. Nominet have funded Project Acorn which is an innovative project to test young people's own ideas to reduce loneliness. They are currently developing peer to peer support, where care experienced young people will offer a group work programme that helps care leavers connect with each other as they enter adult life.

Brent

We are working in partnership with the London Borough of Brent to test new ways of designing services based on research evidence and working with young people with experience of being in care.

Research shows that the needs and experiences of young people who first come into the care system as young adults (16 or older) are not well understood and there is currently little tailored provision for this group. In Brent over 40 per cent of young people coming into care do so aged 16+ and this number is growing.

Brent Alpha Lab started at the end of February 2021, in lockdown. Our group is made up of up to ten care-experienced young people from Brent, Barnardo's youth workers and one service designer. We are open to a range of professions in developing the workshops and use pre-recorded interviews, drop in attendance and pre-agreed 'phone a friend' arrangements to improve young people's experience.

Our co-designers are a diverse group of young people. Some are studying or working, some are caring for their families, some have experience of the criminal justice system, while others have recently arrived in the UK as unaccompanied asylum-seeking children (UASC). What they share is an experience of coming into care in Brent as an adolescent, a passion for improving the children's social care system in Brent, and a history of not having their voices heard.

It's important to us that we design services in close collaboration with others, especially young people. About 40 care experienced young people in Brent have been actively involved in some complex phases of service design. An example of the work they have led includes an online seminar devised and delivered during lockdown about the impacts of the pandemic on their mental health. These insights included experiences of acute isolation, inpatient care, and substance misuse. We are inspired by our vision to work in partnership with young people to achieve the changes they need.

Renfrewshire

The Strategic Partnership between Renfrewshire Council and Barnardo's was launched in January 2019 with a focus on children and young people's mental health and wellbeing, for children and young people aged 5-15. In 2020-21, the partnership has been testing to see what improvements and changes work best. Improvements that have been tested include peer support, direct support, support to strengthen parents and to support staff. Work planned includes a 'partnership hub' which could involve peer support with a community mental health and wellbeing focus.

Developing/sharing Expertise

Centre of Expertise on Child Sexual Abuse

Since 2017 Barnardo's has hosted the Centre of Expertise on child sexual abuse (CSA Centre) which aims to reduce the impact of child sexual abuse across England and Wales through improved prevention and better response.

The CSA Centre believes that to truly tackle child sexual abuse, we must understand its causes, scope, scale and impact better. Working alongside researchers, policy makers and practitioners, the CSA Centre makes sure an evidence-informed approach is used to improve our understanding and responses to child sexual abuse at all levels. In the CSA Centre's recent external evaluation (March 2020) it was found to have directly contributed to a cultural shift in the understanding of child sexual abuse. In the past year, this has included training at least 2000 practitioners online and presenting at over 30 dedicated local and national events. The CSA Centre has published 10 new reports in the last year, on topics including: sibling sexual abuse, adults who commit child sexual abuse, and the response to the sexual abuse of Black, Asian and minority ethnic children. This is in addition to its existing body of work of more than 40 publications spanning: practice tools, effectiveness studies, and key messages from research which distills existing evidence into a concise format.

A recent survey exploring the impact of the CSA Centre, completed by around 100 stakeholders, affirmed its role as a 'centre of expertise' with:

- 94 per cent believing the CSA Centre was a reliable source of information and expertise
- 70 per cent agreeing that the CSA Centre had helped improve practice by enabling organisations to place a greater focus on child sexual abuse
- 81 per cent stating their engagement with the CSA Centre had helped them improve their policies and strategies to better respond to child sexual abuse.

Overall, since its establishment in 2017, the CSA Centre has grown as a trusted hub that enables commissioners, policy makers, academics, and professionals to access the latest information, resources, and training on child sexual abuse. Its significant contribution to national policy is best seen in the recent inclusion of research published by the CSA Centre in the UK Government's National *Tackling Child Sexual Abuse Strategy 2021*, alongside its role supporting the development of the *Wales National Action Plan, Preventing and Responding to Child Sexual Abuse*. The CSA Centre is committed to supporting these strategies to improve results for children and young people experiencing, or at risk of child sexual abuse. You can find out more about the work of the CSA Centre and the resources, training and research it provides by visiting csacentre.org.uk.



Making children's voices heard: influencing Governments across the UK

In addition to supporting children, young people and families directly during the pandemic, we've worked with our partners, governments, and other decision makers across the UK to implement policy measures to support vulnerable children and families. Despite the unique circumstances, in 2020-21 Barnardo's continued to make strides in achieving vital policy change.

Westminster Highlights

- Running Barnardo's first ever series of virtual conversations with children and young people we support talking directly to six Ministers and senior MPs.
- Hosting our first public webinar on children and young people's mental health with Nadine Dorries MP, Minister for Mental Health, and over 300 attendees.
- Working in partnership with other children's charities and women's organisations, we secured a change in the Domestic Abuse Act, so that, for the first time, children are recognised in law as victims.
- Securing a commitment from the Government to consult on a duty to provide community-based domestic abuse services, so that support is available before families reach crisis.
- Playing a central role in the developing Government policy for early years and early intervention, and our Newcastle East Community Hub was featured in The best start for life: a vision for the 1,001 critical days.

Celtic nations highlights

- Winning the Scottish Charity Awards 2020 "Cracking Campaign" category for work on Equal Protection from Assault, and shaped Youth Jobs Guarantee scheme.
- Being highlighted in the Northern Ireland Government's Anti-Poverty Strategy.
- We were pleased to be able to lead on developing guidance for schools on harmful sexual behaviour as well as ensuring that our 'Lessons from Lockdown' report was embedded in guidance for schools on supporting vulnerable learners.



“MY HOME IS A PLACE TO BE WARM AND CALM AND SAFE AND NOW IT FEELS LIKE A PRISON.”

CORPORATE STRATEGY ENABLERS

Digital

This year we have continued to focus on developing products and services for colleagues, volunteers and young people. Following our rapid response to the challenges posed by the pandemic, we have focused on our technical foundations, to make sure we are prepared for the move towards hybrid face to face and digital working and delivery in the future.

For example, Journey, our app originally conceived for care leavers, has been developed into a platform suitable for any area where children and young people need a 1:1 line of communication with a worker, and is currently being tested in a wide range of services. Over the next year, the Journey platform will be forming the foundation for blended physical and digital service provision across several core areas of Barnardo's services, including integrated health and social care.

"I have found that support has become more open speaking through Facetime as there are very few distractions. Some young people are really comfortable with Facetime calls and we have been talking about their worries and they have been more open and willing to talk for longer periods of time."

Support Worker, Forth Valley

"Thanks so much, the Support Line has helped me feel less isolated and given me space and time to talk about how I can support my children through Covid. A lot of the supports my daughter had in place have been taken away just now and I'm worried that I can't support her alone. Talking to you has helped increase my confidence and improved my relationship with my daughter."

Support Line user, Falkirk

We have also made good progress in strengthening our capability to achieve insight from our data. This includes investing in a case management system for our NHS-funded mental health contracts, which allows services to streamline their data collection so that they can report quickly and efficiently to the national Mental Health Services Data Set. We are using data to help Barnardo's plan and scale interventions where they are most needed, and continuously measure the quality and impact of our work, as exemplified by our Covid-19 response programme, See, Hear, Respond. We are now building a strong data-led approach to working effectively and measurably towards systems change.

We are also making sure that our people have the right technology to support our ambition to be a 'charity without walls'. Colleagues now have modern equipment and tools to better support collaboration while enabling reliable remote and mobile working.

Diverse

We are clear that diversity is not just a moral imperative, but also an operational necessity. In an increasingly diverse society, we are clear that we must reflect and represent all the children, families and communities we serve.

We continue to focus on understanding the ethnicity, disability status, and sexual orientation of our service users. As of the end of 2020-21, we had data on 91.2 per cent of service users' ethnicity, 88.4 per cent of service users' disability and 67 per cent for sexual orientation[12].

This was an extraordinary year for equality, diversity and inclusion. The disproportionate impact of the pandemic on Black and Asian communities in the UK coincided with the unlawful killing of George Floyd in the USA, which sparked a global movement.

Building on our existing Action Plan, we published specific commitments in the of Summer 2020, which included:

- Anti-racism learning & listening to colleagues from minority communities
- A specific fund to invest in support for disadvantaged minority communities
- An audit of our partners and suppliers to ensure they share our values and commitments

We have also provided leadership in the sector, speaking openly about the internal challenges we faced in a particular Department, and the actions we took to address them.

Our Women's Network responded to the pandemic by setting up a virtual 'staff room' to support members who missed their usual work connections, giving them a space to share experiences of lockdown and cover relevant topics such as 'carer's guilt'. Following the death of Sarah Everard in London in March 2021, we moved quickly to explore how, as a charity and an employer, we could play a more active role in keeping women safe and are working on a project to offer 'safe places' in our communities.

Throughout 2020-21, we continued to conduct equality impact assessments (EIAs) in all relevant areas of our work and completed 12 screenings. Through our colleague networks and thanks to the leadership of our Corporate Director 'Champions', we remained strongly focused on the impact of the pandemic on specific groups.

For instance, we worked to raise awareness of the impact on LGBT+ young people who moved back to family who may not have been understanding of their identity.

We also responded to the challenges facing families of disabled children who could no longer access 'short breaks' support.

Barnardo's is proud to be accredited as a level 2 Disability Confident Employer under the Department for Work and Pensions. In achieving this status, Barnardo's has demonstrated that we;

- actively attract and recruit disabled applicants into roles within the organisation
- provide an inclusive and accessible recruitment process which includes offering interviews to disabled people who meet the minimum criteria for the job
- are flexible when assessing people so that disabled job applicants have the best opportunity to demonstrate that they can do the job
- proactively offer and make reasonable adjustments as required
- encourage suppliers and partner firms to be disability confident
- ensure that employees have appropriate disability equality awareness
- provide the opportunity for disabled employees to network and are consulted appropriately

We are committed to Disability Equality and are working towards becoming Disability Confident Level 3 leaders.

12 These figures cover our internal data only. We are also working to increase our understanding through external systems, through which we currently know 35 per cent of the service user's ethnicity and 55 per cent of the service user's disability status.

Learning

We are firmly committed to equipping and empowering our workforce through The BU, Barnardo's corporate university. In 2020-21, colleagues enrolled in a total of 13,629 courses through the BU and we are in the process of providing the same level of access to our volunteers.

The BU also facilitates progression, including for women, and for minority colleagues, and we have 20 colleagues on our Emerging Leaders programme and 12 senior leaders being mentored by colleagues in our Reciprocal Mentoring programme. We have also continued our partnership with Rolls Royce, hosting the Learning Leaders meeting with them.

The case for investment in our people's learning has become even stronger during the pandemic. We have had to embrace new ways of working overnight, to be more flexible and to share learning at pace – mostly through digital means. The BU set up a series of learning interventions to support colleagues working from home, our Work from Anywhere strategy and in support of colleagues' mental health and well-being. To support new members of staff, we set up monthly Learnings Cafés with the Chief Executive and the Dean of the BU. We also supported new services which emerged during the pandemic, such as the Boloh Helpline, by developing programmes of learning for the new team. The BU co-designed a suite of courses to support our anti-racist commitments.

Over the last 12 months the BU has developed a clear outcomes framework based on four key aims that are being measured:

Learn – The BU offers a range of exciting learning opportunities and experiences that engage, support and expand our learning capabilities to ensure we are skilled in practice and eager to learn more.

Develop – The BU invests and connects all colleagues, partners and young people, to develop personally and professionally as part of a true learning organisation within Barnardo's that will evolve and be ambitious in its reach.

Innovate – The BU actively promotes and encourages a culture that empowers innovation and experimentation. This will influence positive change to benefit children's lives and the systems around them.

Share – The BU grows and nurtures a community of sharing of practice, experience and reflection to ensure that the learning and development we do today prepares us for tomorrow's world.

WORKING WITH OUR VOLUNTEERS

Volunteers play a crucial role in our retail shops and frontline services, as well as supporting our fundraising. Without our volunteers, we would be unable to operate in the way we do today.

Our digital platform (Vol1) now manages all aspects of the volunteer journey, from recruitment, learning, communications and recording of hours and numbers. As one of the leading charities to be completely digital, we can for the first time record accurately the correct number of active volunteers supporting Barnardo's. Our data records now only include active volunteers, reflected in lower numbers being reported than previous years. Vol1 also allows us to ensure our volunteers are fully trained and supported through safe practices.

In 2020-21 we had around 11,000 volunteers in retail and frontline services, giving us a total of 2,325,000 hours in donated time. In our annual satisfaction survey in 2020, 89% of volunteers said they received support and encouragement from colleagues and 91% said they felt they made a difference by volunteering with Barnardo's. In addition, we benefit from 31 Barnardo's Helper Groups who collectively raised £101,803 in 2020/21.

Volunteering is very attractive to people aged under 25 and over 30% of our volunteers are now within this age group. We are one of very few charities that work closely with the Duke of Edinburgh Award scheme offering young people the opportunity to support us as part of their award programme.

Our volunteers benefit from learning new skills, gaining qualifications and building the confidence to move into paid employment. Job-seeking volunteers regularly report that giving their time at a Barnardo's retail shop helps improve self-esteem, communication skills, team-working, problem-solving, organisational skills, and numeracy.

Our three year Volunteering Strategy running until 2024 focusses on 3 themes: our people, our reach and our perception. We aim to be the charity of choice by offering a first class volunteering experience to everyone who supports us in Retail and Children's Services.



“MY SUPPORT WITH YOUNG PEOPLE HAS BECOME MORE CREATIVE THROUGH FACETIME AND WHATSAPP.”

FINANCIAL REVIEW

Overall financial health

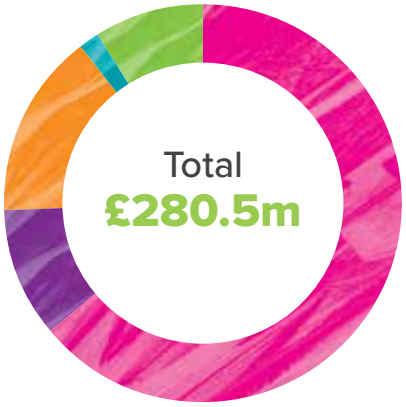
2020-21 has been an unprecedented year for the charity sector and, like many other charitable organisations, Barnardo's has been severely impacted by the Covid-19 pandemic. Because our entire retail estate of 650 stores faced prolonged periods of closure, we generated £47.9m less retail income than the previous year. Our income from fundraising (excluding gifts in wills), which is impacted by economic turbulence, faced a reduction of £0.7m compared to last year. In total our income was £16.0m less than 2019-20 and even more significantly, £34.6m less than our initial expectation (pre Covid-19 budget) for 2020-21, making financial planning extremely challenging. Government grants for furloughed staff and rate relief/retail sector support of £24.8m did go some way to mitigating the loss we particularly felt by the closure of our retail stores.

Despite significant challenge and disruption, our core charitable activities, largely Government funded children's services contracts, performed well financially, as the vulnerable children, young people and families we work with continued to rely on our critical support through a difficult time for many.

We managed our expenditure extremely tightly through the year, to ensure we remained financially stable. This, along with the Government Covid-19 related support and a turnaround in the financial markets, meant our available charitable reserves and cash balance both ended the year 2020-21 in a much better than anticipated position, testament to the hard work of colleagues throughout the charity going above and beyond to continue to deliver for our beneficiaries.

Looking forward, the public sector funding environment will be challenging for the foreseeable future, and there is significant uncertainty in the economic outlook, which is likely to affect our fundraising and retail income. The uncertain course of, and changes in, the nature of the virus will continue to impact us in the short term so we will continue to monitor the environment closely to ensure we are agile in our responses so that we can maintain our vital services.

Total Income



£179.3m
Fees and grants

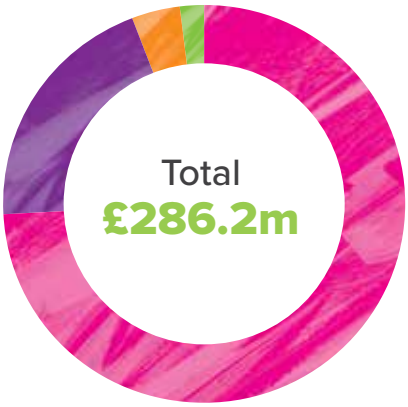
£30.0m
Trading, including shops

£41.8m
Donations, Gifts in Wills and other fundraising

£4.6m
Investments and property development

£24.8m
Covid-19 Government support

Total Expenditure



£212.7m
Charitable activities

£56.9m
Trading, including shops

£11.2m
Fundraising

£5.4m
Other costs
(inc pension charge)

Results for 2020-21

As a result of the Covid-19 pandemic, which impacted the whole of 2020-21, we made an underlying deficit (excluding one off Government Covid-19 grants, pension and investment adjustments) in 2020-21 of £25.8m (2020: surplus of £4.7m). When adjusting this for Government grant income related to the Covid-19 pandemic of £24.8m, we made an operating net deficit (loss) of £1.0m.

Our total income was £280.5m (2020: £296.4m). The most significant movement resulting in our net deficit relates to significantly reduced retail income, which was £30.0m (2020: £77.9m), due to long periods of enforced closure because of the pandemic restrictions. Our income from charitable activities improved to £179.3m (2020: £173.1m), in part due to our 'See, Hear, Respond' work delivered during the pandemic, described further on page 13.

Total expenditure (excluding pension finance charge) reduced significantly at £281.4m (2020: £291.8m) due to a combination of reduced activity across our trading activities and tightly managed controls on spend across all areas. Our most significant area of expenditure reductions related to staff costs of £164.2m (2020: £172.4m).

Growth in the value of our investments, following the pandemic induced market shock in March 2020, meant our general reserves were not as badly affected by the major disruption and loss of income faced during the pandemic.

Pensions

Barnardo's is the employer sponsor of the Barnardo's Staff Pension Scheme (BSPS), which is a defined benefit pension plan that closed to new members in 2007 and stopped the further accrual of benefits to existing members in April 2013. The Financial Reporting Standard (FRS) 102 position at 31 March 2021 shows a deficit of £106.8m (2020: £117.6m).

The assumptions used for calculating these FRS102 pension disclosures are necessarily different from those used for the last triennial valuation, which is carried out separately by the Trustees of the Barnardo's Staff Pension Scheme. At 31 March 2018, on the ongoing valuation basis for their last triennial valuation, the deficit disclosed was £185m and the funding level was 78 per cent. The difference between the last triennial actuarial valuation and the FRS 102 valuations demonstrates the volatility in calculating long term pension liabilities. Neither calculation is right or wrong. They are both snapshots of the situation at a particular moment in time and highly sensitive to changes in financial market factors. They also highlight the difference between the more conservative assumptions used for the triennial valuation and the 'best estimate' assumptions used for the FRS 102 calculations. The FRS valuation uses lower inflation and higher interest/discount rate assumptions and both of these lead to a lower calculation of pension liabilities.

It is the on-going triennial valuation that is used to calculate the payment of pension contributions and these are currently based on the deficit reduction/recovery plan agreed between the Board of Trustees of Barnardo's and the Trustees of the Barnardo's Staff Pension Scheme following the 2018 triennial valuation. The next triennial valuation is scheduled to take place during 2021-22 and will likely result in a new deficit valuation compared to the 2018 figure.

In respect of the deficit in the Scheme, Barnardo's has agreed to pay £10.7m for 19 years from 1 April 2018. Barnardo's therefore expects to pay £10.7m to the Scheme during the accounting year beginning 1 April 2021. This deficit reduction plan should ensure that the deficit reduces over a number of years as additional pension contributions are paid.

With respect to these future planned payments, the Trustees see the pension scheme deficit as a long-term liability, where the payments required by the pension plan will need to be met from forecast future cash flows. Supporting this is the implementation of an agreed investment strategy with the Pension Scheme Trustees, allowing for a lower risk asset portfolio but one which still retains potential for growth.

Reserves and the position at the end of the year

Reserves are represented by the fund balances in the Balance Sheet on page 54.

The level of our reserves is determined by balancing two objectives: maintaining sufficient reserves to enable us to carry on our work when faced with difficult circumstances, and ensuring we maximise the resources used for charitable purposes. Our

reserves level therefore needs to be adequate to allow us to address potential losses that might arise from our charitable activities, investments, trading and other activities. It also needs to give us sufficient time to adjust our strategy to meet changing circumstances without unnecessarily removing funds from addressing our charitable purposes. The Covid-19 crisis has been the perfect example of the need for us to maintain a healthy reserves balance and it is important we do not allow this to be used up in responding to this crisis as this will prevent us from navigating the next 'shock' to the charity.

The Balance Sheet shows a net asset position of £29.3m (2020: 16.4m) after taking into account the pension liability and also shows unrestricted reserves (reserves that do not carry any restrictions on how they can be used) of £93.4m (2020: £97.9m). In carrying out our assessment of reserves, we look at reserves prior to taking pension liabilities into account, referred to as free reserves. In assessing our level of free reserves we also exclude the fixed asset fund of £33.3m (2020: £34.5m) because this cannot quickly be realised. We do, however, include the working capital fund of £14.0m (2020: £14.2m) as no restrictions apply to this fund. After excluding the fixed assets fund, this leaves free reserves at £60.1m (2020: £63.5m) as at the 31 March 2021.

The Board of Trustees assesses the risks Barnardo's could be exposed to and the appropriate level of reserves that we should maintain as a result. Through our policy we calculate a target level of free reserves that considers a blend of risks including income reduction, falling investments, and fluctuations on our pension fund. For 2020/21 this calculated a range of free reserves of between £47.4m to £63.1m. Looking forwards we have focused in our range to between £50m and £57m.

Significant financial uncertainties remain including risks associated with our pension deficit and the economic outlook resulting from the Covid-19 crisis, however our current forecasts predict that we will maintain free reserves within this acceptable target range over the medium term, notwithstanding any further unexpected 'shocks'.

Our unrestricted reserves assessment also excludes the £42.7m (2020: £36.1m) held in restricted and endowment funds. Typically, only the income from these restricted reserves is available for our work.

Investments

Barnardo's investments are managed on our behalf by BlackRock Investment Management (UK) Limited and Ruffer LLP. Investments are held in a range of asset classes including equities, fixed-income securities, commodities and cash. Barnardo's is committed to ethical investments. The equities funds do not invest in arms manufacturers, companies who receive more than 10 per cent of revenues from tobacco or pornography, or do not comply with World Health Organisation guidelines on breast milk substitutes.

In the year to 31 March 2021, our unrestricted investments held with Blackrock Investment Management (UK) Limited delivered a return of 25.9 per cent (2020: negative return of –5.0 per cent). The Blackrock investment performance is benchmarked against the weighted average of three tracker indexes over a rolling five-year period and our target is to outperform this benchmark by 0.75 per cent per annum, we exceeded this benchmark by 1.84 per cent for the year. Ruffer LLP delivered a return of 21.4 per cent (2020: return of 6.2 per cent). Ruffer's overall objective is firstly to preserve client's capital over rolling twelve-month periods, and secondly to grow the portfolio at a higher rate (after fees) than could reasonably be expected from alternative of depositing the cash value of the Portfolio in a reputable United Kingdom bank. This benchmark was met for the year. The performance of our investment managers is monitored on a regular basis by our Audit & Finance Committee, through quarterly reporting and discussion directly with representatives.

The restricted capital and endowment fund balances are carried forward on 31 March 2021. They include endowment funds for which Barnardo's has received an order, signed by the Charity Commission, enabling the unapplied total return to be transferred to unrestricted funds. The initial value of the unapplied return was established in 2002. It is the value of funds donated at 1 April 1976 or at the date of donation if later, indexed to 2002. Indexation has then been applied to this 2002 value to give the 2021 value. The unapplied return is the difference between the 2020 value and the market value of funds as at 31 March 2021. The annual change is included in the net gains or losses on investments. Further details can be seen in note 24 (a) and (b).

The Covid-19 pandemic caused significant fluctuations in our investment holding values as market values reduced significantly in the period immediately ahead of March 2020, but then recovered significantly in the following quarter. As a result we are reporting significant unrealised gains of £9.8m across our portfolio (£5.2m relating to unrestricted investments) during the year to March 2021. We liquidated £15m of our unrestricted investments in July 2021 to protect our position during the height of the pandemic. Such funds remain in our General Reserve and may now be re-invested in the near future.

Funds held as custodian trustee on behalf of others

Included in the restricted and endowment funds are two charities that are independently registered with the Charity Commission; The ACW Edwards Charity (registration number 247678) and GA Joyce (registration number 272973), along with a number of constituent charities, also registered with the Charity Commission. Funds are held separately from Barnardo's. The objects are closely aligned to Barnardo's, so in accordance with the Charities SORP (FRS 102), as custodian Trustees, and with Charity Commission consent, these charities have been included as if they represent restricted funds of Barnardo's.

Commercial activities

Barnardo's carries out commercial activities in order to generate funds for its charitable objectives. During this year, our subsidiaries generated net income of £0.8m (2020: £2.0m) the reduction is linked to the impact of the Covid-19 pandemic and a restriction on our activity (i.e. shop closures and limits of fundraising events). The net income of each subsidiary is given to Barnardo's via a gift aid donation.

Barnardo Trading Limited generated a profit of £0.2m (2020: £1.6m) from its mail order, publishing and retail activities during the year. Barnardo's total retail and trading activities (including the sale of donated goods in Barnardo's shops, which is accounted for as part of the charity's activities produced a loss of £28.7m (2020: profit of £13.5m). The difference in profit from retail activities is due to several months of enforced closure because of the Covid-19 pandemic.

Barnardo Developments Limited's principal activity is the development and sale of properties that are no longer required for charitable use. The company generated a loss of £13k during the year (2020: £0.3m loss) due to much lower activity in 2020-21. One of the three remaining units relating to the final Phase of the Barkingside Regeneration Project was sold during the year. A second plot has already been sold (April 2021), with the last remaining one expected to be sold in Q2 of 2021-22.

Barnardo Events Limited runs special events to generate additional funds for Barnardo's. Planned events have been severely disrupted by the restrictions on mass participation resulting from Covid-19. As a result, the company generated a profit of £31k during the year (2020: profit of £0.4m).

Barnardo Services Limited provides a range of services for children and young people in conjunction with local authorities, health authorities and similar bodies. The company generated a profit of £0.4m during the year (2020: £0.4m).

Adoptionplus Limited offers adoption placement and specialist therapy services. The company generated a profit of £0.2m for the year (2020: loss of £0.05m).

Principal risks and uncertainties

The principal uncertainty currently facing Barnardo's is the impact of the ongoing global Covid-19 outbreak, particularly the risks surrounding additional variants and/or surges of the virus and corresponding restrictions during 2021 and beyond.

The trustees and executive team continue to monitor the outbreak, including UK Government advice, and acknowledge we are likely to face uncertainty for some time to come. We have been effective in our response during the last year and because of the mitigations taken, Barnardo's is in a good financial position to manage this risk, with strong cash and reserves balances.

Operationally, we have managed to set up colleagues to enable them to work away from office environments when required. We have detailed safety procedures in place for colleagues carrying out face to face work and using Barnardo's physical premises, colleague adherence to ensuring their own safety and that of people around them has been a real positive and enables us to carry out vital work for children and young people.

The Board of Trustees has responsibility for ensuring that there are adequate and effective risk management protocols and systems of internal controls in place to manage Barnardo's major risks and support the achievement of our strategic objectives. This responsibility is discharged through a formal annual review by the Board of Barnardo's risk management and internal control framework. The Board is supported in its assessment by the Risk and the Audit & Finance Committees, which both meet quarterly.

Barnardo's risk management framework is designed to support informed decision-making regarding the risks which may affect the achievement of its objectives. It also provides a consistent approach to identifying, assessing, and dealing with the risks which Barnardo's faces to ensure that they do not exceed the level of risk Barnardo's is willing to accept. The framework is designed to manage, rather than to eliminate, the risks to objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss.

Processes in place to manage the key risks that could affect Barnardo's ability to achieve its objectives include the following:

1. A risk escalation protocol is established, to identify risks at department and regional level and ensure that, where applicable, these are included in the 'Corporate Risk Register' which is subject to regular Corporate Leadership Team and Trustee review.
2. The Risk Committee approves the annual risk-based internal audit and inspection plan and reviews regular audit reports on internal controls and risk management across the charity and its subsidiaries.
3. Regular 'horizon scanning' exercises are performed by the charity's senior management team, identifying risks and emerging trends to ensure we are equipped to adapt. During the Covid-19 crisis this has included regular financial modelling against a range of scenarios and putting in place agreed actions under each scenario.
4. A framework of delegated authority is established, with detailed procedures setting out the governance and decision-making process for key corporate decisions.
5. A whistleblowing policy is in place, which is communicated to and accessible by all Barnardo's employees and volunteers, this includes an external, confidential whistleblowing helpline. All whistleblowing cases are subject to independent review, and investigation by the independent Audit & Assurance team.



Information relating to the principal risks to Barnardo's objectives and how these are managed is set out below:

Principal Risks	How these Risks are Managed
Safeguarding children and young people Inadequate or ineffective safeguarding policy or practice that could result in, or contribute to, serious harm or injury to a child or a young person. This represents Barnardo's most critical risk given the nature of our work. Barnardo's gives its full attention to every child and young person, and never turns away complex cases. By virtue of this approach of working with some of the most vulnerable children and young people in society there are significant challenges to making them safer and that this increases the level of inherent risk we carry in our day-to-day operation.	Barnardo's has an extensive suite of mitigations to ensure we do all we can to adequately safeguard the children and young people we work with. This includes (but is not limited to): 1. A dedicated safeguarding department, led by the Head of Corporate Safeguarding, reporting to our executive Director for Children's Services and links with a dedicated safeguarding Trustee lead. 2. Clear safeguarding reporting mechanisms as set out in our safeguarding policy, including Safeguarding Lead roles in all departments and regions. 3. Formal governance and reporting structures established, including named safeguarding leads at Trustee and Executive level, with regular meetings of all 'Safeguarding Leads' across all departments chaired by the Head of Corporate Safeguarding and with Local Safeguarding Forums across Children's Services departments. 4. Clear escalation protocol for all relevant incidents to the Head of Corporate Safeguarding, executive-level Safeguarding Lead and Risk Committee. 5. A safeguarding specific induction (including pre-employment checks), supplemented by mandatory safeguarding training, for all paid and unpaid colleagues (the depth of training required depending on role). 6. Reviews of serious cases and lessons learned implemented in a timely manner. 7. Regular independent reviews of safeguarding practices across Barnardo's, performed by safeguarding specialists, with any required improvements implemented in a timely manner.
Financial performance and sustainability A significant reduction in available resources due to: • Government policy and/or changes in statutory funding (e.g. austerity measures could reduce available funding for children's services) • External economic or environmental factors (e.g. the impact Covid-19 has had on trading income) • Other internal or external 'crises' leading to unexpected reduction in income or increased expenditure. This risks undermining our ability to meet the needs of service users and to invest appropriately in order to achieve our strategic objectives.	1. Since the outbreak of the Covid-19 crisis even greater attention has been applied to this risk, with several mitigations put in place, including: • weekly cash flow forecasting • sensitivity analysis and stress-testing of short-to-medium term scenario plans • additional levels of approval for payments, and expenditure. 2. Holding of a significant value of 'free' reserves at any point in time, with a monthly review of these to ensure they remain within the target range set by the Audit & Finance Committee. 3. Annual budget setting and then quarterly full charity re-forecasting processes, including review and challenge from senior management and Trustees. 4. Regular engagement with external parties and research to understand likely trajectory of political, economic and environmental factors that could materially impact our resources. 5. Sensitivity analysis on income and expenditure streams and contingency planning. 6. Regular review and scrutiny of financial performance (short and medium term) by senior management and Trustees through the Audit & Finance Committee. 7. Delegated approvals process, ensuring Trustee review and scrutiny of material income and expenditure contracts and transactions.

Principal Risks	How these Risks are Managed
Pension Liabilities Defined benefit pension scheme deficit increases due to actuarial valuations. Barnardo's is required to supplement the increased deficit severely impacting on resources available for strategic aims and to withstand any future crises.	1. Agreement of an affordable long-term recovery plan with the Scheme Trustees. 2. Ongoing monitoring and review (including annual desk-based valuations) of Scheme liabilities, review of assumptions, and reporting to Trustees. 3. Ongoing relationship with the Scheme Trustees. 4. Review and monitoring of the Scheme investment strategy and returns.
Information Security and Data Protection Serious data protection or security failure, including cyber-attacks, resulting in legal and contractual issues, reputational damage and potential fines and loss of income.	1. Since the outbreak of the Covid-19 crisis our colleagues have had to adapt ways of working, and primarily work away from their normal locations and in different ways. We have provided guidance, and updates procedures to facilitate new ways of working to ensure that information stays secure. 2. Governance structures in place to manage data protection overseen by the Data Protection Officer (DPO). 3. Information governance and data protection policy framework established with policies available to all employees and volunteers. 4. Data protection included as part of mandatory training and induction for all employees and volunteers, with compliance monitored and reported. 5. Regular Data Protection Group meetings with Data Protection Managers from across Barnardo's, chaired by Barnardo's DPO, reviews key issues including data protection breaches and 'near misses' and reviews implementation of any resulting lessons learned. 6. We had 213 reported breaches but only one needed to be escalated to the ICO and that was closed without a need for further action. 7. Barnardo's Digital and Technology department has ISO27001 information security standard certification. 8. Routine external penetration testing of IT systems to identify any security weaknesses. 9. Regular review of external organisation cyber-attacks and applying lessons learned to Barnardo's systems.

Plans for future periods

Between now and 2023 Barnardo's will continue to focus on bringing our annual expenditure in line with our income by targeting our resources on our core mission, supporting vulnerable children and young people through our front line services. The other key objectives are to generate as much net income as we can to invest in these vital services and to work with partners to improve the system surrounding vulnerable children and young people. In addition we will be continuing to harness the learning from the Covid embracing a greater partnership working, both with other charities and with Government and corporate partners, and adopting greater hybrid physical and digital working arrangements. The external environment, including the trajectory of the pandemic remains uncertain, and we are clear that we need to remain agile and able to flex to meet changing needs and demands. In everything we do, we will continue to ensure that all our decisions are made in service of our core aim to achieve better outcomes for more children.

Going concern

As a result of Covid-19 and the impact on our finances in 2020-21 along with uncertainty going forward, our assessment of Barnardo's as a 'going concern' has never previously been more in focus. As set out above, the direct impact of the crises was a loss of trading income of £47.9m compared to 2020. However, through a range of mitigating actions, additional Government support by way of Covid-19 grants, along with a major improvement in the performance of our investments compared to March 2020, we ended 2020-21 in a strong financial position to withstand further shocks.

We will continue to closely monitor the impact of government decision making and the impact on the economy from the crisis, whilst mapping out a range of alternative 'scenarios' to help us respond to rapid changes.

Given the strength of the balance sheet (see page 54) and the availability and liquidity of the charity's free cash reserves and unrestricted investments, the Trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The last 18 months has been as good a test of our resilience as we have faced in recent history and the way we have responded as an organisation, gives a great deal of confidence in this assertion. The trustees, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.





STRUCTURE, GOVERNANCE AND MANAGEMENT

"Our Patron, Her Royal Highness, The Duchess of Cornwall, has continued to support Barnardo's in 2020/21. We are extremely proud of our continued connection to the Royal Family which dates from 1902.

PG 38

Barnardo's is a company limited by guarantee (registered in England, company number 61625). It operates throughout the UK and is a charity registered in England and Wales (Charity Commission registration number 216250) and in Scotland (Office of the Scottish Charity Regulator registration number SC037605). It is governed by its Articles of Association, last revised in 2018. The Articles of Association set out the charitable purposes for public benefit in the following terms:

1. To promote the care, safety and upbringing of children and young people by
    a. supporting and assisting those in need along with their families and carers
    b. promoting their health
    c. advancing their education
2. The relief of those in need by reason of age, ill-health, disability, financial hardship, or any other disadvantage.

The Board of Trustees, elected by the Members of Association at the Annual General Meeting, are the charity's trustees and the legal directors of the company. Members of the Board of Trustees serve a three-year term, after which they are eligible for re-election for a maximum of two further three-year terms in all but exceptional cases. New trustees are selected through an open recruitment process, which generally includes advertising in the national press and online, and a targeted recruitment search. New appointees are given a personal induction programme tailored to their areas of expertise and governance obligations, and all trustees are provided with a range of training opportunities to help them meet their responsibilities. The balance of trustees is kept under review regarding skills, diversity and geographical spread. The Board of Trustees also places particular emphasis on appointing individuals who bring specific identified skills and experience.

The Board of Trustees met five times for scheduled meetings in 2020/21 and holds occasional meetings for exceptional business if necessary. During the year several additional meetings were held to address the impact of the COVID-19 pandemic and agree the steps to be taken to mitigate the risks to the charity.

The balance of trustees is kept under review regarding skills, diversity and geographical spread. The Board of Trustees also places particular emphasis on appointing individuals who bring specific identified skills. A written schedule of matters is reserved for decision by the whole Board of Trustees, including:

- the formulation and implementation of strategy
- overseeing the implementation of the strategy through annual operating plans and budgets
- monitoring progress
- accepting ultimate responsibility for the sound professional, legal and financial management of the charity.

Matters not reserved for decision by the Board of Trustees are delegated either to one of the Board committees

or to the Chief Executive. The Chief Executive and members of the executive Corporate Leadership Team are detailed on page 83.

The Board abides by the principles of good governance as set out in the Charity Governance Code (the Code) for larger charities. As recommended by the Code the Board instructs an independent organisation to undertake an independent review of its performance and effectiveness every three years with a review having been commissioned in 2021. Following the presentation of the review an action plan will be developed to address those areas as requiring further improvement. In the intervening years a self-evaluation by the Board takes place which measures the progress against the action plan.

The charity's governance is kept under review by the Governance and Compliance Committee to ensure that the Board of Trustees, its committees and governance structures and procedures are fit for purpose as the charity and the environment evolves.

The remit of the committees include:

1. **Risk Committee:**
   ensuring that Barnardo's has effective internal control and risk management systems and is operating within approved policies and the law.
2. **Children and Young People's Services Committee:**
   ensuring that Barnardo's safeguards and meets the needs of children, young people, their families and carers, now and in the future, by delivering high performing, high quality services / solutions which achieve the best impact and outcomes.
3. **Audit & Finance Committee:**
   overseeing, monitoring and keeping under review the financial position of the charity and its subsidiaries to ensure long and short-term viability, having regard to the Charity's overall strategy and risk tolerance parameters.
   ensuring the integrity, balance and transparency of published financial information and related and supporting narrative information.
4. **Income Generation Committee:**
   overseeing Barnardo's approach to generating sufficient and sustainable income and the delivery plans to meet its needs today, and in the future.
5. **Governance and Compliance Committee:**
   reviewing the charity's governance arrangements, including the Policy Governance Framework, and to make appropriate recommendations to ensure that the charity's arrangements comply with Barnardo's governing documents and are consistent (as appropriate) with best practice as set out in the Charity Governance Code.
6. **Remuneration and Nomination Committee:**
   ensuring that nominations and appointments to the Board of Trustees and the remuneration of members of the Corporate Leadership Team and other employees are responsibly managed and are consistent with the achievement of the charity's strategic objectives and in accordance with Barnardo's Basis and Values.

The **National Advisory Boards** (NABs) for Scotland, Northern Ireland and Cymru/Wales typically comprise at least one trustee in addition to individuals with local knowledge and experience. Barnardo's remains a single UK charity, but these NABs support the formation and delivery of Barnardo's UK Corporate Strategy in the relevant Nation within the framework set by the Board of Trustees.

Patron

Our Patron, Her Royal Highness, The Duchess of Cornwall, has continued to support Barnardo's in 2020/21. We are extremely proud of our continued connection to the Royal Family which dates from 1902.

During the year Her Royal Highness met young carers supported by Barnardo's as well as the Head

of Barnardo's Northern Ireland, to discuss the impact of Covid-19 on children and young people.

Board of Trustees

A list of Trustees is shown on page 87.

Barnardo's activities extend across all four UK nations: England, Scotland, Northern Ireland and Cymru/Wales and is managed in five regions covering, Central, Cymru and South West, London, North, South-East, and Scotland and Northern Ireland. Responsibility for operational activities is allocated to five directorates: Business Services, Children's Services (Development and Innovation), Children's Services (Operations), Income and Influence, People and Culture.

Barnardo's has three sister charities: Barnardo's Republic of Ireland, Barnardo's Australia and Barnardo's New Zealand. Each is a locally registered organisation with its own governing body. These charities use the Barnardo's name under licence from Barnardo's in the UK. Their financial activities are not included in the accompanying accounts as they are wholly independent of Barnardo's in the UK.

There were no transactions with related parties during the year other than contributions made to the Barnardo's pension scheme, (which are separately disclosed in the notes to the accounts) and transactions with Barnardo's subsidiaries.

Remuneration Policy

To deliver our charitable aims and to meet the needs of our beneficiaries and other stakeholders, Barnardo's employs a significant number of colleagues alongside the vital support that our volunteers provide.

We recognise and value the unique worth and contribution of every colleague and are committed to ensuring that we pay our colleagues a fair and appropriate salary informed by the local labour market, while always making sure we can do so.

Barnardo's complies fully with statutory Gender Pay reporting requirements and our 2020 Gender Pay Report is available in full from our corporate website. Our 2020 report shows our Median Gender Pay Gap, at 9.65% is significantly below the all-sector median of 15.5%.

Whilst this still compares favourably to ONS data we are not complacent and in 2021/22 – we will refresh our action plan to ensure it positively influences our Gender Pay statistics over time. The key factor underpinning these statistics remains the need to improve the representation of women at the highest levels of responsibility; and we need to ensure our talent management initiatives continue to support that outcome.

This year we published our first ever Ethnicity Pay Gap Report. It shows Barnardo's median ethnicity pay gap is minus 12%. This means that, on average, colleagues who identify as being from a Black, Asian or other ethnic minority group, earn more than their White colleagues – though there are some differences between departments and regions. Our analysis shows that when we look specifically at colleagues identifying as Asian or Asian British; Black or Black British; Mixed; and Other, each of these groups earns more when compared with White colleagues, although the size of the gap varies. BAME male colleagues are paid on average 24.3% more than White male colleagues, while BAME female colleagues are paid 5.95% more than their White female counterparts.

Our approach to reward reflects the importance of both financial and non-financial recognition, including the ethos, culture and other intangible elements of what makes us a great organisation to work for. Barnardo's has a single UK wide trade union recognition agreement with UNISON. Due to the impact of the coronavirus pandemic on our finances we were unfortunately not in a position to be able to award a SAPA (Single Annual Pay Award) to colleagues in April 2020.

Where agreed SAPA is determined with reference to affordability (The Nominations, Remuneration and Governance Committee set the overall budget limit for the total pay award), other comparable pay awards within the sector and external market pay. Ordinarily our pay rates are informed primarily by charity sector data. We recognise that charity pay is often lower compared to similar roles in the public or private sector. In the spirit of fighting 'in work' poverty and child poverty, we aim to pay a decent wage to all, especially those at the bottom of our pay ranges.

The Committee then makes recommendations to the Board for approval. The Board ultimately approves the annual pay settlement for all eligible staff once we have reached a final negotiation point with Unison.

In accordance with the Statement of Recommended Practice we:

- disclose all payments to trustees (no trustees are paid) and expenses reimbursed (detailed in note 11 to the accounts)

- disclose the number of colleagues in receipt of £60,000 and above (in bands of £10,000) (note 12 to the accounts)
- disclose the aggregate remuneration of the Corporate Leadership Team
- disclose pensions and other benefits (note 13 to the accounts)
- the Board approves the annual pay settlement for all colleagues

The Nomination and Remuneration Committee meets four times a year, Members of the committee are the Chair, Deputy Chair, Honorary Treasurer and up to three more trustees. No members of the executive are members of the Committee. The Committee's main responsibilities are set out on page 46.

It is the Committee's responsibility to consider the remuneration of the Chief Executive and members of the Corporate Leadership Team as well as to set the pay policy for all staff and agree the basis for any annual increases in pay.

The Board and the Nominations, Remuneration and Governance Committee operate within the powers and constitutional arrangements as set out in the Articles of Association and Committee terms of reference. When making recommendations, the Committee will draw on relevant internal and external information regarding staff remuneration provided by Barnardo's management team.

Colleague remuneration does not include any share options or long-term incentive schemes. The Chief Executive and other members of the Corporate Leadership Team all need to give at least 26 weeks' notice to terminate their contracts of employment. The pension provisions for the Corporate Leadership Team are on the same terms as other employees except for the Chief Executive who has opted out of the colleague pension scheme.

Public Benefit

In setting plans and priorities for areas of work, our Trustees have followed guidance from the Charity Commission on the provision of public benefit, in accordance with Section 17 of the Charities Act 2011. In particular, the Trustees consider how activities will contribute to meet the objectives they have set and focus on the services that will deliver the greatest impact to the most vulnerable children and young people. In delivering these services, we clearly identify the benefits to service users. We also monitor progress to ensure benefits are accruing as planned, and to learn any lessons that can be fed back into the planning and delivery cycle.

We have demonstrated how Barnardo's delivers its principal charitable objective — to promote the care, safety and upbringing of children and young people — in the Strategic Report, which forms part of this report and sets out Barnardo's objectives and achievements during 2020-21. We have set out specific examples of activities in our Impact Report, which complements this report.

By providing services that support and empower children, and by campaigning for changes to government policy that will improve children's lives, Barnardo's helps some of the most vulnerable children and young people to reach their full potential. The wide-ranging and substantial impact of our work is demonstrated in our Impact Report. Our work benefits the whole of society, as well as direct users of services. In this way, Barnardo's meets the public benefit requirement as set out in section 4 of the Charities Act 2011.

Activities in Scotland

Barnardo's is registered with OSCR (Office of the Scottish Charity Regulator) and has a National Advisory Board to provide advice and guidance on all aspects of our activities in Scotland. Barnardo's provides 157 services throughout Scotland, with 33,800 children, young people and parents accessing services in 2020-21.

Registered office

The charity and it's subsidaries registered office is: Barnardo's, Tanners Lane, Barkingside, Ilford, Essex IG6 1QG.



SUSTAINABILITY REPORT

"Barnardo's continues to work hard to reduce the impact it has on the environment and to reduce its carbon footprint.

PG 42

Summary of Performance

Barnardo's key sustainability performance indicators are shown below. 2020-21 is Barnardo's base year for streamlined energy and carbon reporting.

Energy Consumption	Consumption (kWh)	Tonnes CO2e
Gas	9,026,962	1,660
Electricity	9,894,884	2,307
Transport	2,669,958	634
Total	**21,591,804**	**4,601**

Barnardo's total emissions for during the financial year was 4,601 tonnes of CO2e. This amounts to an intensity ratio of 0.6367 tonnes CO2e per employee based on an average of 7,226 employees in the reporting period.

Notes

1. When calculating total energy consumption, verifiable data has been used where available. Where this data has not been available, average figures for the UK have been used.

Carbon Reduction Measures

Barnardo's is committed to becoming an organisation that works smartly and sustainably to reduce the impact it has on the environment by reducing carbon footprint. It has identified sustainability as a key organisational strategic priority and has already undertaken several environmental initiatives. This year, the launch of the first Sustainability Strategy and implementation plan have seen Barnardo's commit to reducing environmental impact across five key priority areas.

- travel to, from and for work – incentives to reduce travel to work by private car
- transport and logistics – replacing existing car and van fleet with hybrid and electric vehicles
- procurement of fewer and greener goods – reducing paper procurement and using recycled stock
- energy use – securing all our electricity supplies from renewable sources
- reducing, reusing and recycling – a significant reduction in the use of plastic bags in our retail operations

To direct the implementation of the strategy, a Sustainability Steering Group with subject matter experts has been set up and is working with colleagues from across the charity in building an organisational culture to encourage sustainable activities and business practices.

Barnardo's continues to work hard to reduce the impact it has on the environment and via the following initiatives:

1. we continue via our UK national contract to procure 'Green' electricity produced from sustainable, renewable energy sources, resulting in lower carbon emissions
2. some 97 per cent of our fleet vehicles are now sub 100g/km models to ensure minimal impact to the environment
3. Barnardo's ensures where possible that water and Smart electricity meters are installed in all premises to help reduce consumption and costs
4. we are promoting recycling within our larger sites, supported by our environmental ambassadors, to reduce the amount of waste being sent to landfill
5. Barnardo's is fully compliant with the Energy Savings Opportunity Scheme (ESOS). The aim of ESOS is to identify opportunities to reduce energy consumption, emissions and costs accordingly. Barnardo's submitted its ESOS Phase II notification in December 2019
6. we recycle unsold and damaged donations to our retail shops, including textiles, shoes, books, DVDs, CDs, plastics, cardboard, metal and electrical items. More than 3.5m kilos of books and 6.9m kilos of textiles were collected and recycled from Barnardo's shops last year. Other environmental initiatives throughout Barnardo's include cartridge recycling, redundant IT kit recycling, and environmentally friendly stationery procurement
7. wherever possible we try to procure from sustainable sources by ensuring that any suppliers we engage with have appropriate environmental protection measures, and that these are applied throughout their engagement with Barnardo's
8. we run various engagement campaigns to promote environmental events such as the World Environment Day and Earth Day with Barnardo's staff taking part in pledging support to environmental protection
9. the Barnardo's Big Switch-Off (BBSO) energy campaign aims to help reduce energy consumption and raise awareness of energy usage throughout Barnardo's. The BBSO incorporates an environmental awareness week each year. During this week, our environmental ambassadors and senior leaders raise awareness to encourage good practice at an individual level. The ambassadors are responsible for championing and promoting environmental awareness within their local regions and nations for example, promoting the use of conference calls rather than travelling to meetings
10. Barnardo's provides a range of resources including environmental awareness e-learning modules to give staff and volunteers up-to-date and easily available training and information about environmental issues
11. we have incorporated sustainability practices into our project management processes and guidelines to ensure environmental sustainability is factored at the scoping and planning stages of projects and change initiatives



SECTION 172 OF THE COMPANIES ACT 2006

"Barnardo's trustees promote our charitable purpose to improve the lives of vulnerable children.

PG 44

Acting in accordance with Section 172 of the Companies Act 2006 ('Duty to promote the success of a company').

Barnardo's Trustees consider that they have complied with their duties in regard to Section 172 of the Companies Act 2006 by promoting the charity's success in achieving its charitable purpose: to achieve its charitable purpose: to improve the lives of vulnerable children.

Specifically, Trustees, working closely with the Corporate Leadership Team, have supported the charity to enact its ambitious 10 year Corporate Strategy 2016-2025 and set the narrowing of its focus in the shorter term to meet additional challenges arising from Covid-19 through the Revised Corporate Strategy: Towards Resurgence 2020-23.

Long-term consequences of decisions

Key decisions were taken during the year to support the achievement of our charitable objectives and ensure we take proportionate and sustainable decisions in the context of the ongoing Covid-19 crisis. These included:

1. The decision to apply additional focus to our strategic aims, meaning that, whilst we recover and seek to resurge out of the Covid-19 crisis we will focus on our core purpose, delivering front line services to vulnerable children and young people. This may result in slowing down some other strategic investment outside our core aim.
2. The approval of the Medium Term Budget Strategy (MTBS) 2021-2024, which aims to give us a sustainable financial footing to resurge from the crisis. This includes significant recurrent savings targets (away from front-line delivery), meaning some short term reductions in spend across support teams, marketing, fundraising, retail and other corporate activity.

Interests of employees

During the year regular updates were provided by the CEO and CLT members, in writing, via videos and live Q&A sessions, to ensure that colleagues, including those on furlough, were kept fully up-to-date with how the charity was performing and coping through the pandemic.

Directors captured feedback from colleagues and within their directorates all colleagues were asked to complete a 'Safe Continued Home Working' questionnaire so that we could assess and act on any additional health and safety or mental health and wellbeing requirements. Barnardo's has a number of active Diversity Networks – The Disabled Workers Network, The LGBT Network, The Race Equality Network and the Women's Network. Representatives from each Network come together as part of our Corporate EDI Board, chaired by the CEO, which meets quarterly to discuss members' interests and ensure that feedback on relevant issues is raised to senior management.

Trustees as well as the Corporate Leadership Team have been actively involved in decisions affecting employees, such as the difficult decision not to give a Pay Award to paid colleagues in 2020/21. The Board of Trustees annually reviews the Gender Pay Gap data and signs off the Gender Pay Gap Action Plan, as well as our Ethnicity Pay Gap which was published for the first time this year (see details within our Remuneration Policy on page 40).

Business relationship with suppliers, customers and others; and reputation for high standards of business conduct

During the year Trustees and the Corporate Leadership Team have overseen relationships with our key suppliers to ensure a positive and effective relationship is fostered through our procurement process. This includes ongoing due diligence and regular benchmarking of services, for example, following the launch of our anti-racism commitments in 2020 we have undertaken an audit of partners to ensure we carry shared values. We exercise a similar approach in managing our relationships with our customers based on transparency while being focused on delivery in line with our mutual values

Fundraising

Barnardo's has a wide portfolio of fundraising activities to generate voluntary donations towards the vital services which deliver better outcomes for more children. Our Board of Trustees and Corporate Leadership Team are deeply committed to building relationships and trust with our supporters.

Our Income Generation Committee, a sub-committee of the full Board, involving trustees and senior colleagues, meets regularly with the aim of strengthening oversight and assurance of our fundraising programmes and ensuring compliance and best practice in these areas.

We are members of the Fundraising Regulator and the Institute of Fundraising and we engage widely within the sector to support measures to increase public trust and confidence in the sector.

In addition to our staff and volunteer-led fundraising, we engage the services of agencies to help deliver face-to-face, telephone and other direct marketing activities (e.g. direct mail). External agencies who act in this capacity on our behalf are required to do so in a respectful manner and in accordance with our standards and sector regulation such as the Fundraising Code of Practice. We recognise the need to monitor the performance and compliance of our agencies and we involve ourselves in their training with regular briefing and refresher sessions involving our colleagues. Our quality assurance also includes regular reviews of complaints and other feedback, as well as regular audits, appropriate safeguarding measures, mystery shopping and shadowing of agency fundraisers.

We are particularly aware of the need to protect vulnerable individuals in any fundraising we undertake. Our vulnerable person's policy sets out the high standards we commit to meet and we work regularly with third party agencies and fundraisers to review their policies, procedures and performance.

Over the course of this financial year we received a total of 69 fundraising complaints. This is a reduction from 147 complaints last year, partly due to less fundraising activity taking place. We did not receive any fundraising complaints that were formally investigated by a regulator.

We continue to be committed to addressing any expression of dissatisfaction on the part of our supporters and to examining ways to improve the levels of our service to them. Our Supporter Relations' team looks into the basis of each complaint that we receive, and we aim to resolve complaints speedily and to the satisfaction of our supporters. Our complaints procedure is available on our website with all relevant contact details.

Impact on the community and the environment

Trustees and the Corporate Leadership Team are committed to acting in such a way as to minimise any negative impact on our communities and environment from our operations. We have a Sustainability Steering Group, tasked with identifying strategies to reduce our environment impact and carbon footprint through a sustainability action plan, further details are set out in our Sustainability Report.

Acting fairly between members

Barnardo's is committed to ensuring all colleagues are treated fairly. To help achieve this, all managers up to the senior leadership team, are required to demonstrate leadership and management behaviours aligned to our charitable values, these are assessed as part of our annual performance reviews. As part of setting their own objectives, all colleagues are also required to consider their role in progressing our 'Equality, Diversity and Inclusion' action plan.

Acknowledgements

The Trustees would like to thank the many friends and supporters of Barnardo's for their donations and bequests. They would also like to thank the thousands of volunteers who give their time so generously.

Barnardo's has also benefited with help from companies, legal firms, organisations, local authorities and individuals in the form of gifts in kind, free loans of property, preferential rent and part-relief from rates. Particular gifts and grants and pro-bono support are acknowledged in accordance with their terms on pages 80 to 85.

This Annual Report is signed by the Chair on behalf of the Board of Trustees. The Trustees also approved the Strategic Report, which is contained within this report, in their capacity as company directors.

By order of the Board of Trustees



John Bartlett, Chair of Trustees

The Annual Report was approved by the Board of Trustees on 8 September 2021 and authorised for issue on 14 October 2021.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF BARNARDO'S

"The Trustees are responsible for preparing the Annual Report and for being satisfied that the financial statements give a true and fair view.

The Trustees are responsible for preparing the Annual Report which incorporates the Strategic Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view.

The Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Trustees confirm that, so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware. They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF BARNARDO'S

"In our opinion, the financial statements give a true and fair view of the state of affairs as at 31 March 2021.

Opinion on the financial statements

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 2021 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of Barnardo's ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated and Charity balance sheet, the consolidated statement of cash flows 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually

or collectively, may cast significant doubt on the Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: the Report of the Board of Trustees. 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. 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

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 misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of responsibilities of the trustees, 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 determines 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be the Companies Act, Charities Act 2011 and Charities and Trustee Investment (Scotland) Act 2005. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, data protection, health and safety legislation and fundraising regulations. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Audit procedures performed by the engagement team included:

- discussions with management and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC, the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator;
- assessing the design and implementation of the control environment to identify any areas of material weakness to focus the design of our testing;
- reviewing any items included in the Group's fraud and theft register;
- verification of a sample of Gift Aid claims and ensuring these have been made in accordance with the regulations;
- challenging assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual, the defined benefit pension valuation and dilapidations and other provisions; and
- in addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments, in particular journals posted by senior management or with unusual account combinations.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Martin Gill
B6F16A8EF9FD4ED...
15 October 2021

Martin Gill
(Senior Statutory Auditor)

For and on behalf of BDO LLP,
statutory auditor Edinburgh, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds	Restricted & endowment funds	Total 2021	Total 2020
		£000	£000	£000	£000
Income from:					
Charitable activities	4	173,610	5,684	179,294	173,088
Donations and legacies	5	34,735	7,029	41,764	41,877
Other trading activities	6	30,046	–	30,046	77,924
Development and sale of properties	8	453	–	453	35
Investments	9	1,452	1,042	2,494	2,737
Other	10	26,413	–	26,413	787
Total Income		**266,709**	**13,755**	**280,464**	**296,448**
Expenditure on:					
Raising donations and legacies		10,134	1,073	11,207	12,327
Other trading activities	7	56,881	–	56,881	64,393
Costs of developing and selling properties		393	–	393	59
Investment management costs		204	72	276	392
Raising Funds		**67,612**	**1,145**	**68,757**	**77,171**
Net income available for charitable expenditure		**199,097**	**12,610**	**211,707**	**219,277**
Expenditure on:					
Service provision	7	194,324	11,153	205,477	204,662
Informing the public about our work		5,853	–	5,853	7,855
Childcare research and education		1,358	–	1,358	2,082
Total Charitable Activities		**201,535**	**11,153**	**212,688**	**214,599**
Net (expenditure)/income before pensions and investment		**(2,438)**	**1,457**	**(981)**	**4,678**
Other – pension finance charge	13	4,700	–	4,700	6,100
Total expenditure		**206,235**	**11,153**	**217,388**	**220,699**
Net gains/(losses) on investments	15	8,635	5,130	13,765	(4,192)
Net Income/(expenditure)	14	**1,498**	**6,587**	**8,085**	**(5,614)**
Other recognised gains:					
Actuarial gain on defined benefit pension scheme	13	4,800	–	4,800	20,000
Net movement in funds		**6,298**	**6,587**	**12,885**	**14,386**
Total funds brought forward		(19,653)	36,066	16,413	2,027
Total funds carried forward	25	**(13,355)**	**42,653**	**29,298**	**16,413**

All of the above results relate to continuing activities.

The notes on pages 56 to 79 form part of these financial statements.

BALANCE SHEET (AS AT 31 MARCH 2021)

	Note	Group		Charity	
		2021	2020	2021	2020
		£000	£000	£000	£000
Fixed Assets					
Tangible assets	16	33,488	34,632	33,473	34,614
Investments	17	75,905	77,210	75,300	76,615
		109,393	**111,842**	**108,773**	**111,229**
Current Assets					
Stocks and work in progress	18	2,152	2,908	–	–
Debtors	19	38,256	38,635	36,382	35,477
Current asset investments	20	36,055	11,030	36,055	11,030
Bank and cash	21	19,956	16,751	18,645	16,088
		96,419	**69,324**	**91,082**	**62,595**
Creditors: Amounts falling due within one year	22	**(58,134)**	**(42,232)**	**(52,174)**	**(35,702)**
Net current assets		**38,285**	**26,092**	**38,908**	**26,893**
Provision for liabilities	23	(11,600)	(3,941)	(11,100)	(3,441)
Net assets excluding pension reserve		**136,078**	**133,993**	**136,581**	**134,682**
Pension reserve	13	(106,780)	(117,580)	(106,780)	(117,580)
Net assets including pension reserve		**29,298**	**16,413**	**29,801**	**17,101**
Fund balances					
Restricted and endowment funds	25(a) &(b)	**42,653**	**36,066**	**42,653**	**36,066**
Fixed assets fund	25(c) &(d)	33,314	34,458	33,299	34,440
General reserve		36,057	41,015	35,951	40,419
Revaluation reserve		10,126	8,206	10,126	8,206
Working capital fund		13,928	14,248	14,552	15,550
Unrestricted funds excluding pension reserve		**93,425**	**97,927**	**93,928**	**98,615**
Pension reserve	13	(106,780)	(117,580)	(106,780)	(117,580)
Total unrestricted funds including pension reserve		**(13,355)**	**(19,653)**	**(12,852)**	**(18,965)**
Total funds	25(c)	**29,298**	**16,413**	**29,801**	**17,101**

Approved by the Board of Trustees on 8 September 2021 and authorised for issue on 14 October 2021 and signed on its behalf by:





John Bartlett
Chair of Trustees

Dennis Hone
Honorary Treasurer

14 October 2021

The notes on pages 56 to 79 form part of these financial statements.

Company Number 61625

In accordance with the provisions of the Companies Act 2006, a separate income and expenditure account dealing with the results of the charity only has not been presented. Gross income of the charity of £230.3 million and net income of £7.3 million (2020: net expenditure £3.1 million) has been dealt with in the accounts of the charity.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2021		2020	
		£000	£000	£000	£000
Cash flows from operating activities:					
Net cash used from operating activities	26		(12,183)		(1,814)
Cash flows from investing activities:					
Investment income and interest	9	2,494		2,737	
Purchase of tangible fixed assets	16	(4,407)		(2,073)	
Purchase of investments	17	(9,899)		(12,741)	
Sale of tangible fixed assets		2,231		475	
Sale of investments	17	24,969		13,019	
Increase in short term deposits		25,025		–	
Net cash provided by investing activities			**40,413**		**1,417**
Increase/ (Decrease) in cash and cash equivalents in the year			**28,230**		**(397)**
Cash and cash equivalents at the beginning of the year					
Held as current asset investments		**11,030**		**11,027**	
Held as bank and cash		**16,751**		**17,151**	
			27,781		**28,178**
Cash and cash equivalents at the end of the year					
Held as current asset investments		**36,055**		**11,030**	
Held as bank and cash		**19,956**		**16,751**	
			56,011		**27,781**

PG 55

CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT

The summary income and expenditure account is presented in order to ensure compliance with the Companies Act 2006. The major difference in the figures presented from those in the consolidated statement of financial activities is that net gains and losses on investments are not recognised.

	Note	2021	2020
		£000	£000
Gross income			
Gross income of continuing operations		230,315	238,137
Income of non-charitable trading subsidiaries	3	49,179	57,333
		279,494	**295,470**
Gross expenditure			
Total expenditure of continuing operations		237,444	242,380
Expenditure of non-charitable trading subsidiaries	3	48,423	55,152
		285,867	**297,532**
Net expenditure for the year before transfers and Investment asset disposals		**(6,373)**	**(2,062)**
Realised gain on disposal of investment assets	15	3,965	942
Net expenditure for the year		**(2,408)**	**(1,120)**
Reconciliation to statement of financial activities:			
Net expenditure for the year before investment asset disposal above		(6,373)	(2,062)
Movement on restricted capital and endowment funds	25 (a)	692	639
Net expenditure		**(5,681)**	**(1,423)**

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of preparation

Barnardo's is a company limited by guarantee (registered in England, company number 61625). It operates throughout the UK and is a charity registered in England and Wales (Charity Commission registration number 216250) and in Scotland (Office of the Scottish Charity Regulator registration number SC037605). It is governed by its Articles of Association, last revised in 2018.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Barnardo's meets the definition of public benefit entity under FRS102. Monetary values are calculated under the historical cost convention, as modified by the revaluation of investments.

Presentation currency

The functional currency of Barnardo's and its subsidiaries is considered to be in pounds sterling because that is the currency of the primary economic environment in which the organisation operates. The consolidated financial statements are also presented in pounds sterling.

Going concern

As a result of Covid-19 and the impact on our finances in 2020-21 along with uncertainty going forward, our assessment of Barnardo's as a 'going concern' has never previously been more in focus. As set out above, the direct impact of the crises was a loss of trading income of £47.9m compared to 2020. However, through a range of mitigating actions, additional Government support by way of Covid-19 grants, along with a major improvement in the performance of our investments compared to March 2020, we ended 2020-21 in a strong financial position to withstand further shocks.

We will continue to closely monitor the impact of government decision making and the impact on the economy from the crisis, whilst mapping out a range of alternative 'scenarios' to help us respond to rapid changes.

Given the strength of the balance sheet (see page 54) and the availability and liquidity of the charity's unrestricted investments and cash held in the General Reserve of £83m and the Working Capital Reserve (largely cash backed) of £14m, the Trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The last 18 months has been as good a test of our resilience as we have faced in recent history and the way we have responded as an organisation, gives a great deal of confidence in this assertion. The trustees, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

Critical accounting estimates and judgements

To be able to prepare financial statements in accordance with FRS102, Barnardo's must make certain estimates and judgements that have an impact on the policies and the amount reported in the annual accounts. The estimates and judgments are based on historical experiences and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgements are made.

Of particular significance is the retirement benefit liability. As disclosed in note 13, the charity's previous retirement benefit scheme was of the defined benefit type. Year-end recognition of the liabilities under this scheme and the valuation of assets held to fund these liabilities require a number of significant assumptions to be made, relating to levels of scheme membership, rates of mortality, key financial market indicators such as inflation and expectations on future asset returns. These assumptions are made by the charity in conjunction with the schemes' actuaries.

Legacy income recognition is also of significance. The receipt of legacies is considered probable when probate has been granted, it has been established that there is sufficient net assets to pay the legacy and any conditions attached to the legacy have been met or are under the control of Barnardo's.

Parent charity disclosure exemptions

In preparing the separate financial statements of the parent charity, advantage has been taken of the following disclosure exemptions available in FRS102:

1. The statement of financial activities and cash flow of the charity have not been presented, as disclosure has been provided in respect of the group as a whole; and
2. No disclosure has been given for the aggregate remuneration of the key management personnel of the parent charity as their remuneration is included in the totals for the group as a whole.

Basis of consolidation

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertakings, all of which were prepared to 31 March 2021. Subsidiaries are consolidated from the date when control passes. The trading results of the subsidiary undertakings as shown in note 3 are consolidated on a line-by-line basis within the consolidated statement of financial activities (SOFA). Intercompany transaction and balances between group companies are therefore eliminated in full.

A separate SOFA for the charity is not presented as permitted by the SORP and the Companies Act 2006.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

Investments

Investments in subsidiaries are held at cost. Investments and those held as fixed assets and current assets, are stated at their market value as at the balance sheet date. All movements in value arising from investment changes or revaluation ("unrealised gains") are recognised in the SOFA. Realised gains or losses on investments are calculated as the difference between the disposal proceeds and the carrying value.

Fixed Assets

Fixed assets are stated in the balance sheet at their cost at the time of receipt less depreciation. Expenditure of a capital nature over £1,000 is capitalised. Profits and losses on the disposal of properties are recognised in the SOFA in the year of disposal.

Depreciation

1. Depreciation of freehold and long-leasehold properties is provided at the rate of between two and four per cent per annum on their cost or value. Short-leasehold properties are amortised over the period of the lease. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.
2. Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.
3. Equipment and vehicles are depreciated over their expected useful lives, which vary between one and five years.

Creditors

Payments to suppliers are either our standard payment terms of 30 days or according to the agreed credit terms.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Provisions

Provisions are recognised when the Charity has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of a resources will be required to settle the obligation and the amount can be reliably estimated.

Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

Income

1. Fees, grants for service provision, statutory and related funding are recognised where there is evidence of entitlement, receipt is probable and its amount can be measured reliably.
2. Donations (except in relation to legacies) are accounted for when receivable. Income from pecuniary legacies is recognised where grant of probate has been received, and income from residuary legacies is recognised where estate accounts have been finalised. Income from wills or reversionary trusts of property is not recognised until the life interest has passed away and the property sale is at an advanced stage. Income from all other legacies is only recognised where there is clear entitlement, the amount can be accurately measured and there is reasonable probability of receipt. The receipt of legacies is considered probable when probate has been granted, it has been established that there are sufficient net assets to pay the legacy and any conditions attached to the legacy have been met or are under the control of Barnardo's.
3. The value for gifts in kind, donated services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation has been met, the receipt of economic benefit from the use by the Charity is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS102), general volunteer

time is not recognised. More information about their contribution is explained in the Trustee's annual report.

4. All grants are accounted for when receivable, as long as there is evidence of entitlement, receipt is probable and its amount can be measured reliably. Grants where entitlement is not conditional on the delivery of a specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.
5. Income raised through the operation of shops and related trading activity under the charity's management is taken into account at the point at which ownership of the goods transfers to the customers. Stocks of unsold donated goods are not valued for balance sheet purposes as it is not considered practical to estimate the fair value due to the high volume of low value inventory and the absence of management information systems.
6. Income from sale and development of properties is recognised based on Barnardo's share of profit on practical completion of each sale.
7. Investment income is the amount receivable for the year.
8. Where fee or performance-related grant income is invoiced or received that relates to subsequent periods or when other conditions have not yet been met, the income is treated as deferred income in note 22 to the accounts.
9. Other income includes government support from the Coronavirus Job Retention Scheme, recognised on a receivables basis, of £15.8m and the Retail, Hospitality and Leisure Grant Fund (RHLGF) of £8.9m. Retail, Hospitality and Leisure Grant Fund is subject to EU State Aid Rules. An assessment of the charity's compliance with State Aid Rules has been performed and the charity is considered to be entitled to recognise the income in the period. This income has been recognised on a receipts basis. These have been recognised in other income as a one off event supporting all parts of our operations and to aid understanding of our accounts year on year.

Expenditure

1. All expenditure is accounted for on an accruals basis and irrecoverable VAT is included in the relevant cost category. Some costs incurred centrally are allocated to expenditure categories listed below on the basis of their use of corporate functions. Such allocations of support costs are made on a basis consistent with the use of resources. Further details regarding support costs are disclosed in note 7.
2. Costs of raising voluntary funds are incurred in relation to staff members who are engaged in fundraising activities and the provision of fundraising activities on Barnardo's behalf.
3. Expenditure on trading activities represent expenditure incurred in the operation and management of the Barnardo's chain of shops and other activities undertaken by Barnardo's Trading.
4. Costs of developing and selling properties represent expenditure undertaken by Barnardo Developments Limited.
5. Direct service provision costs represent the operational costs of service delivery.
6. Grants made include those that Barnardo's makes to other organisations and grants to young people through Barnardo's trust funds. Grant expenditure is recognised once the offer is communicated to the recipient.
7. Other service and training costs are incurred in providing regional/national and departmental management.
8. Informing the public about our work includes the costs incurred in raising awareness of childcare issues and Barnardo's activities in relation to them.
9. Childcare research and education includes policy reviews and activities to help educate wider groups about relevant childcare issues.
10. All costs involved in terminating employee contracts are accounted for on an accruals basis and disclosed in aggregate in Note 12. Termination benefits are measured at the best estimate of the expenditure required to settle the obligation of the reporting date.

Pension costs

For defined benefit schemes, in accordance with FRS 102 section 28, the SOFA includes:

- the cost of benefits accruing during the year in respect of current and past service (charged against net income);
- the actual return on plan assets less interest on plan assets and the increase in the present value of the scheme's liabilities arising from the passage of time (charged against net income); and
- actuarial gain/(loss) recognised in the pension scheme (shown within net movement in funds).

In accordance with FRS 102, the balance sheet includes the deficit in the scheme taking assets at their year-end market values and liabilities at their actuarially calculated values discounted at year-end AA corporate bond interest rates. Further details regarding the scheme are disclosed in note 13.

For defined contribution pension schemes, pension costs in respect of the defined contribution scheme are charged to the SOFA for the period in which they are payable.

Capital grants

In accordance with the SORP for charities, grants receivable are recognised immediately in the SOFA unless they are restricted to future accounting periods and are recognised as a liability.

Operating leases

Rentals payable/receivable under operating leases are charged/received on a straight-line basis over the term of the lease.

Corporation tax

The subsidiary companies make qualifying donations of all taxable profits to Barnardo's. The company is a charity within the meaning of the Finance Act 2010 (schedule 6, paragraph 1). Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by the Corporation Tax Act 2010 (part 11, chapter 3) or the Taxation of Chargeable Gains Act 1992 (section 256), to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

Fund accounting

Barnardo's has various types of funds for which it is responsible, and which require separate disclosure as follows:

Restricted income funds

Donations or legacies received, or income arising from such, which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the organisation.

Restricted capital and endowment funds

Funds given to the charity where the income may be used for the charity's purposes. In accordance with the Order signed by the Charity Commission in 2003, the charity may convert a proportion of the capital gain on monies held by way of endowment into income as long as the current indexed value of the original endowment is maintained.

Unrestricted funds

Funds that are expendable at the discretion of the Trustees in furtherance of the objects of the charity, consisting of three specific types:

1. **Fixed assets fund**
   This fund represents amounts invested in fixed assets for use by the charity.
2. **General reserve**
   This reserve represents funds held in an investment portfolio and investment properties.
3. **Working capital fund**
   This fund represents net assets available to meet day-to-day operational commitments.

Pension reserve

In accordance with FRS 102, the liability attributable to the Barnardo Staff Pension Scheme is shown as a reduction of total funds. No designation of funds to meet future pension commitments at the balance sheet date is in place as the organisation anticipates meeting such commitments through future cash flows, a situation that is subject to regular review in conjunction with actuarial valuations and related professional advice.

Subordinate charities

Included in restricted and endowment funds are assets held on behalf of trusts that are constituted as separately registered charities. These have purposes that are consistent with the objects of Barnardo's and are under common control. As such, their results have been included in the consolidated statements presented.

The SORP lays down that restricted income funds should be separately disclosed in the SOFA. However, in the case of Barnardo's the value of such funds is not significant. The disclosure is therefore made by way of note (note 25).

2. SUBSIDIARIES

Adoptionplus Limited is wholly owned by the Charity and Barnardo's owns the whole of the issued capital amounting to £20,000 (20,000 ordinary 'shares of £1 each) of Barnardo Holdings Limited which in turn owns the whole of the issued capital of the following subsidiaries:

Subsidiary Undertaking	Company Reg No:	Principal Activities
Barnardo Trading Limited	886425	Mail order and retailing
Barnardo Developments Limited	964920	Property development
Barnardo Events Limited	2270706	Sponsorship & special events
Barnardo Services Limited	1227919	Childcare services
Barnardo Garden Village Management Company Limited	8652230	Property management
Subsidiary Undertaking	**Company Reg No:**	**Principal Activities**
Adoptionplus Limited	6900397	Adoption agency

During the year there was no activity in Barnardo Holdings Limited. The net assets of Barnardo Holdings Limited are £20,000.

The subsidiary companies make qualifying donations of all taxable profits to Barnardo's. No corporation tax liability on the subsidiaries arises in the accounts.

Barnardo Garden Village Management Company Limited is not consolidated in the group accounts as it is not material to the group accounts.

The registered address of all subsidiaries listed above is Barnardo's House, Tanners Lane, Barkingside, Ilford, Essex IG6 1QG.

3. TRADING SUBSIDIARIES' RESULTS

	Barnardo Trading Limited	Barnardo Developments Limited	Barnardo Events Limited	Barnardo Services Limited	Adoptionplus Limited	Total 2021	Total 2020
	£000	£000	£000	£000	£000	£000	£000
Turnover	3,110	453	95	43,781	1,302	48,741	56,839
Cost of sales	(2,107)	(393)	–	(43,781)	(961)	(47,242)	(53,407)
Gross profit	**1,003**	**60**	**95**	**–**	**341**	**1,499**	**3,432**
Impairment	–	10	–	–	–	10	(160)
Admin/other costs	(810)	(83)	(64)	(47)	(177)	(1,181)	(1,745)
Trading profit/(loss)	**193**	**(13)**	**31**	**(47)**	**164**	**328**	**1,527**
Other income	–	–	–	438	–	438	494
Taxation	–	–	–	–	–	–	–
Net Income/(loss)	**193**	**(13)**	**31**	**391**	**164**	**766**	**2,021**
Amount payable by qualifying charitable donation to Barnardo's	(193)	–	(31)	(391	–	(615)	(2,370)
Retained profit/(loss) for year	**–**	**(13)**	**–**	**–**	**164**	**151**	**(349)**
Retained profit/(loss) brought forward	10	(299)	–	–	(270)	(559)	(210)
Retained profit/(loss) carried forward and net assets	10	(312)	–	–	(106)	(408)	(559)

These results have been consolidated on a line by line basis in the SOFA, after consolidation adjustments.

4. INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
	£000	£000
Family support & placement	76,415	78,483
Education	22,790	14,992
Disability support	7,255	8,129
Government grants	25,051	10,194
Other services	47,783	61,290
	179,294	**173,088**

Income from charitable activities is £179.3m (2020: £173.1m) of which £173.6m is unrestricted (2020: £169.4m) and £5.7m is restricted (2020: £3.6m).

5. INCOME FROM DONATIONS AND LEGACIES

	2021	2020
	£000	£000
Legacies	18,570	18,030
Donations and gifts from the general public	22,067	22,485
Donations from companies and trusts	1,127	1,362
	41,764	**41,877**

The income from donations and legacies is £41.8m (2020: £41.9m) of which £34.7m is unrestricted (2020: £36.3m) and £7.0m restricted (2020: £5.6m). Legacies notified but not accrued at 31 March 2021, due to probability or measurable criteria not being met, were £5.1m (2020: £5.7m).

6. OTHER TRADING INCOME

Income from trading is £30.0m (2020: £77.9m). All income relates to unrestricted activities.

7. EXPENDITURE

	Direct costs	Grant funding of actvities	Apportioned Support Costs	2021	2020
	£000	£000	£000	£000	£000
Raising donations and Legacies	6,376	–	4,831	11,207	12,327
Other Trading Activities	53,483	–	3,398	56,881	64,393
Costs of developing and selling properties	393	–	–	393	59
Investment Management Costs	276	–	–	276	392
Total Raising Funds	**60,528**	–	**8,229**	**68,757**	**77,171**
Service provision	181,194	300	23,983	205,477	204,662
Informing the public about our work	5,853	–	–	5,853	7,855
Childcare research and education	1,358	–	–	1,358	2,082
Total Charitable Activities	**188,405**	**300**	**23,983**	**212,688**	**214,599**
Total expenditure (before pension and investment)	**248,933**	**300**	**32,212**	**281,445**	**291,770**

Total expenditure of £281.4m (£2020: £291.8m) included restricted expenditure of £12.3m (2020: 9.4m), of which £1.1m related to the cost of raising funds (2020: £0.8m) and £11.1m to service provision (2020: £8.7m). Other trading activities expenditure of £56.9m (2020: £64.4m) included £54.0m (2020: £60.1m) representing the costs of operating our 665 retail shops and £2.9m (2020: £4.3m) for expenditure of Barnardo Trading Limited on costs of goods sold and other costs. £0.4m (2020: £0.1m) has been incurred developing and selling land surplus to the group's requirements.

Support costs relating to the coporate functions have been allocated to the various categories on a basis consistent with the use of resources (e.g. time spent, number of staff, asset value,floor space). Where they could not be allocated directly they have been allocated based on a percentage share of other costs. A breakdown is provided in the table below:

PG 63

	Raising Donations & Legacies	Other Trading Activities	Service Provision	2021	2020
	£000	£000	£000	£000	£000
Property	1,049	1,967	7,326	10,342	5,648
IS	1,865	220	6,503	8,589	12,180
Human Resources	690	858	6,614	8,161	8,925
Finance	346	115	1,384	1,845	2,328
Other Corporate	298	100	1,096	1,494	2,185
Governance	583	137	1,060	1,781	–
Total 2021	**4,831**	**3,398**	**23,983**	**32,212**	**31,266**
Total 2020	**5,609**	**2,343**	**23,314**	**31,266**	

8. INCOME FROM DEVELOPMENT AND SALE OF PROPERTIES

	2021	2020
	£000	£000
Turnover of Barnardo Developments Limited	453	35

Income relates to unrestricted activities.

9. INCOME FROM INVESTMENTS

	2021	2020
	£000	£000
Listed investments – United Kingdom	2,238	2,392
Short term deposits	52	99
Rents and ground rents	177	221
Other interest	27	25
	2,494	**2,737**

The income from investments was £2.5m (2020: £2.7m) of which £1.5m is unrestricted income (2020: £1.7m) and £1.0m is income from endowments (2020: £1.0m).

10. OTHER INCOME

	2021	2020
	£000	£000
Gain on disposal of non property fixed assets	171	249
Gain on disposal of properties	1,419	169
Other income	–	369
Retail, Hospitality and Leisure Grant Fund (RHLGF)	8,939	–
Coronavirus Job Retention Scheme	15,884	–
	26,413	**787**

PG 64

All income relates to unrestricted activities.

Included in other income is £24.8m of government support from Covid-19 grants broken does as £8.9m of Retail, Hospitality and Leisure Grant Fund in support of the closure of our shops and £15.9m from the Job Retention Scheme where staff were furloughed in the year.

11. MEMBERS AND TRUSTEES

Barnardo's is a company limited by guarantee having no share capital and in accordance with clause 6 of the Articles of Association every member is liable to contribute a sum of £1.05 in the event of the company being wound up. At 31 March 2021 there were 235 members (31 March 2020: 186).

Barnardo's trustees are all unpaid volunteers who give freely of their time and expertise to the Charity. The time that they give to Barnardo's ranges from around 15 to over 90 days per year depending on their role on the board and on committees. These days cover preparation and attendance at board, committee and planning meetings, Barnardo's service visits, special working groups, governance groups required for regulatory reasons, briefings and training. During the year no Trustee received any remuneration or benefits from the charity. Trustees often cover all their costs of travel and accommodation incurred whilst on Barnardo's business. Actual expenses incurred amounted to £nil (2020: £5,796) and included travel, subsistence and other related costs. The number of Trustees claiming expenses was 0 (2020: 8).

Charities have to disclose where trustees or their related parties have made their donations to charity with conditions attached. No such disclosable donations have been made to Barnardo's in the year to 31 March 2021 (2020: £nil). The charity purchased insurance for Trustees and officers of the company during the year to indemnify them against possible liabilities incurred by them in relation to their duties. The cost of this insurance was £5,152 (2020: £5,174).

12. EMPLOYEES

	2021	2020
The average number of employees during the year was:	No.	No.
Children's services	5,082	4,891
Fundraisers, shop managers, clerical staff and fundraising management	1,978	2,053
Central support services	429	921
	7,489	**7,865**

	2021	2020
	No.	No.
The number of staff whose emoluments fell within each of the following bands was:		
£60,000 to £69,999	21	23
£70,000 to £79,999	13	9
£80,000 to £89,999	11	11
£90,000 to £99,999	6	4
£100,000 to £109,999	2	3
£110,000 to £119,999	2	1
£120,000 to £129,999	2	2
£130,000 to £139,999	–	–
£160,000 to £169,999	–	2
£190,000 to £199,999	1	–
£200,000 to £209,999	–	1

Number of full time equivalent employees at the year end	5,349	5,550

PG 65

The highest paid employee is the chief executive.

	2021	2020
The aggregate emoluments to employees in the year were:	£000	£000
Wages and salaries	141,067	148,428
Social security costs	11,195	11,867
Pension costs	11,474	11,590
Benefits in kind (as calculated for taxation purposes)	492	510
	164,228	**172,395**

Included in wages and salaries is an amount of £1.4m relating to redundancy, compromise and termination costs (2020: £0.5m) following the completion of children services contracts.

Emoluments in respect of the bandings above include gross salary and all benefits in kind (excluding pension contributions and expenses). Systems are in place for the management of expenses.

52 staff earning over £60,000 (2020: 54) receive benefits accruing under the Barnardo's Retirement Savings Plan. Employer contributions to the pension funds of these 52 employees were a combined total of £418k during the year (2020: £384k).

The total employee benefits of the executive Corporate Leadership Team, as listed on page 87, was £661k in 2021 (2020: £818k).

13. RETIREMENT BENEFITS

The group operates a funded defined benefit scheme, the Barnardo Staff Pension Scheme, the assets of which are held in a specific trust separately from those of the group. Contributions are paid to the scheme as agreed with the scheme's trustees, having taken independent actuarial advice.

The scheme was closed to further accrual of defined benefits from 30 April 2013, with active members of the scheme on that date becoming members of the Barnardo's Retirement Savings Plan, which is a defined contribution arrangement for future service. Benefits for members of the defined benefit scheme will continue to increase broadly in line with inflation.

New employees are offered membership of the Barnardo's Retirement Savings Plan. The total employer contributions and costs relating to the defined contribution arrangement for the year amount to £6.4m (2020: £6.5m).

The funding plan for the defined benefit scheme is to hold assets equal to the value of the benefits earned by employees, where that value is calculated using a set of assumptions appropriate for funding the scheme. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding plan, Barnardo's and the pension scheme trustees agree on deficit contributions to meet this deficit over a period. A deficit recovery plan was agreed with the pension scheme trustees following the actuarial valuation as at March 2015.

Over the year to 31 March 2021, £10.7m of deficit contributions were paid into the scheme. On the current plan (agreed following the actuarial valuation as at 31 March 2018), deficit contributions of £10.7m per annum are expected to be paid each year for 19 years from 1 April 2018.

Details of the defined benefit scheme, produced in accordance with section 28 of FRS102, are set out below. Calculations are based on membership data as at 31 March 2018 were updated to 31 March 2021 by an independent qualified actuary, allowing for changes in financial conditions, actual benefit payments made over the period, and the impact of pension scheme increases granted. The defined benefit liabilities have been measured using the projected unit method.

The following table sets out the key FRS102 assumptions used for the scheme.

	2021	2020
Assumptions	per annum	per annum
RPI inflation	3.0%	2.3%
CPI inflation	2.5%	1.5%
Discount rate	2.2%	2.4%
Revaluation of deferred pensions (non-GMP)	3.0%	2.3%
Pension increases:		
Pre 88 GMP	nil	nil
Post 88 GMP	2.1%	1.5%
Pre 97 XS	2.9%	2.3%
Post 97 pension	2.1%	1.8%
Life Expectancies (in years)		
For a male aged 60 in 2020	85.5	85.9
For a female aged 60 in 2020	88.2	88.4
At age 60 for a male aged 40 in 2020	86.2	86.7
At age 60 for a female aged 40 in 2020	88.8	89.1

The amounts included in the balance sheet arising from Barnardo's obligations in respect of the defined benefit scheme for the current and previous year are as follows:

	2021	2020
	£m	£m
Fair value of assets	774.9	681.3
Present value of liabilities	(881.6)	(798.8)
Net liability recognised in the balance sheet	(106.7)	(117.5)

These figures exclude additional voluntary contributions, which have previously been included.

Sensitivity Analysis

The sensitivity of the liabilities (in both percentage and £ terms) to changes in the key assumptions used to measure the Pension Fund's liabilities is shown in the table below:

Assumption	Change in Assumption	Impact on liabilities
Discount rate	+/- 0.1%	+/- £14.0m (1.6%)
RPI Inflation	+/- 0.1%	+/- £12.0m (1.4%)
Assumed life expectancy	+/- 1 year	+/- £32.5m (3.7%)

The following amounts have been included within net income/(expenditure) in relation to the defined benefit scheme:

	2021	2020
	£m	£m
Employer's part of current service cost	0.0	0.0
Past service cost	0.0	0.0
Interest expense	2.7	3.5
Administrative expenses	2.0	2.6
Total expense	**4.7**	**6.1**

PG 67

The current allocation of the scheme's assets is as follows:

	2021	2020
	£m	£m
Equities	62.7	(5.2)
Bonds	255.1	271.6
Diversified growth fund	145.4	118.6
Swap contracts	222.3	219.5
Private credit	80.4	20.2
Cash/other	9.0	56.6
	774.9	**681.3**

The Scheme's assets shown above at 31 March 2021 include instruments that protect against movements in long term interest rates and future inflation and also instruments that provide returns linked to equity markets (both traditionally and synthetically, using derivatives). The scheme holds £46.3m in equities, and also holds an equity-related derivative contract valued at £16.4m March 2021. Therefore, the overall equity holding is showing as £62.7m. The main reason for the large change in equities since the figures disclosed in 2020 is a significant swing in the value of the equity-related derivative contract, which had a negative value in the prior year, in the wake of the coronavirus crisis. The swap contracts shown are in respect of liability driven investment funds designed to protect against movements in long term interest rates and inflation.

Changes in the present value of the scheme liabilities over the year are as follows:

	2021	2020
	£m	£m
Opening value of scheme liabilities	798.8	844.4
Past service cost	–	–
Interest cost	18.9	21.1
Actuarial loss/(gain)	89.4	(41.6)
Benefits paid	(25.5)	(25.1)
Closing value of scheme liabilities	**881.6**	**798.8**

Changes in the fair value of the scheme assets over the year are as follows:

	2021	2020
	£m	£m
Opening fair value of the scheme assets	681.3	702.3
Interest on plan assets	16.2	17.6
Actual return on plan assets less interest on plan assets	94.2	(21.6)
Contributions by the employer	10.7	10.7
Administrative expenses	(2.0)	(2.6)
Benefits paid	(25.5)	(25.1)
Closing fair value of scheme assets	**774.9**	**681.3**

The actual return on the scheme's assets over the year was a gain of £110.4m (2019/20: loss of £4.0m).

PG
68

14. NET INCOME/(EXPENDITURE)

	2021	2020
	£000	£000
Net income/(expenditure) is stated after charging:		
Depreciation of tangible fixed assets	4,797	5,615
Auditors' remuneration – statutory	79	79
Operating lease rentals	17,935	18,238
Operating lease income	(26)	(35)

15. GAINS AND LOSSES ON REVALUATION AND ON INVESTMENT ASSET DISPOSALS

	2021	2020
	£000	£000
Realised gains	3,964	942
Unrealised gains/(losses)	9,801	(5,134)
	13,765	**(4,192)**

Gains and losses on revaluation and on investment asset disposals is a £13.8m gain for the year (2020: £4.2m loss) of which £8.7m is unrestricted (2020: £2.0m loss) and £5.1m is restricted (2020: £2.2m loss).

16. TANGIBLE ASSETS

	Properties	Equipment & vehicles	Total
(a) Group:	£000	£000	£000
Cost			
At beginning of year	80,688	23,816	104,504
Additions	210	4,197	4,407
Disposals	(1,521)	(7,120)	(8,641)
At end of year	**79,377**	**20,893**	**100,270**
Depreciation			
At beginning of year	49,146	20,726	69,872
Provided during year	2,241	2,556	4,797
On disposals	(1,040)	(6,847)	(7,887)
At end of year	**50,347**	**16,435**	**66,782**
Net book value			
At beginning of year	31,542	3,090	34,632
At end of year	**29,030**	**4,458**	**33,488**

	Group	
	2021	2020
(b) Analysis of freehold and leasehold properties:	£000	£000
Freeholds	22,217	23,120
Long leaseholds (over 50 years)	2,161	2,262
Short leaseholds (50 years and under)	4,652	6,160
	29,030	**31,542**
(c) Use of properties:		
Service delivery	11,171	11,962
Other (including shops and offices)	17,859	19,580
	29,030	**31,542**

17. INVESTMENTS

	Group	
	2021	2020
	£000	£000
Investments at market value	75,905	77,210
At beginning of year	77,210	81,680
Additions	9,899	12,741
Disposals	(24,969)	(13,019)
Realised/unrealised gains/(losses)	13,765	(4,192)
At end of year	75,905	77,210
Comprising:		
UK Equities	24,846	24,529
UK Bonds	21,607	25,296
International Pooled Funds	25,408	24,020
Cash	408	639
Other investments	3,636	2,726
	75,905	**77,210**
Cost of Investments	57,816	69,004

There were no investments in individual companies in excess of 5% of the total portfolio value.

Investments of the Charity include £20,000 in Subsidiary undertakings (Note 2).

18. STOCKS AND WORK IN PROGRESS

	2021	2020
	£000	£000
Finished goods	1,504	1,936
Work in progress	648	972
	2,152	**2,908**

Work in progress represents building developments held by Barnardo Developments Limited at the year end. No stocks or work in progress were held by the charity. The value of stock recognised within the Statement of Financial Activities during the year ended 31 March 2021 was £2.5m (2020: £3.4m).

19. DEBTORS

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade debtors	208	349	–	–
Statutory and related funders	19,783	21,052	15,151	16,665
Taxation	2,420	1,976	2,420	1,976
Other debtors	3,007	706	2,835	649
Prepayments and accrued income	12,838	14,552	12,016	13,500
Amounts owing from subsidiaries	–	–	3,960	2,687
	38,256	**38,635**	**36,382**	**35,477**

Amounts due from subsidiaries represent:

1. Loans from the charity to Barnardo Trading Limited, Barnardo Developments Limited and Adoptionplus Limited. These loans are repayable on demand, and are secured by fixed and floating charges over the assets of the subsidiaries. Interest is chargeable at rates of 1.5% to 2% above base rate.
2. Temporary current account balances between the charity and Barnardo Services Limited and Barnardo Events Limited.

20. CURRENT ASSET INVESTMENTS

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Interest bearing deposit accounts	36,055	11,030	36,055	11,030

21. ANALYSIS OF BANK AND CASH

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Cash in hand	19,918	16,713	18,607	16,050
Notice deposits (less than 3 months)	38	38	38	38
Total bank and cash	**19,956**	**16,751**	**18,645**	**16,088**

22. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Pension contributions	892	892	892	892
Other taxes and social security costs	9,425	7,905	7,208	5,293
Other creditors	8,441	5,777	8,315	5,510
Accruals	14,543	11,438	14,517	11,372
Trade creditors	4,939	4,572	4,859	4,571
Deferred income	19,894	12,648	11,293	8,064
Amounts owing to subsidiaries	–	–	5,090	–
	58,134	**43,232**	**52,174**	**35,702**

Deferred income relates to fees and grants invoiced in advance from statutory and related funders. An amount of £12.6m (2020: £8.5m) was released from prior year. An amount of £19.9m (2020: £12.6m) was deferred in the year.

PG 72

23. PROVISIONS FOR LIABILITIES

	Group			
	Dilapidations	Other	Total	Total
			2021	2020
	£000	£000	£000	£000
Provision 1 April	1,118	2,823	3,941	3,914
Additional provisions made in the year	5,010	2,910	7,920	399
Provisions released from prior years	(261)	–	(261)	(372)
Provisions for Liabilities at end of year	**5,867**	**5,733**	**11,600**	**3,941**

	Charity			
	Dilapidations	Other	Total	Total
			2021	2020
	£000	£000	£000	£000
Provision 1 April	1,118	2,323	3,441	3,414
Additional provisions made in the year	5,010	2,910	7,920	399
Provisions released from prior years	(261)	–	(261)	(372)
Provisions for Liabilities at end of year	**5,867**	**5,233**	**11,100**	**3,441**

The dilapidations provision relates to property leases with various termination dates. Other includes amounts not material to the group and charity. The timing when these would be due is uncertain. The opening balance was immaterial and included in other creditors at 1 April 2020.

24. COMMITMENTS

(a) Capital Expenditure

There are no capital commitments.

	Group	
	2021	2020
(b) Land & Other Buildings	£000	£000
Total future minimum lease commitments under non-cancellable operating leases are as follows:		
Operating leases payable which expire:		
Within one year	721	1,367
In the second to fifth years inclusive	22,670	19,669
Over five years	37,269	50,469
Operating leases receivable which expire:		
Within one year	27	35
In the second to fifth years inclusive	–	27

25. FUND BALANCES

	Restricted income funds	Endowment funds	Total	Restricted income funds	Endowment funds	Total
	2021	2021	2021	2020	2020	2020
(a) Analysis of restricted & endowment funds	£000	£000	£000	£000	£000	£000
Income						
Fundraising income	11,133	–	11,133	7,211	–	7,211
Big Lottery Fund	1,580	–	1,580	2,013	–	2,013
Net income from investments and other	–	970	970	–	977	977
	12,713	970	13,683	9,224	977	10,201
Expenditure						
Child care and community work in the UK	10,874	–	10,874	8,341	–	8,341
Cost of fundraising income	1,073	–	1,073	690	–	690
Grants to young people in need	279	–	279	–	338	338
	12,226	–	12,226	9,031	338	9,369
Net income	487	970	1,457	193	639	832
Gains and losses on investment asset revaluation and on disposals						
Unrealised gains/(losses)	–	4,593	4,593	(2,575)	–	(2,575)
Realised gains	–	537	537	401	–	401
	–	5,130	5,130	(2,174)	–	(2,174)
Net Transfer from restricted to endowment funds	(3,686)	3,686	–	–	–	–
Net movement in funds	(3,199)	9,786	6,587	(1,981)	639	(1,342)
Fund balances brought forward	11,244	24,822	36,066	13,225	24,183	37,408
Fund balances carried forward	8,045	34,608	42,653	11,244	24,822	36,066

All endowment funds are permanent endowments. Fundraising income is made up of 15 funds, none of which are individually material and are therefore disclosed in aggregate. There are no significant restricted funds. They have been classed as restricted due to the nature of the fundraising income. The net transfer in the year between endowment and restricted funds relates to a change in disclosure of endowment investment gains and is net of any transfers to restricted funds to offset spend in year.

The restricted capital and endowment fund balances carried forward at 31 March 2021 include endowment funds for which Barnardo's has received an Order signed by the Charity Commission enabling the unapplied total return to be transferred to unrestricted funds. The initial value of the unapplied return was established in 2002. It is the value of funds donated at 1 April 1976 or at the date of donation if later, indexed to 2002. Indexation has then been applied to this 2002 value to give the 2021 value. The unapplied return is the difference between the 2020 value and the market value of funds as at 31 March 2021 and any unspent investment income.

	Trust for Investment	Unapplied Return	Total
	£000	£000	£000
Brought forward at 1.4.20			
Original Gift component (indexed to 31 March 2002)	14,785	–	14,785
Further indexation to 31 March 2020	10,006	–	10,006
Unapplied return	–	2,926	2,926
Total	**24,791**	**2,926**	**27,717**
Movements in period			
Increase/(decrease) from indexation	364	(364)	–
Investment return: Dividends and interest	–	967	967
Investment return: Realised and unrealised gains	–	5,080	5,080
Less: Investment management costs	–	(72)	(72)
Total	**364**	**5,611**	**5,976**
Unapplied total return allocated to income in year	–	(256)	(256)
Income funds transferred from restricted	–	272	272
Net movements in the reporting period	**364**	**5,627**	**5,991**
Carried forward at 31.3.21			
Original Gift component (indexed to 31 March 2002)	14,785	–	14,785
Further indexation to 31 March 2021	10,370	–	10,370
Unapplied total return	–	8,553	8,553
Total	**25,155**	**8,553**	**33,708**

Endowment funds also includes property and other funds not covered by the total returns approach.

	2021	2021	2020	2020
(b) Categorisation of restricted & endowment funds	No.	£000	No.	£000
Fund balances				
Educational purposes	3	3,553	3	3,005
Project buildings	2	284	2	284
Sea training	1	573	1	485
General & other purposes	19	38,243	19	32,292
	25	42,653	25	36,066

Included in the restricted and endowment funds are two charities that are independently registered with the Charity Commission, along with a number of constituent charities, also registered with the Charity Commission. The independent charities are ACW Edwards (registration number 247678) whose objects are for the income to be distributed to recognised local or national charities that the trustees shall in their absolute discretion select, and GA Joyce (registration number 272973) whose objects are such charitable purposes as the trustees shall in their absolute discretion determine. Funds are held separately from Barnardo's. The objects are closely aligned to Barnardo's so in accordance with the Charities SORP (FRS 102), as custodian Trustees, and with Charity Commission consent, these charities have been included as if they represent restricted funds of Barnardo's.

	Unrestricted	Restricted & endowments	Total	Unrestricted	Restricted & endowments	Total
	2021	2021	2021	2020	2020	2020
(c) Analysis of fund balances between group net assets	£000	£000	£000	£000	£000	£000
Fixed assets	33,315	173	33,488	34,458	173	34,632
Investments	42,782	33,123	75,905	49,220	27,990	77,210
Pension liability (note 13)	(106,780)	–	(106,780)	(117,580)	–	(117,580)
Net current assets	28,928	9,357	38,285	18,189	7,903	26,092
Provisions	(11,600)	–	(11,600)	(3,941)	–	(3,941)
Net assets	**(13,355)**	**42,653**	**29,298**	**(19,653)**	**36,066**	**16,413**

	Unrestricted	Restricted & endowments	Total	Unrestricted	Restricted & endowments	Total
	2021	2021	2021	2020	2020	2020
(d) Analysis of fund balances between charity net assets	£000	£000	£000	£000	£000	£000
Fixed assets	33,300	173	33,473	34,441	173	34,614
Investments	42,177	33,123	75,300	48,625	27,991	76,616
Pension liability (note 13)	(106,780)	–	(106,780)	(117,580)	–	(117,580)
Net current assets	29,551	9,357	38,908	18,991	7,902	26,893
Provisions	(11,100)	–	(11,100)	(3,441)	–	(3,441)
Net assets	**(12,852)**	**42,653**	**29,801**	**(18,965)**	**36,066**	**17,101**
Unrealised gains/(losses) included in investments value	5,207	4,593	9,800	(2,559)	(2,575)	(5,134)

PG 75

The restricted funds are held in appropriate asset forms to enable the restrictions to be satisfied. The amount of revaluation reserve included within the general reserve is £10.1m (2020: £8.2m).



26. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2021	2020
	£000	£000
Net income/(expenditure)	8,085	(5,614)
Depreciation charge	4,797	5,613
(Gains)/losses on investments	(13,765)	4,192
Profit on the sale of fixed assets	(1,477)	(145)
Net pension charges	(6,000)	(4,600)
Decrease in debtors	376	6,073
Increase/(Decrease) in creditors	22,563	(4,659)
Increase in current asset investments	(25,025)	(3)
Investment income and interest	(2,494)	(2,737)
Decrease in stock and work in progress	757	66
Net cash used by operating activities	**(12,183)**	**(1,814)**

27. ANALYSIS OF CHANGES IN NET DEBT

	At start of year	Cash flows	At end of year
	£000	£000	£000
Bank and cash	16,751	3,205	19,956
Current asset investments	11,030	25,025	36,055
Total	**27,781**	**28,230**	**56,011**

28. RELATED PARTIES

The following amounts are due to/(from) the Charity and its subsidiaries

	Income	Expenditure	Debtor/ (creditor)	Income	Expenditure	Debtor/ (creditor)
	2021	2021	2021	2020	2020	2020
	£000	£000	£000	£000	£000	£000
Barnardo Services Limited	391	(36)	(5,089)	447	(36)	(1,583)
Barnardo Developments Limited	–	(54)	1,166	–	(84)	1,461
Barnardo Events Limited	31	(19)	108	360	(19)	75
Barnardo Trading Limited	193	(64)	2,341	1,563	(64)	2,397
Adoptionplus Limited	–	–	285	–	–	285

Commission amounting to £0.4m was paid by the Charity to Barnardo Services Limited (2020: £0.5m).

Payments made to the pension scheme by the Charity amounted to £10.7m (2020: £10.7m) of which £0.9m is outstanding as at 31 March 2021 (2020: £0.9m).

29. CONTINGENT LIABILITIES

Barnardo's has operated a large number of residential and non-residential services over a long period of time caring for significant numbers of vulnerable children and young people. Rigorous procedures have been and continue to be in place for ensuring the safeguarding of children and internal and external inspections evidence the high standard of services delivered. The nature of this work could give rise to potential claims against Barnardo's. The Trustees have considered this likelihood and potential materiality of any such claims and do not consider a provision in the accounts is warranted in this regard.

There is a contingent liability in respect of the unexpired term of leases assigned to other tenants. The Trustees consider that the possibility of a material cost accruing to the charity is remote and consequently no provision has been included in the accounts.



30. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR PRIOR YEAR

	Unrestricted funds	Restricted & endowment funds	Total 2020
	£000	£000	£000
Income from:			
Charitable activities	169,449	3,639	173,088
Donations and legacies	36,292	5,585	41,877
Other trading activities	77,924	–	77,924
Development and sale of properties	35	–	35
Investments	1,692	1,045	2,737
Other	787	–	787
Total Income	**286,179**	**10,269**	**296,448**
Expenditure on:			
Raising donations and legacies	11,637	690	12,327
Other trading activities	64,393	–	64,393
Costs of developing and selling properties	59	–	59
Investment management costs	325	67	392
Raising Funds	**76,414**	**757**	**77,171**
Net income available for charitable expenditure	**209,765**	**9,512**	**219,277**
Expenditure on:			
Service provision	195,982	8,680	204,662
Informing the public about our work	7,855	–	7,855
Childcare research and education	2,082	–	2,082
Total Charitable Activities	**205,919**	**8,680**	**214,599**
Other – pension finance charge	6,100	–	6,100
Total expenditure	**212,019**	**8,680**	**220,699**
Net losses on investments	(2,018)	(2,174)	(4,192)
Net expenditure	**(4,272)**	**(1,342)**	**(5,614)**
Other recognised gains:			
Actuarial gain on defined benefit pension scheme	20,000	–	20,000
Net movement in funds	**15,728**	**(1,342)**	**14,386**
Total funds brought forward	(35,381)	37,408	2,027
Total funds carried forward	**(19,653)**	**36,066**	**16,413**



“I’VE COME AWAY FROM THE CONVERSATIONS FEELING MOTIVATED AND NOT SO ALONE.”

GIFTS AND GRANTS RECEIVED

FUNDING FROM DONATIONS

Corporate Partnerships

Severn Trent Water, Rokos Capital Management LLP, eBay Inc., Jefferies Group LLC, Vodafone Group plc, Nationwide Building Society, Prudential plc, Bremont Watch Company Limited, Northern Powergrid, Bridgend Ford, John Laing Group plc, Maples and Calder Services Europe Limited, Marks & Spencer Group plc, NatWest Group plc, News Corp UK & Ireland Limited, Qualkem, Red Letter Days, Okta Inc, The Pokémon Company, Three Graces London, Version 1 Solutions Limited, Warner Media LLC, Wider Plan, Savantor, Three, Dixons Carphone, BT Group plc, Wavemaker, AF International, Amazon, Beko, Build-a-Bear, Hymans Robertson LLP, IKEA, Next plc, People's Postcode Lottery, Saint-Gobain UK & Ireland, Hallmark, The New World Trading Company (UK) Limited.

Public Fundraising

Barnardo's Helper Groups	£101,803
Barnardo's Community Collection Box Holders	£30,749

Additional Corporate Partnerships:

Admiral Insurance

The Knitting Network

The Magic Bean Company

Storage Mart UK

Sweets For Life Ltd

Tobermore Concrete Products

Charitable Trusts, Grants & Foundations

Big Lottery Fund	£362,372
Life Changes Trust	£143,192
National Emergencies Trust	£1,500,000
Sage Foundation	£5,250
Sky	£15,000
The Corra Foundation	£530,227
Westminster Foundation	£265,895
Miss Emily Ann Pemberton-Barnes	£27,456
William Belmer Rush Foundation	£26,052
Tom Parrington Trust	£20

FUNDING FROM STATUTORY AUTHORITIES

England	
Department for Education	£11,715,000
Home Office	£5,713,118
Sport England	£103,138
Staffordshire Police & Crime Commissioner	£68,727
Northumbria Police & Crime Commissioner	£37,467
Scotland	
Central Scottish Government	£2,534,978
Big Lottery Fund	£536,532
Falkirk Council	£503,787
Glasgow City Council	£153,719
Heritage Lottery	£28,915
Highland Council	£1,032,242
Inverclyde Council	£127,046
Scottish Prison Service	£103,987
Shared Care Scotland	£23,712
Creative Breaks	£6,036
Youth Link Scotland	£5,520
Northern Ireland	
Belfast Health & Social Care Trust	£1,557,184
Victims & Survivors Service	£119,706
Department for Education	£5,000
Health & Social Care Board (HSCB)	£3,101,312
Department for Education (Through HSCB)	£872,162
Northern Ireland Housing Executive	£63,409
Supporting People	£216,836
Supporting People – Covid 19 Emergency Fund	£2,689
The Executive Office	£10,385
Public Health Agency	£863,739
Southern Health & Social Care Trust	£1,361,684
Western Health & Social Care Trust	£184,174

PG 82

Northern Ireland Prison Service	£128,690
East Belfast Surestart	£7,176

Cymru

Big Lottery Fund	£165,995
Home Office Fund	£498,683
Police & Crime Commission Gwent	£182,162
Spirit of Music 2012	£28,997
South Wales Police	£399,524
Welsh Government	£159,720

A NOTE FROM PHILANTHROPY AND TRUSTS

Without the vital support of our partners, donors and patrons, it would not have been possible to transform the lives of over 300,000 children, young people and their families. Thanks to you, we continue to be the UK's leading charity supporting disadvantaged children and we will continue to champion their voices and rights.

CHARITABLE TRUSTS AND FOUNDATIONS

29th May 1961 Charity
Anne Hess
Barbour Foundation
BBC Children in Need
Bill Browns Charitable Settlement of 1989
CareTech Foundation
Co-operative Charitable Foundation
Duchy of Lancaster Benevolent Fund
Edith Murphy Foundation
G J W Turner Trust
Gannochy Trust
Grace Trust
Grantham Yorke Charitable Trust
Hugh Frazer Foundation
Jenour Foundation
J H Barlett Charity Trust
JMCMRJ Sorrell Foundation
Joan Ainslie Charitable Trust
John Beckwith Charitable Trust
John James Bristol Foundation
John Scott Trust
Jones 1986 Charitable Trust
Joseph and Lillian Sully Foundation
Katherine Martin Charitable Trust
Kathleen Smith Foundation
Leach Family Trust

Major RLP Coleman Settlement Trust

Mary Homfray Charitable Trust McLain Foundation Limited

Miss RCR Angel Charitable Trust

Moondance Foundation

Morrisons Foundation

Nominet

Northwood Charitable Trust

P F Charitable Trust

Peacock Charitable Trust

People's Postcode Lottery

Pilkington Charities Fund

Price Parry Charitable Trust

Rayne Foundation

Raymond Blanche Lawson Trust

RS Macdonald Charitable Trust

The Shanly Foundation

Sandra Charitable Trust Sir James Knott

Sir James Reckitt Charity

Scottish Children's Lottery

The Norman Walker Foundation

Tudor Trust

Wallace Curzon Charitable Trust

Wellcome Trust

William Grant Foundation

William Whyte Tait Charitable Trust

Zochonis Charitable Trust

PHILANTHROPY NETWORK

Patron

Philip S Gower Charitable Trust

The Waterloo Foundation

Mr & Mrs Jonathan Clarke

Benefactor

Mr & Mrs Brian Linden

Hemraj Goyal Foundation

Friend

Mr Gerald Voisin

Ms Beverley Lacey & Mr David Banks – Lacey Advocates

Mr & Mrs Paul & Pam Bell

Mr & Mrs Giles & Caroline Wilkes

The William Brake Charitable Trust

Dr Claire Anne Gilligan

Childhood Champion

The Ivy & Jane Charitable Trust


“WITHOUT BARNARDO’S I WOULD FEEL VERY ISOLATED AND HELPLESS.”

BOARD OF TRUSTEES AND OFFICERS

Patron
HRH The Duchess of Cornwall

President
Natasha Kaplinsky, OBE

Vice Presidents
Surinder Arora
Dr David Barnardo, OBE
Mr John Bartle, CBE
Baroness Benjamin, OBE, DL
Mrs Susan Bernerd, MBE
Ms Cherie Booth QC (Honorary)
Mr David Cathie
William Chalmers
Rev. Joel Edwards
Ms Rosemary Jones
Salman Ahmed
Lord Loomba, CBE
Mr Bruce Oldfield, OBE
Mr Philip Taylor

Trustees (year of first appointment)
John Bartlett (2014) – Chair of Trustees
Anne-Cécile Berthier (2020)
Neil Braithwaite (retired 2021)
Neil Crockett (2019)
Avis Darzins (2020)
Matt Davies (2020)
Zoe Harris (resigned November 2020)
Dennis Hone (2017) – Honorary Treasurer and Senior Independent Trustee
Meredith Hunter (2020)
Briony Ladbury (2019)
Moni Mannings (2017) – Deputy Chair
Darra Singh (resigned 2020)
Penny Thompson (2019)
Rajinder Verma (2019)
Mark Waddington (2019)

Joint Co-Chief Executives (interim)
Lynn Perry, MBE
Michelle Lee-Izu

Chief Executive (outgoing)*
Javed Khan, OBE (until 31 December 2021)

Corporate Director Children's Services (Development and Innovation)*
Michelle Lee-Izu (substantive role)

Corporate Director Children's Services (Operations)*
Lynn Perry, MBE (substantive role)

Corporate Director of Business Services*
Richard Moore

Corporate Director Income and Influence*
Roy Clark

Director of People*
Lynne Holmes

Company Secretary
David Cunningham

Contact details
Registered office
Barnardo's, Tanners Lane, Barkingside, Ilford, Essex IG6 1QG

Auditors
BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA

Bankers
Barclays Bank plc, Level 28, 1 Churchill Place, London E14 5HP

Investment managers
BlackRock Investment Management (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL
Ruffer LLP, 80 Victoria Street, London SW1E 5JL

Principal solicitors
Bates Wells London LLP, 10 Queen Street Place, London EC4R 1BE

** Member of Corporate Leadership Team*



©Barnardo's, 2021 All rights reserved

No part of this report, including images, may be reproduced or stored on an authorised retrieval system, or transmitted in any form or by any means, without prior permission of the publisher.

Some images are posed by models and some names have been changed to protect identities.

barnardos.org.uk

Barnardo House Tanners Lane, Barkingside, Ilford, Essex IG6 1QG
T: 0208 550 8822

Northern Ireland 542–544 Upper Newtownards Road, Belfast BT4 3HE
T: 028 9067 2366

Scotland 111 Oxgangs Road North, Edinburgh EH14 1ED
T: 0131 446 7000

Cymru/Wales Trident Court, East Moors Road, Cardiff CF24 5TD
T: 029 2049 3387

Barnardo's Registered Charity Nos.216250 and SC037605 22309dos21