



150 years and always

Annual Report and Accounts 2015-16

 **Believe in
children**
Barnardo's



www.barnardos.org.uk

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Chair's introduction



There is much to be done to help the UK's most vulnerable children, especially now. We believe Barnardo's is in a unique and influential position and has the necessary skills, scale and expertise to make an even greater difference in future. Therefore, the Board of Trustees, together with management and staff, has concentrated on developing a long-term corporate strategy. The trustees approved this new strategy at the end of the year in March and, from now on, Barnardo's will prioritise three key strands of work:

- stronger families
- safer childhoods
- positive futures for young people.

We expect to make a significant contribution to creating better outcomes for children and young people in the UK, in each of these three areas. The specifics of our new strategy are on our website at www.barnardos.org.uk/corporate-strategy.htm, and the Board of Trustees will be working with management to ensure we achieve our goals.

Last year, we published our first Impact Report and we are doing so again this year. The results of our new strategy will be seen in our future Impact Reports.

The Board of Trustees has also been determined to improve the organisation of Barnardo's, so that it's in as good a shape as possible to withstand the pressures of the future.

Javed Khan, our CEO, has made major changes to the leadership. This has improved our capacity to meet the ever-increasing challenges in key areas of our work, and to improve our ability to develop our services beyond the 248,000 children, young people and families we supported this year.

Over the next few years, the Board of Trustees plans to invest in several areas that are crucial to the long-term sustainability of Barnardo's. These include fundraising and retail shops, as well as building its capability in digitally enabled services, efficiency and the diversity of its workforce. This is vital to remaining relevant and connected to the children and communities we serve. The Board of Trustees is confident that this investment will now make it possible for Barnardo's to continue its vital work for many years to come.

This is also our 150th anniversary year, and a great deal of work has gone into making it a special one for Barnardo's. We hope our activities this year – with staff, volunteers, donors, supporters and trustees all joining together – will raise significant new funds to help our important work.

I have many people to thank for Barnardo's excellent work this year, helping to transform the lives of the UK's most vulnerable children. Our staff and volunteers, donors, celebrity ambassadors and supporters, and our many well-wishers have done tremendous work.

Our trustees, who are also all volunteers, have worked tirelessly this year. I'd like to welcome two new trustees, Stephen Goldman and Darra Singh. They have already become fully engaged in Barnardo's Board work after only a few months. Lastly my thanks to our President, HRH the Duchess of Cornwall, who has been such a wonderful supporter of all that we do.

A handwritten signature in dark ink, reading 'Tony Cohen'.

Tony Cohen
Chair of the Board of Trustees

Chief Executive's introduction



The past year has presented a series of complex challenges we have faced with confidence, and even greater opportunities we have seized.

The expertise, track record and reputation of this great charity never cease to impress. Our 996 services across the UK have helped us reach more than 248,000 children, young people and families. This is great testimony to the thousands of highly talented and committed staff and volunteers that give their all, day-in day-out, to the cause we stand for – supporting the most vulnerable people in society. Throughout this immense success, we've made sure we don't rest on our laurels, and have reflected and developed our thinking and practice, while investing in our future.

In 2015, we published our first ever Impact Report. This presented a clear picture of the difference we made to our service users against the priorities we worked towards. Last year saw us continue to increase our overall income, our retail chain continued to grow and the numbers of volunteers reached more than 18,000. We also invested in supporting our people to help them reach more service users than ever before.

During the year, I also had an in-depth look at our senior leadership structure. I made significant changes to ensure we have the right mix of expertise at the very top, to be fit for purpose and lead us into the future.

Alongside all of this, we spent a great deal of time thinking through our journey for the next ten years. *Better outcomes for more children*, our new corporate strategy for 2016-2025, is the fruit of that thinking, and has been developed in consultation with staff, volunteers, young people and external stakeholders. It presents clear aims to guide everything we do during a period where we expect to keep growing to meet the increasing demand for our vital services across the UK.

To achieve the aims set out in the strategy, we will be brave, we will be bold and we will work smarter. Along the way, we will invest in our digital capability, become an increasingly diverse charity, and develop as a learning organisation.

As we now celebrate our 150th anniversary year, we are proud of our history. We know we have come a long way from the humble beginnings in the East End of London in 1866. The vision of one man, Thomas Barnardo, that 'no child should ever be turned away', has become his legacy – and seen Barnardo's develop to be the UK's largest children's charity. Today, we remain wholly committed to our founder's mission. For 150 years and always.

Javed Khan
Chief Executive

Report of the Board of Trustees

1. Objectives and activities

Our vision is to realise our founder's dream of a world where no child is turned away. Our purpose is to transform the lives of the UK's most vulnerable children. We support them, stand up for them and bring out the best in each and every child who needs us the most.

We are the largest children's charity in the UK. We run 996 services in local communities, have 679 shops, 8,270 employees and 18,000 volunteers who help support our vital work. Our services include reaching and helping children who have been sexually exploited, young people leaving the care system and children affected by parental imprisonment. We provide early intervention for families struggling to cope, and find loving and adoptive homes and foster placements for children in care.

Last year we worked with more than 248,000 children, young people and families. We helped many more by campaigning to change policy and public opinion, drawing on our years of extensive research. We employ more than 6,000 staff on our frontline services throughout the UK.

To fund our work, Barnardo's relies on voluntary donations from the public, companies and trusts, together with the fees and grants we raise for providing services to local authorities and other funding partners. Our new ten-year corporate strategy, *Better outcomes for more children*, is centred on our core purpose, through prioritising activities that focus on building stronger families, safer childhoods and positive futures for young people. There is a strong demand for our services, and frontline service growth will be underpinned by developing the voluntary income base.

2. Strategic report

a. Achievements and performance

Our strategic business plan for 2013-16, *True to our roots, fit for the future*, included eight objectives for the three years of the plan. We now report on the progress made.

1. Plan, develop and implement strategies in four priority areas of need: children at risk of sexual exploitation, young people who spend time in care (care leavers), children affected by parental imprisonment and early intervention with families.

We have developed strategies in each of the four priority areas. As a direct result of those strategies, we have achieved the following:

- We continued to deliver a range of specialist support for **care leavers** across the UK. This includes peer mentoring for young parents in Merseyside, a training flat in north Lanarkshire, substance use support in Northern Ireland, and new supported lodgings schemes for the most vulnerable care leavers. We have developed a marketing plan to support these services to grow – both in terms of the amount of supported lodging providers we have for young people, and to increase knowledge of supported lodgings as a model. The evaluation of supported lodgings has been launched. Work on the voluntary funded projects My Time and Start Smart has continued, as has the joint work with Retail around work experience projects and discounts for care leavers.
- Five to Thrive training has been successfully delivered to more than 3,000 staff across hundreds of our services working with **early intervention**.

- The follow-up survey, currently being conducted, is showing that 75 per cent of staff have made changes to their service following the training. This shows the important, sustained impact that Five to Thrive has had on Barnardo's external provision.
- We have expanded the capacity of our specialist services for **children at risk of sexual exploitation** (CSE), helping over 5000 young people and family members in 2015-16. We continued to publish ground-breaking research on child sexual exploitation with *Unprotected*, *Overprotected* – our report into the sexual exploitation of young people with learning disabilities. Our report on the diversity of victims of CSE, called *Under the Radar*, received widespread coverage in the national press.
- We have developed a model of working in the community for **children affected by parental imprisonment** in three locations, and we are developing a model using children's centres as a hub. We have seen steady increases in the number of children we have worked with – reaching 1489 which is above the overall KPI of 1,400. This demonstrates the continued effectiveness of direct service impact, and both regional and national awareness training development programmes. There have also been great strides in influencing by our Devolved Nations teams, which have secured new strands of work including work with veterans' families and intergenerational work with young women at risk of offending.

2. Further improve the quality of our children's centres and grow our market share.

In strategic planning, we sought to secure 6 per cent of the total children's centre market by 2016, despite challenging times we successfully secured 7 per cent of total provision helping in excess of 162,400 children and parents.

2015-16 was an unsettled year for the early childhood sector, undermining commissioning confidence. New inspection arrangements for the childcare services within our centre provision were introduced in September 2015. There was also a ministerial announcement that the future of children's centres would be consulted upon during the autumn and now summer a year later. This precipitated waves of centre closures as local authorities wrestled with further budget cuts. This uncertainty has resulted in a year of limited numbers of tenders for centre services. Tenders have sought to consolidate the portfolio of major existing providers or to propose radical alternatives, integrating early prevention services from pre-birth to age nineteen plus.

Of the 2,600 centres remaining, the addressable market (those open to commissioning) accounted for approximately 500 of that total, with the remainder held in Local Authority control. By the end of March 2016, we secured 37 per cent of the addressable market including 15 newly commissioned centres in Brent. At March 2016 our portfolio had reduced slightly to 185 (2015: 190). We are actively engaged with innovative Local Authorities in re-imagining future service and in one commissioned project, to lead multi-agency trialling of new working arrangements. This places us at the forefront of planning, whilst demonstrating next practice for the future.

Ofsted inspections were suspended pending the outcome of the national consultation. Therefore, despite significant developments to address issues within centres deemed 'inadequate', we have been unable to remove that label or evidence improvement publicly. However, our Ofsted-qualified Quality Improvement team has monitored and supported those centres so that the local authorities involved (Northumberland and Essex) are satisfied they have progressed to good outcomes. Childcare was inspected in the Northumberland Blyth Valley Centre group in December 2015 and was deemed 'outstanding' on all counts.

3. **Increase the number of young people we help achieve employment, training and skills (ETS).**

The number of vulnerable young people supported by ETS in 2015-16 exceeded 3,000.

The ETS Data Team became fully embedded during the year, and provided fortnightly detailed information for all services, allowing close management of occupancy and performance. Over the academic year, progression rates on study programmes increased from 54 per cent to 70 per cent, and achievement rates on apprenticeship programmes increased from 64 per cent to 75 per cent. Barnardo's continuing to perform above the national average, including mainstream providers.

In quarter four, we opened a new expanded service for study programmes and apprenticeship programmes in Bradford, and secured the Santander On-Track programme.

The ETS Commitment to quality campaign significantly improved delivery and consistency across the services. Ofsted re-inspected ETS in November 2015 and awarded a Grade 2 'Good', with a specific focus on improvements made in outcomes for vulnerable young people.

4. **Be one of the top voluntary adoption agencies in the UK, providing excellent UK-wide services and a growing number of fostering placements.**

Barnardo's is now the largest UK Voluntary Adoption Agency and the largest not-for-profit independent fostering agency (IFA). In England in the last year, the number of adoption placement orders has declined by 50 per cent. This is due mainly to local authorities' interpretation of a Family Court judgement of Re B-S (September 2014), which has led to longer legal proceedings for adoption placements. To illustrate that, Barnardo's adoption services placed 130 children in 2015-16, compared to 169 in 2014-15.

In both adoption and fostering, our work focuses primarily on finding placements for children more difficult to find adoptive parents and foster carers for – including older children, children with disabilities and sibling groups.

Barnardo's Fostering UK achieved exactly 1,100 care placements in 2015-16, helping 956 children and young people. That's a 5.2 per cent decrease in placements compared to 2014-15. With public funding constrained, local authorities generally are seeking to reduce expenditure on placements provided by independent fostering organisations.

Barnardo's is committed fully to supporting families to stay together and thrive, and to find loving families for children if local authorities cannot. Increasingly we are helping more very vulnerable children, for whom finding the right family is not always easy. This is where there is significant unmet need, and where the charity wants to make a real difference for as many children as we can.

5. **Achieve significant changes in government policy so that the most vulnerable children and young people achieve their potential.**

In 2015-16 Barnardo's successfully campaigned for significant changes in legislation, government policy and practice across the UK, which improved the lives of 30,000 children and young people. These changes included the following:

- We secured a successful amendment to the Criminal Justice (Scotland) Act 2016 which will ensure every person who enters prison is asked about any dependent children they have, this information is then required to be passed to that child's Named Person (either a head teacher or health visitor) who can then make an assessment of wellbeing of that child and facilitate additional support if appropriate. This could impact on over 27,000 children and young people.

- We worked with Scottish Government on the Education (Scotland) Bill to ensure children and young people affected by parental imprisonment can get access to additional support for learning. As a result of this, the Code of Practice for additional support for learning will be revised to recognise this particular group of children and young people.
 - In response to a campaign by Barnardo's Scotland, Oxfam and the Scottish Poverty Alliance, a group of amendments were passed in the Community Empowerment (Scotland) Bill. They will give Scottish Ministers the power to require public bodies to involve communities in participatory budgeting – including communities of interest such as care leavers – as well as a power to credit an appeals mechanism for community participation requests, and require the government to consult groups, including young people, in the new national outcomes process.
 - A number of UK-wide campaign actions were run over the year on welfare reform within the End Child Poverty Coalition, and also in a bid to protect tax credits. The actions involved more than 5,000 people contacting 645 MPs and nearly 300 peers – actions that proved very popular on our social media accounts.
 - Families at the end of the returns process for failed asylum seekers have had cash confiscated on arrest. They were reliant on the money to set up their new lives when they returned to their country. We recommended to Home Office officials that families should be warned before arrest that this could happen if they could not prove where their money had come from. Home Office guidance was altered to include this warning and we are now seeing fewer cases of cash confiscation with an estimate of 600 families benefitting.
 - Barnardo's Scotland secured amendments on the role of the third sector in the Community Justice (Scotland) Act.
- The new duty will mean all Community Justice Partners will have to report on how they involved the third sector when developing community justice plans. That includes how children and families of offenders are supported and involved.
- We have secured content on the identification and referral of children affected by parental imprisonment in the Welsh Government's new Code of Practice. This is on Part 11 of the Social Services and Wellbeing (Wales) Act, which covers implementation in the secure estate.
 - We worked in partnership with the Refugee Children's Consortium to secure changes to the Immigration Bill that will impact an estimated 1,750 children and young people. The Government had intended to remove all support for asylum seekers who had turned 18 and had no asylum claim. However, it has now amended the Bill so that local authorities will be required to provide care leavers with accommodation and subsistence if they would otherwise be destitute. Also, care leavers making their first application for asylum over the age of 18 will have access to leaving care provision.
 - We worked with Nusrat Ghani, MP, to set up a cross-party parliamentary inquiry to examine how we respond to children who display harmful sexual behaviour, and whether changes to legislation, policy and practice may be needed. We supported the running of the inquiry, which we will report on shortly.
 - A number of local authorities have used and adopted Barnardo's Care leavers accommodation and support framework in order to improve their provision for young people, the figures currently show there are total of 890 children and young people who will benefit.

6. Increase non-legacy fundraising income over the next three years.

In fundraising we saw growth in our income from trusts, events and our flagship fundraiser “The Big Toddle”, however due to external factors last year was a challenging one. There was a decrease of 6.3 per cent in non-legacy fundraising income. Our objective of increasing unrestricted funding from direct marketing activities was negatively impacted by changes to the external regulatory environment and negative media coverage of fundraising. Legacy income grew from £16.3m in 2014-15 to £18.9m in 2015-16, an increase of 16.5 per cent. This more than compensated for the decrease in the non-legacy area. Our legacy marketing activities are performing strongly and we exceeded our objectives here, so the future outlook remains positive.

7. Extend our retail chain to raise more net income towards our work

Barnardo's now has 679 shops, an increase of 89 during the course of the year. This makes us the second largest charity retailer (by number of shops). Net income from these shops grew by £1.7m (or 15 per cent) to £13m for the year. This goes towards our work with the most vulnerable children and young people. As last year, we have again paid above-inflationary increases to the lowest paid staff in our shops to ensure they are paid a fair salary. We are continuing to expand the chain during 2016-17 and expect further increases in net income year on year.

8. Increase the number of volunteering opportunities across the organisation

Over the last year, following the launch of our Volunteering and Community Engagement Strategy, we increased the number of our volunteers to more than 18,000. We have refreshed and enhanced the way we support volunteer involvement across the charity. Next year we are seeking to not only increase our volunteer numbers, but also the opportunities they have to contribute to our work and the diversity of our volunteer base.

b. Financial review

Income

Total £298.7m

£174.5m

Fees and grants

£64.0m

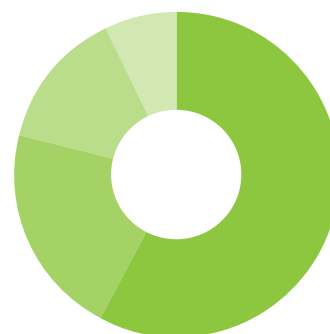
Trading, including shops

£42.4m

Donations, Gifts in Wills and other fundraising

£17.8m

Investments and property development



Expenditure

Total £294.2m

£213.8m

Charitable activities

£50.9m

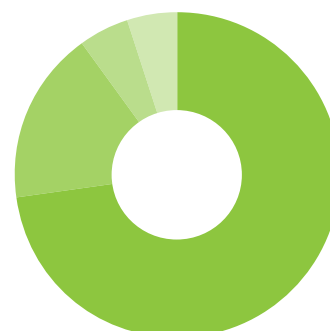
Trading, including shops

£16.0m

Pension charge and other costs

£13.5m

Fundraising



Results for 2015-16

The net income available for our charitable activities has continued to increase from £221.9m to £226.9m, as shown in the statement of financial activities on page 28. Of the increase, £3.7m came from fees and grants for delivering children's services, £1.9m came from trading, and legacy income increased by £2.6m. There were decreases in income from fundraising (excluding legacies) of £1.6m, and income from property development was £1.4m lower than previous years. Net income from investments reduced by £0.6m in the year, due mainly to the continued emphasis on total return over income.

With the increased income of £5m, we increased expenditure on charitable activities, inclusive of governance costs, by £1m to £213.8m (2015: £212.8m). After pension finance costs of £5.5m (2015: £6m), our total charitable expenditure came to £219.4m (2015: £218.8m).

The past cost of pensions is not included in the net income result – £6.3m (2015: £6.0m) was paid in the last year. This resulted in a £1.3m (2015: £1.5m) use of reserves to fund charitable activities.

After including net losses on investments totalling £3.1m (2015: gains of £6.8m), the resulting net income for the year is £4.5m (2015: £9.8m).

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 the further accrual of defined benefits in April 2013. In the year to 31 March 2016, the deficit in the Barnardo's pension fund increased from £109.5m to £114.9m.

During the year, the decrease in projected liabilities, which came from the rise in corporate bond yields, was offset by the decline in the fair value of the scheme assets resulting in the modest increase in the recorded deficit. The deficit represents a significant but manageable long-term liability to the charity.

The actuarial valuation was last formally agreed in 2012 at a funding level of 80 percent. The Board of Trustees of Barnardo's and the trustees of the pension fund are currently making contributions based on the agreed recovery plan that followed the 2012 actuarial valuation. Current contributions have been planned and budgeted, and have been included in future cash flow projections without needing an ongoing contribution from reserves.

The 2015 valuation, which is currently being agreed, is likely to show a similar funding level as the 2012 valuation but a higher absolute deficit due to a combination of updated valuation assumptions and market performance. As part of the recovery plan that will result when the 2015 actuarial valuation is agreed, a lump sum payment of £6m is likely to be made from the organisation's reserves during the first half of 2016-17. With respect to the future planned payments, the trustees believe that the pension scheme liability is a manageable long-term liability, where the payments required by the pension plan can be met from forecast cash flows without significantly drawing on reserves.

Reserves and the position at the end of the year

Reserves are represented by the fund balances in the balance sheet on page 29.

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 Board of Trustees assesses the risks Barnardo's could be exposed to and the appropriate level of reserves that we should maintain. The current assessment of the target range of free reserves – that is, funds that are freely available to be used for our general charitable purposes – is £39-51m. We regularly review the actual level of reserves, and would take action to bring it back in line with the target if the level looked likely to move significantly outside the target range.

The balance sheet shows unrestricted reserves – that is, reserves that do not carry any restrictions on how they can be used – of £99.1m (2015: £93.5m). 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 against the target range, we exclude the fixed asset fund of £41.7m (2015: £41.7m) because this cannot quickly be realised. We do include the working capital fund of £8.1m (2015: £8.1m) as no restrictions apply to this fund. After excluding the fixed assets fund, this leaves free reserves above the target at £57.4m (2015: £51.8m). The trustees are planning to allocate the reserves of £6m to the pension scheme during 2016-17. Pension reserves are a long-term liability, in relation to which a long-term reduction plan is in place.

We also take no account of the £30.6m (2015: £32.6m) held in restricted and endowment funds. Only the income from these funds is available for our work.

Overall financial health

Throughout 2015-16 and looking ahead, Barnardo's has successfully secured new income to support its charitable activities and deliver its plans. The current public sector funding situation is challenging, and expected to remain in place for the foreseeable future. However, the Board of Trustees believes that the new ten-year corporate strategy, concentrating on focusing charitable expenditure on priority areas and growing the voluntary income base significantly, will ensure Barnardo's continues to grow and use its resources effectively for all stakeholders.

Investments

Barnardo's investments are managed on our behalf by BlackRock Investment Management Limited and, from this year, Ruffer LLP.

Investments are held in a range of asset classes including equities, fixed-income securities, commodities and cash. The equities funds do not invest in companies whose products are associated with tobacco or arms industries. In the year to 31 March 2016, our unrestricted investments delivered a negative return of 2.2 per cent (2015: 13.5 per cent positive) due to the downturn in world investment markets. The investment objective is to outperform the weighted average of three tracker indexes over a rolling five-year period by 0.75 per cent. The performance of our investment managers is monitored on a regular basis by the Finance Committee, through quarterly reporting and discussion directly with representatives.

The restricted capital and endowment fund balances are carried forward at 31 March 2016. 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 2016 value. The unapplied return is the difference between the 2016 value and the market value of funds as at 31 March 2016. The annual change is included in the net gains or losses on investments. Further details can be seen in note 25 (a) and (b).

Commercial activities

The financial activities of Barnardo's subsidiary companies are summarised in note 3 to the accounts. In total, the subsidiaries generated net income of £4m (2015: £5.6m) with all of the subsidiaries contributing to the surplus. The net income from each subsidiary is gift aided to Barnardo's.

Barnardo's Trading Limited generated a profit of £907,000 (2015: £871,000) 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 profit of £13.1m (2015: £11.3m). The rise resulted from the increase in shop numbers reaching trading maturity following recent expansion programmes.

Barnardo's Developments Limited's principal activity is the development and sale of properties surplus to Barnardo's operational requirements. The company generated a profit of £2,239,000 during the year (2015: £3,864,000), largely from the sale of properties built and sold on its site in Barkingside, Essex. The sales programme continues with further phases of planned development expected to result in sales in 2016-17. The lower profitability in 2015-16 was due to the Boughton Hall and Barkingside Regeneration Project (Phase 3) projects coming to an end, and the last remaining properties being sold. Barkingside Regeneration Project Phases 4 and 5 are currently in the stages of development with sales currently forecast for later in 2016-17.

Barnardo's Events Limited raises sponsorship and runs special events to generate funds for Barnardo's, with much of the income included in the charity's accounts. The company generated a profit of £175,000 during the year (2014: £274,000). The lower profitability in 2015-16 was due to a reduction in events and sponsorship agreements.

Barnardo's 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 £666,000 during the year (2014: £608,000).

c. Plans for future periods

Plans for 2015–16

2016-17 is the first year of the new ten-year corporate strategy – *Better outcomes for more children*. The strategy will concentrate the charitable activities on three major areas:

- stronger families
- safer childhoods
- positive futures for young people.

We expect to make a significant contribution to creating better outcomes for children and young people in the UK in each of these three areas. Over the next ten years, this strategy will provide clarity of strategic intent and direction, which responds to:

- a growing and increasingly diverse child population
- more children living in poverty
- increasingly complex needs
- an environment of less statutory funding.

In response to this, the charity will do the following:

- enhance both our position and brand recognition as the leading children's charity in the UK, based on our innovation, thinking and practice, and also through the scale and coverage of our work
- we will reach more vulnerable children and families, increasing to more than 300,000 by 2025. This will equate to a 25 per cent increase over ten years
- we will significantly increase the amount we spend on Children's Services by 25 per cent.
- we will plan and invest to more than double our net fundraising (excluding legacies) and retail income by 2025.

- we will grow our retail chain through sustained investment, from the current 679 shops to a maximum of 1,000 shops and a focus on increasing profitability per shop
- we will shift the balance of statutory/voluntary income from its current ratio of 85 per cent/15 per cent to 80 per cent/20 per cent by 2025. This will enable the charity to better focus on its own goals and better support the key priorities
- we will aim to increase our volunteer base from 15,000 to 25,000.

In order to achieve our ambitious, but important, long-term strategy, we will focus on the three key enablers of being a digital-based, diverse and learning organisation.

d. Principal risks and uncertainties

Risk management

Barnardo's Board of Trustees has responsibility for ensuring that:

- the charity has an appropriate system of financial and non-financial controls, to provide adequate assurance it is operating efficiently and effectively
- the charity's assets are safeguarded against unauthorised use, fraudulent activity or theft
- proper records are maintained
- financial and operational information used within the charity or for publication is reliable
- Barnardo's complies with relevant laws and regulations.

The Audit and Risk Committee examines the effectiveness of the systems of internal operational and financial control every year, and confirms it to the Board of Trustees.

The key components of Barnardo's internal control and risk management environment include the following:

- A documented framework of delegated authority with procedures for reporting decisions.
- An approved business plan and annual budget against which progress is reported on a regular basis, including monthly financial reporting of actual results compared with budgets and forecasts.
- Regular reviews of the critical business systems and policy areas of our operations. These reviews include an independent inspection of services, a review of organisation-wide safeguarding, and our internal audit process – involving Barnardo's Corporate Audit and Inspection Unit, and third-party inspectors and auditors. The results of each review are reported to management and, via the Audit and Risk Committee, to the Board of Trustees.
- Policies on whistleblowing and reporting in relation to safeguarding, child protection, health and safety, and complaints to ensure compliance with statutory requirements.
- Formal consideration by the Board of Trustees of an annual governance statement, in which the effectiveness of the charity's financial and operational internal controls has been satisfactorily reviewed against objective and independent evidence. This process complies with the Charity Commission's recommended practice.

Barnardo's operates a formal risk-management process, culminating in a corporate risk register that identifies the top risks, their likelihood and impact, and the consequent actions necessary to manage them effectively. The process follows good practice methods and guidance from the Charity Commission and others. Wherever possible, we identify ways of providing independent assurance against the management of each risk.

Corporate risks and mitigating actions are regularly scrutinised at each Audit and Risk Committee meeting, and by senior management and the Board of Trustees.

The principal commercial, operational and financial risks that we have identified as having a serious potential impact on performance, future prospects or reputation – alongside examples of mitigating actions identified by the Board of Trustees and senior management – are as follows:

Area of risk	Example of mitigating action
Negligence in relation to the safeguarding policy or practice that results in serious harm or injury to a child or vulnerable adult, and damage to the charity's reputation.	<ul style="list-style-type: none"> ■ Updated policies and procedures, and successful implementation of an organisation-wide safeguarding policy. ■ Enhancing safeguarding reporting mechanisms within Children's Services.
Greater call on Barnardo's funds to the pension scheme, as a result of the latest draft actuarial valuation.	<ul style="list-style-type: none"> ■ In collaboration with the scheme's trustees, developing and delivering a long-term recovery plan to address the pension deficit, which balances affordability with strengthening the organisation's covenant.
Significant reduction in statutory funding in key service areas, undermining our ability to meet the needs of our service users and the implications on reputational risk of closure or poor delivery of services.	<ul style="list-style-type: none"> ■ Adopting a stronger focus on localities and partnership working to broaden the funding of services and the sharing of resources across a locality. ■ A revised quarterly performance reporting and contract review process, ensuring ongoing analysis.
Serious data protection or security failure or inappropriate use of social media, resulting in a safeguarding incident, legal breach, cyber threat, reputational damage and potential loss of income.	<ul style="list-style-type: none"> ■ A corporate governance structure in place for Data Protection Act (DPA) monitoring and compliance. ■ DPA training as part of mandatory training/induction, with compliance monitored and reported quarterly. ■ Barnardo's ISO27001 information security standard established. ■ Routine external penetration testing of IT systems to identify any security weaknesses.
The challenge of implementing the new ten-year corporate strategy that leads to slower-than-expected progress in achieving the new strategic goals.	<ul style="list-style-type: none"> ■ Corporate and Board of Trustees link groups have been established to provide internal oversight and testing of progress. ■ Reporting against KPIs aligned to the strategic objectives has been implemented. ■ An internal and external communications plan has been developed.

Area of risk	Example of mitigating action
<p>Due to the sensitivity of the sectors Barnardo's works in, and the need to ensure continuous high-quality support for beneficiaries, there is an ongoing risk of reputational damage arising from a number of areas e.g. case reviews, collateral issues arising from partnerships and fiscal impropriety.</p>	<ul style="list-style-type: none"> ■ Ongoing review of lessons learnt when issues arise. ■ Robust and tested media handling strategy in place. ■ Through the new influencing strategy, building improved relationships and brand position with all media outlets.
<p>Inability to generate increased voluntary income from fundraising and our retail shops, which leads to lower voluntary income than planned and then lowers the organisation's ability to fully fund our investment in priority areas.</p>	<ul style="list-style-type: none"> ■ Independent external review of the Retail business expansion plans. ■ Ensuring that all business proposals are rigorously scrutinised by the management, trustees and independent advisors where necessary.

Credit risk on amounts owed by donors and funders is low and, as our activities are UK-based, exchange risk is negligible. Regarding liquidity risk, we have set out our policies on the management of investments and reserves above.

Going concern

The Board of Trustees confirms that the accompanying accounts comply with statutory requirements, the requirements of the Articles of Association, and the requirements of the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2015). The Board of Trustees considers that Barnardo's has adequate resources to continue in business for the foreseeable future, and that for this reason it should continue to adopt the going concern basis in preparing the accounts.

3. Structure, governance and management

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 reviewed and revised in 2011. 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:
 - supporting and assisting those in need along with their families and carers
 - promoting their health
 - advancing their education.
2. the relief of those in need by reason of age, ill-health, disability, financial hardship or 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. This time limit will be reviewed in the next financial year. This is because of recommendations arising from the report by the House of Commons Public Administration and Constitutional Affairs Committee, dated 21 January 2016, into the collapse of Kids Company (the PACAC Report).

New trustees are selected through an open recruitment process, which generally includes advertising in the national press and online, and a targeted recruitment search.

The Board of Trustees and its committees have reviewed the governance and risk controls of the charity, in light of the conclusions and recommendations of the PACAC report, and analysed Barnardo's practices against those recommendations. The Board of Trustees is satisfied that Barnardo's demonstrates robust processes in all the areas highlighted in the report. Learnings from the report have been fed into the rolling programme of trustee recruitment and induction.

New appointees and existing trustees are given a personal induction programme tailored to their areas of expertise and governance obligations, and a range of other training opportunities to help them meet their responsibilities. The Board of Trustees meets every two months with occasional ad hoc meetings for exceptional business. The balance of trustees is kept under review with regard to 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 policy on matters reserved was reviewed and updated in this financial year in accordance with legal and regulatory requirements and best practice.

The Chief Executive and members of the executive Corporate Leadership Team (CLT) are detailed on page 58.

The charity's governance is kept under review by the Governance Committee to ensure that the Board of Trustees and its committees are fit for purpose as the organisation and the environment evolves. The committees have the following remits:

- **Audit and Risk Committee** – independently reviews the effectiveness of Barnardo's internal control and risk management systems. It reviews the content of the Annual Report and Accounts and supporting materials before submission to the full Board of Trustees. It also considers any significant issues arising in respect of either internal or external audit, or inspection arrangements, and has oversight of arrangements for the organisation's whistleblowing policy.
- **Family Placement Scrutiny Committee** – responsible for adoption and family placement work within Barnardo's. It considers reports, proposals and recommendations before submission to the Board of Trustees. It also ensures that the adoption agency and family placement work operates in accordance with the law and organisational policy.
- **Finance Committee** – oversees and monitors the financial position of the charity and its subsidiaries to ensure long- and short-term viability. It oversees the budgeting process and recommends the investment policy, including the charity's stance on ethical investment. It appoints – and receives reports from – the charity's investment managers who manage the portfolio on a discretionary basis. It also approves loan arrangements for subsidiary companies and ensures an appropriate return on capital invested in non-operational properties. It monitors reserves and makes recommendations to the Board of Trustees on the appropriate level for reserves, taking into account the financial risks faced by the organisation.

- **Governance Committee** – ensures that Barnardo's complies with its governing documents and all relevant governance-related legislation, and meets the requirements of charity regulators and best governance practice. Its remit includes: succession planning, recruitment, training and development of trustees; reviewing committee terms of reference and levels of delegated authority; ensuring appropriate performance evaluation processes are in place; and advising the Board of Trustees on the charity's overall remuneration framework and the remuneration of senior staff.
- The three **national committees** for Scotland, Northern Ireland and Wales comprise one or two trustees in addition to individuals with local knowledge and experience. Barnardo's remains a single UK charity, but these committees are responsible within the framework set by the Board of Trustees for overseeing the development of services, the raising of income and Barnardo's influencing work in their respective nations.

Barnardo's abides by the Code of Good Governance, which sets out the principles of board leadership for the voluntary and community sectors.

Fundraising

Barnardo's undertakes a wide variety of fundraising activities to support its strategy of delivering better outcomes for more children. We are a member of both the Fundraising Standards Board and the Institute of Fundraising (IoF). As such we abide by the Fundraising Promise and the IoF Codes of Practice. Reflecting our commitment to robust and transparent fundraising self-regulation, we are also providing support for the set-up costs of the new Fundraising Regulator.

Our fundraising programme includes face-to-face, telephone and other direct marketing activities (e.g. direct mail), where we engage the services of agencies to gain best value for money, and to ensure reliable and high-quality delivery.

We recognise the need to monitor the performance of these agencies to ensure fundraising in our name is conducted to the highest possible standards. We have developed, and continue to refine, a broad range of quality assurance mechanisms to monitor activities undertaken on our behalf, including: supporter feedback analysis; training and development of professional fundraisers; mystery shopping; and audit activities. Particularly recognising the potential risk of any direct marketing activities to vulnerable individuals, we have created an over-arching corporate policy for this area based on best practice. This is in addition to specific controls in the form of training materials and policies for fundraising agencies.

In our annual return to the Fundraising Standards Board for 2015, we reported a total of 473 complaints relating to fundraising activities. While we are always committed to continuously improving our activities, the number of complaints as a proportion of fundraising activity remains low.

Our Board of Trustees and CLT are deeply committed to building trust with our supporters, and the public at large, through high-quality, respectful fundraising practices. The Board of Trustees has recently approved a new fundraising strategy built on these principles, as well as established a Fundraising Quality Assurance and Compliance Group consisting of three trustees and a number of senior staff. This group has responsibility for overseeing all aspects of quality assurance and compliance relating to fundraising.

President

Our President, Her Royal Highness The Duchess of Cornwall, continued her support of Barnardo's. Her certificate for exceptional effort was awarded to staff and volunteers at the annual general meeting, and she personally wrote the programme foreword for both the November Firecracker Fundraising Ball in Harrogate and the March Showtime Ball in Edinburgh. Barnardo's staff and volunteers were also invited to join The Royal Family at a Buckingham Palace garden party.

Board of Trustees

A list of trustees is shown on page 58.

Management

Barnardo's activities extend across all four UK nations: England, Scotland, Northern Ireland and Cymru/Wales. England is managed in five regions covering London, south-east and Anglia, midlands and south-west, east and west. Responsibility for operational activities is allocated to five departments: Children's Services (England), Children's Services (Celtic Nations), Strategy and Performance, Income and Innovation and Support Services.

Barnardo's has three sister charities: Barnardos Republic of Ireland, Barnardos Australia and Barnardos 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.

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 staff alongside the vital support that our volunteers provide.

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

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.

Our pay rates are informed primarily by the charity sector data. We recognise that charity pay is often lower compared to similar roles in the public or private sector. Nevertheless, 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.

Barnardo's recognises a trade union, UNISON, for the purpose of negotiating the inflation linked annual pay review for all eligible staff. This excludes staff with inherited Terms and Conditions, such as TUPE, and the senior management team.

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 staff 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 staff.

The Remuneration Committee (a sub-committee of the Governance Committee) meets at least annually and comprises the Chair, Deputy Chair, Honorary Treasurer and two additional trustees. No members of the executive are members of the Committee. The Committee's main responsibilities are 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 Committee then makes recommendations to the Board for approval. The Board and the Remuneration 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.

Staff remuneration does not include any share options or long-term incentive schemes. The period of notice for termination of contracts of employment is six months for the Chief Executive and a minimum 12 weeks for the members of the Corporate Leadership Team. The pension provisions for the Corporate Leadership team are on the same terms as other employees. The Chief Executive receives an annual pension contribution on the same terms as other employees.

Auditors

In accordance with section 487 of the Companies Act 2006, BDO LLP will be deemed to be re-appointed as auditors at the 2016 annual general meeting. Barnardo's abides by regulatory requirements and best practice principles regarding auditor independence and rotation.

Equal opportunities

Equality and diversity is an intrinsic part of Barnardo's basis and values, which can be found on our website. We are committed to being an inclusive organisation where diversity is welcomed and valued.

We aim to embed equality and diversity in every aspect of the organisation, by making our services inclusive and accessible to the most vulnerable children in the UK. We do this by recruiting and retaining a diverse workforce that reflects the communities we serve.

Barnardo's strives to create a culture where people treat each other with mutual respect regardless of age, disability, gender, marital or civil partnership status, pregnancy and maternity, gender reassignment, race, religion and belief, sexual orientation, irrelevant offending background, responsibility for dependants, economic status or political values.

The vision for our current equality and diversity strategy is to create an environment where diversity is valued and embraced, and which is free from discrimination, victimisation and harassment for the children and young people who use our services, staff and volunteers. Our strategy has led to a revised governance structure and senior manager oversight.

We plan to establish new strategic objectives for 2016 and beyond, and will prepare an updated strategy to be launched in conjunction with our new corporate strategy. A new project manager has taken up post to support this work.

Communicating with staff and volunteers

Internal communications is a key driver of engagement at Barnardo's. We encourage everybody to share news, information, join in discussions across the organisation and take part in events and conferences.

In our 150th anniversary year, we began engaging our staff and volunteers through an internal engagement plan: Get involved in our 150th. The initiative was designed to offer our internal audiences several ways to do this: Fundraise; Tell us your 150th story; Go to an event; and 'Volunteer'. As with all our campaigns, we used a variety of channels to reach our colleagues. On our intranet, b-hive – where staff can find news and important information – we encouraged them to celebrate each other's achievements, blog, start a discussion or comment on one. We began investigating how to improve b-hive and make it available to our volunteers, as a valuable and useful source of news and interaction with Barnardo's staff and other volunteers. An average of nearly 7,000 individuals visit b-hive every month, partially driven by our new front pages and more robust editorial schedule.

We began putting a greater emphasis on using film as an effective way of telling our internal stories. We worked towards the launch of our new corporate strategy to staff and volunteers through a filmed 'as live' broadcast, with four of our young care leavers interviewing Javed Khan about the strategy. This was an effective way of introducing staff and volunteers to such an important piece of work and, in this case, from the perspective of the very people we're here to help. We also began investigating how we can produce live broadcasts as another way to engage with our workforce.

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 meeting 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 the 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 2015-16. We have set out specific examples of activities in our Impact Report and Annual Review 2016, 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 first Impact Report, published in October 2015. Our work benefits society as a whole as well as the beneficiaries themselves. In doing this, Barnardo's meets the public benefit requirement as set out in section 4 of the Charities Act 2011.

Environment

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

1. Using 'green' electricity produced from sustainable, renewable energy sources at the majority of our premises, resulting in lower carbon emissions.
2. All fleet diesel vehicles have been replaced with sub 100g/km low-emission engines for some time, and almost 80 per cent are now sub 95g/km models to ensure minimal impact to the environment.
3. 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 now incorporates two environmental awareness weeks each year. During these weeks our environmental ambassadors raise awareness within Barnardo's about aspects of the environment and sustainability. The ambassadors are responsible for championing and promoting environmental awareness within their local regions and nations.
4. Barnardo's ensures where possible that water meters are installed in all premises to help reduce consumption and costs.
5. We are promoting recycling within our larger sites, supported by our environmental ambassadors, to reduce the amount of waste being sent to landfill.
6. Barnardo's is fully compliant with the new Energy Savings Opportunity Scheme (ESOS). The aim of the ESOS is to identify opportunities to reduce energy consumption, emissions and costs accordingly. Barnardo's is looking to implement as many zero-cost initiatives as possible.

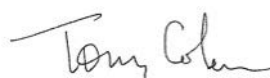
7. We recycle unsold and damaged donations to our retail shops, including textiles, shoes, books, DVDs, CDs, plastics, cardboard, metal and electrical items. More than 3.2m kilos of books were collected and recycled from Barnardo's shops last year. Other environmental initiatives throughout Barnardo's include cartridge recycling, redundant IT kit recycling, and environmentally friendly stationery procurement.
8. We promote video conferencing, which has been used more than 2,047 times during the year, saving an estimated 813,000 business miles.
9. Barnardo's has in place a range of resources and mechanisms to give staff and volunteers up-to-date and easily available training and information about environmental issues.
10. 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.

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 53 to 56.

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



By order of the Board of Trustees
Tony Cohen
Chair of the Board of Trustees

21 July 2016





Statement of responsibilities

Statement of responsibilities of the Trustees of Barnardo's in respect of the Report of the Board of Trustees and the Financial Statements

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 auditors are 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 auditors are aware of that information.

Independent auditor's report

Independent auditor's report to the Members and Trustees of Barnardo's

We have audited the financial statements of Barnardo's for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities (including the Consolidated Summary Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, 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.

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 regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the parent charitable company has not kept proper and adequate accounting records 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 or returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Donald Bawtree
Senior Statutory Auditor

for and on behalf of BDO LLP, Statutory Auditor
Gatwick United Kingdom
Date: 22 July 2016

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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


Consolidated statement of financial activities

	Note	Unrestricted Funds	Restricted & endowment funds	Total 2016	Total 2015
		£000	£000	£000	£000
Income from charitable activities	4		170,140	4,380	174,520
Donations and legacies	5	37,175		5,235	42,410
Expenditure on raising funds		(12,475)		(1,041)	(13,516)
Net voluntary income		24,700		4,194	28,894
Other trading activities					
Trading income	6	63,989		63,989	56,950
Less: Costs of goods sold and other costs	7	(50,864)		(50,864)	(45,746)
Net income from trading		13,125		-	11,204
Income from development and sale of properties	8	9,582		9,582	17,772
Less: Costs of developing and selling properties		(7,078)		(7,078)	(13,917)
Net income from developing and selling properties		2,504		-	3,855
Income from investments	9	1,574		922	3,078
Less: Investment management costs		(234)		(51)	(294)
Net investments		1,340		871	2,784
Other Income	10	5,662		-	5,912
Total income and endowments		288,123		10,537	298,660
Less: Cost of generating income		(70,652)		(1,092)	(71,744)
Net incoming resources available for charitable expenditure		217,471		9,445	221,887
Expenditure on charitable activities					
Service provision	7	194,395	10,274	204,669	202,555
Informing the public about our work		6,932	-	6,932	8,061
Childcare research and education		2,249	-	2,249	2,227
Total Charitable Activities		203,576	10,274	213,849	212,843
Other expenditure – pension finance charge	13	5,500	-	5,500	6,000
Total charitable expenditure		209,076	10,274	219,350	218,843
Net (losses)/gains on investments	15	(1,943)	(1,156)	(3,099)	6,797
Net income	14	6,452	(1,985)	4,467	9,841
Actuarial loss on defined benefit pension scheme	13	(6,200)	-	(6,200)	(13,100)
Net movement in funds		252	(1,985)	(1,733)	(3,259)
Total funds brought forward		(16,017)	32,594	16,577	19,837
Total funds carried forward	25	(15,765)	30,609	14,844	16,577
Note:					
Total income		288,123	10,537	298,660	302,761
Total resources expended		281,671	12,522	294,193	292,921
Net income		6,452	(1,985)	4,467	9,841
Total cost of generating funds (including investment, fundraising, trading and property development)		70,652	1,092	71,743	74,077

All of the above results relate to continuing activities. The notes on pages 31 to 52 form part of these financial statements.

Balance sheet

	Note	Group		Charity	
		2016	2015	2016	2015
		£000	£000	£000	£000
Fixed assets					
Tangible assets	16	41,888	41,858	41,888	41,858
Investments	17	66,917	69,675	66,937	69,695
		108,805	111,533	108,825	111,553
Current assets					
Stocks and work in progress	18	8,512	6,393	-	-
Debtors	19	37,600	34,367	40,309	35,128
Current asset investments	20	7,187	11,160	7,187	11,160
Cash and cash equivalents	21	9,401	6,536	8,872	5,844
		62,701	58,456	56,368	52,132
Creditors: amounts falling due within one year	23	(41,762)	(43,912)	(33,040)	(34,712)
Net current assets		20,939	14,544	23,328	17,420
Net assets excluding pension liability		129,743	126,077	132,152	128,973
Pension liability	13	(114,900)	(109,500)	(114,900)	(109,500)
Net assets including pension liability		14,844	16,577	17,253	19,472
Fund balances					
Restricted and endowment funds	25(a)and(b)	30,609	32,594	30,609	32,594
Fixed assets fund	25(c)and(d)	41,714	41,684	41,714	41,684
General reserve		49,273	43,652	42,898	43,670
Working capital fund		8,147	8,147	16,931	11,023
Unrestricted funds excluding pension liability		99,135	93,483	101,543	96,377
Pension liability	13	(114,900)	(109,500)	(114,900)	(109,500)
Total unrestricted funds including pension reserve		(15,765)	(16,017)	(13,357)	(13,122)
Total funds	25(c)	14,844	16,577	17,253	19,472



Tony Cohen
Chair of the Board of Trustees



Neil Braithwaite
Honorary Treasurer

21 July 2016

The notes on pages 31 to 52 form part of these financial statements.

Company Number 61625

Consolidated statement of cash flows

	Note	2016		2015	
		£000	£000	£000	£000
Cash flows from operating activities:					
Net cash used in operating activities	26		(2,408)		(14,582)
Cash flows from investing activities:					
Investment income and interest	9	2,497		3,078	
Purchase of tangible fixed assets	16	(5,822)		(5,836)	
Purchase of investments	17	(10,379)		(8,467)	
Sale of tangible fixed assets		8,991		15,966	
Sale of investments	17	10,039		8,340	
Net cash provided by investing activities			5,325		13,081
Cash flows from financing activities:					
(Decrease)/Increase in long term borrowings		(3,026)		(3,063)	
Net cash provided by financing activities			(3,026)		(3,063)
Increase/(decrease) in cash and cash equivalents in the year			(109)		(4,564)
Cash and cash equivalents at the beginning of the year					
Held as current asset investments		5,160		5,087	
Held as cash deposits		6,536		11,173	
			11,696		16,260
Cash and cash equivalents at the end of the year					
Held as current asset investments		2,187		5,160	
Held as cash deposits		9,401		6,536	
			11,588		11,696

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 unrealised gains and losses on investments are not recognised.

	Note	2016	2015
		£000	£000
Gross income			
Gross income of continuing operations		211,839	206,787
Income of non-charitable trading subsidiaries	3	85,946	88,265
		297,785	295,052
Gross expenditure			
Total expenditure of continuing operations		208,817	209,907
Expenditure of non-charitable trading subsidiaries	3	81,964	82,648
		290,781	292,555
Net income for the year before transfers and Investment asset disposals		7,004	2,497
Realised gain on disposal of investment assets	15	721	446
Net income for the year		7,726	2,944
Reconciliation to statement of financial activities:			
Net income for the year before investment asset disposals as above		7,004	2,497
Movement on restricted capital and endowment funds	25 (a)	562	547
Net income		7,566	3,044

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 £211.8 million and net income of £3.7 million (2015: net expenditure £2.7 million) has been dealt with in the accounts of the charity.

Notes to the accounts

1. Accounting policies

Basis of preparation

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) (effective 1 January 2015) – (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.

These financial statements are the first financial statements prepared under FRS102 and information on the impact of first – time adoption of FRS 102 is given in note 28.

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.

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:

- Disclosures in respect of the parent charity's financial statements have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and

- 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.
- Cash flow of the parent charity has not been presented as disclosure has been provided in respect of 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 2016. 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). 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, including those held as fixed assets and current assets, are stated in the balance sheet 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 or value 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 three per cent per annum on their cost or value. Short-leasehold properties are amortised over the period of the lease. Properties acquired and adapted for childcare purposes, whose book cost exceeds market value at the date of commissioning, are subject to a special provision whereby the excess cost is written off over three years in equal instalments.
2. Where a property is known to have suffered an impairment in market value and it is not used for the delivery of charitable objectives, the reduction is recognised in full in the results for the year.
3. Other tangible fixed assets 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.

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 and grants for service provision are accounted for on the basis of the amount receivable for the year with income included in the SOFA in the period in which this supply is made.
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 estimated and included in the period in which they are received. 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 this is capable of financial measurement. 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 23 to the accounts.
3. Costs of generating trading income 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.

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 generating 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.
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 13. Termination benefits are measured at the best estimate of the expenditure required to settle the obligation of the reporting date.

Pension costs

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 incoming resources), 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.

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 under operating leases are charged 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 set aside as part of the organisation's risk reduction strategy. Barnardo's has set a policy of retaining reserves at a level that will cover operating cash flow and protect Barnardo's against a significant setback in the stock and property markets to which the organisation may at any one time be exposed.

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).

Going concern

The officers of the charity have considered their obligations to prepare these financial statements on an appropriate basis, having specific regard to the charity's net liability position within unrestricted funds at 31 March 2016. The net liability position is as a result of the inclusion of an FRS 102 liability of £114.9m for the Barnardo's Staff Pension Scheme. The charity's funding commitment to the pension scheme remains long term and the charity is in the process of agreeing a long-term funding plan with the Trustees of the pension scheme.

The Trustees have also assessed the impact of the financial budgets in place for 2016-17 to 2018-19 inclusive, against the working capital available, notably its cash and investments. Despite a challenging environment, a break-even budget is planned in aggregate over the three years beginning 2016-17.

As a result in the opinion of the Trustees the charity has sufficient resources to be able to meet its obligations as and when they fall due and accordingly the accounts have been prepared on a going-concern basis.

2. Subsidiaries

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 and special events
Barnardo Services Limited	1227919	Childcare services
Barnardo Garden Village Management Company Limited	8652230	Property management

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 profit 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.

3. Trading subsidiaries' results

	Barnardo Trading Limited	Barnardo Developments Limited	Barnardo Events Limited	Barnardo Services Limited	Total 2016	Total 2015
	£000	£000	£000	£000	£000	£000
Turnover	3,640	9,581	351	71,657	85,229	87,476
Cost of sales	(1,679)	(7,078)		(71,657)	(80,414)	(81,471)
Gross profit	1,961	2,503	351	-	4,815	6,005
Admin/other costs	(1,054)	(264)	(176)	(56)	(1,550)	(1,177)
Trading profit/(loss)	907	2,239	175	(56)	3,265	4,828
Other income				717	717	789
Net Income	907	2,239	175	661	3,982	5,617
Amount payable by qualifying charitable donation to Barnardo's	(907)	(2,239)	(175)	(661)	(3,982)	(5,617)
Retained profit for year	-	-	-	-	-	-
Retained profit brought forward	10	-	-	-	10	10
Retained profit carried forward and net assets	10	-	-	-	10	10

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





4. Income from charitable activities

	2016	2015
	£000	£000
Family support & placement	84,249	80,817
Education	19,007	20,870
Disability support	11,531	13,059
Government grants	10,892	9,766
Other services	48,841	46,311
	174,520	170,823

The income from charitable activities is £174.5m (2015: £170.8m) of which £170.1m is unrestricted (2015:£165.6m) and £4.4m is restricted.

5. Income from donations and legacies

	2016	2015
	£000	£000
Legacies	18,823	16,266
Donations and gifts from the general public	22,230	23,852
Donations from companies and trusts	1,357	1,311
	42,410	41,429

The income from donations and legacies is £42.4m (2015:£41.4m) of which £37.2m is unrestricted (2015:£36.5m) and £5.2m restricted (2015:£4.9m). Legacies notified but not accrued at 31 March 2016 were £3.4m (2015: £3.6m).

6. Other Trading Income

Income from trading is £64.0m (2015:£57.0m). All income relates to unrestricted activities.

7. Expenditure

Trading expenditure of £48.2m (2015:£43.4m) represents the costs of operating our 679 retail shops. The remainder of £2.7m (2015:£2.3m) includes the expenditure of Barnardo Trading Limited on costs of goods sold and other costs. £7.1m has been incurred developing and selling land surplus to the group's requirements. Expenditure on service provision comprises direct costs of £192.9m (2015: £191.2m), grants made of £0.4m (2015: £0.4m) and support and training costs of £11.4m (2015: £11.0m). Of the total expenditure on service provision of £204.7m (2015:£202.6m), £194.4m was restricted (2015:£192.4m) and £10.3m restricted (2015:£10.2m). Total resources expended include the allocation of support costs to the various expenditure categories set out in the SOFA. These support costs relate to the corporate functions of information technology, property and facilities management, human resources and finance in addition to the support costs incurred by communications and other centralised departments that are not otherwise directly allocated. Support costs have been allocated to activities on a basis consistent with the use of resources (e.g. time spent, number of staff, asset value). Voluntary income in support of contracts is managed through Barnardo's.

8. Income from development and sale of properties

	2016	2015
	£000	£000
Turnover of Barnardo Developments Limited	9,582	17,772

Income relates to unrestricted activities.

9. Income from investments

Listed investments – United Kingdom	2,350	2,700
Short term deposits	52	85
Rents and ground rents	95	148
Loan and other interest	-	145
	2,497	3,078

The income from investments was £2.5m (2015:£3.1m) of which £1.6m is unrestricted income (2015:£2.2m) and £0.9m is income from endowments (2015:£0.9m).

10. Other Income

Gain on disposal of non property fixed assets	233	137
Gain on disposal of properties	5,429	5,775
	5,662	5,912

Income relates to unrestricted activities.

11. Members

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 2016 there were 298 members (31 March 2015: 302).

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 £12,798 (2015: £22,751) and included travel, subsistence and other related costs. The number of Trustees claiming expenses was 5 (2015:14). Charities have to disclose where trustees or their related parties have made their donations to the charity with conditions attached. No such disclosable donations have been made to Barnardo's in the year to 31 March 2016.

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 £7,791 (2015:£7,819).

12. Employees

	2016	2015
	No.	No.
The average number of employees during the year was:		
Children's services	6,017	6,112
Fundraisers, shop managers, clerical staff and fundraising management	1,883	1,888
Central support services (including employees performing work for other departments)	370	381
	8,270	8,381

	2016	2015
The number of staff whose emoluments fell within each of the following bands was:		
£0 to £59,999	8,235	8,349
£60,000 to £69,999	13	7
£70,000 to £79,999	9	11
£80,000 to £89,999	8	6
£90,000 to £99,999	4	5
£100,000 to £109,999	-	1
£110,000 to £119,999	1	1
£120,000 to £129,999	1	-
£150,000 to £159,999	-	1
£170,000 to £179,999	1	-
	8,270	8,380

Number of full time equivalent employees at year end	5,547	5,533
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The highest paid employee is the chief executive.

	£000	£000
The aggregate emoluments to employees in the year were:		
Wages and salaries	142,934	139,124
Social security costs	11,237	11,068
Pension costs	11,035	11,477
Benefits in kind (as calculated for taxation purposes)	383	353
	165,589	162,022

Included in wages and salaries is an amount of £1.5m relating to redundancy, compromise and termination costs (2015: £1.8m) following the completion of children services contracts. Emoluments for this purpose include gross salary and benefits in kind but exclude expenses. Systems are in place for the management of expenses. 31 staff earning over £60,000 (2015: 27) receive benefits accruing under the Barnardo's Retirement Savings Plan. Employer contributions to the pension funds of these 31 employees were a combined total of £136k during the year (2015: £116k).

The total employee benefits of the executive Corporate Leadership Team, as listed on page 58, was £752k in 2016 (2015: £666k).

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 £6,106,000 (2015: £5,938,000). 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 2012.

Over the year to 31 March 2016, £6.3m of deficit contributions were paid into the scheme. On the current 2012 plan, the deficit contributions are projected to increase each year, reaching around £10m pa at the end of the current deficit recovery plan in 2027. The actuarial valuation as at 31 March 2015 is currently underway and Barnardo's and scheme trustees are in discussions over the deficit contributions that will be paid following this valuation.

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 2015 were updated to 31 March 2016 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.

Assumptions	2016	2015
	per annum	per annum
Price inflation (RPI)	2.8%	2.8%
Discount rate	3.6%	3.5%
Pension increases (5% LPI)	2.7%	2.7%
Pension increases (2.5% LPI)	2.0%	2.0%
Further life expectancy of male aged 60 in 2015	27 years	26 years
Further life expectancy of male aged 60 in 2035	30 years	29 years
Further life expectancy of female aged 60 in 2015	29 years	28 years
Further life expectancy of female aged 60 in 2035	31 years	30 years

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

	2016	2015
	£m	£m
Total fair value of assets	588.2	604.4
Present value of liabilities	(703.1)	(713.9)
Deficit	(114.9)	(109.5)

The following amounts have been included within net incoming resources in relation to the defined benefit scheme:

	2016	2015
	£ m	£ m
Employer's part of current service cost	0.0	0.0
Past service cost	0.0	0.2
Interest cost	3.8	4.3
Administrative expenses	1.7	1.7
Total expense	5.5	6.2

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

	2016	2015
	£m	£m
Equities	32.1	33.6
Bonds	308.8	276.4
Diversified growth fund	174.2	186.8
Swap contracts	65.6	58.9
Cash/other	7.5	48.7
	588.2	604.4

The Scheme's assets shown above at 31 March 2016 include instruments that protect against movements in long term interest rates and future inflation and also instruments that provide returns linked to equity markets (shown categorised as swaps above). The Scheme's exposure to equity markets is therefore greater than that indicated by the asset split shown above.

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

	2016	2015
	£m	£m
Opening value of scheme liabilities	713.9	618.8
Past service cost	-	0.2
Interest cost	24.7	28.0
Actuarial loss/(gain)	(14.3)	86.6
Benefits paid	(21.2)	(19.7)
Closing value of scheme liabilities	703.1	713.9

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

	2016	2015
	£m	£m
Opening fair value of the scheme assets	604.4	522.4
Interest on plan assets	20.9	23.7
Actual return on plan assets less interest on plan assets	(20.5)	73.5
Contributions by the employer	6.3	6.2
Administrative expenses	(1.7)	(1.7)
Benefits paid	(21.2)	(19.7)
Closing fair value of scheme assets	588.2	604.4

The actual return on the scheme's assets over the year was a gain of £0.4m (2014/15: gain of £97.2m).

14. Net income

	2016	2015
	£000	£000
Net income is stated after charging:		
Depreciation of tangible fixed assets	4,733	4,336
Auditors' remuneration		
Statutory	79	66
Taxation	4	4
Other assurance services	8	8
Operating lease rentals	16,440	14,934

15. Gains and losses on revaluation and on investment asset disposals

Realised gains	721	446
Unrealised (losses)/gains	(3,820)	6,351
	(3,099)	6,797

Gains and losses on revaluation and on investment asset disposals is a £3.1m loss for the year (2015:£6.8m gain) of which £1.9m is unrestricted (2015:£4.4m) and £1.2m is restricted (2015:£2.4m).

16. Tangible assets

	Properties	Equipment & vehicles	Total
	£000	£000	£000
(a) Group and Charity:			
Cost			
At beginning of year	86,430	20,687	107,117
Additions	3,394	2,428	5,822
Disposals	(6,807)	(1,834)	(8,640)
At end of year	83,017	21,281	104,298
Depreciation			
At beginning of year	48,285	16,973	65,258
Provided during year	2,328	2,405	4,733
On disposals	(5,833)	(1,747)	(7,580)
At end of year	44,779	17,631	62,410
Net book value			
At beginning of year	38,145	3,714	41,858
At end of year	38,238	3,650	41,888

	Group & Charity	
	2016	2015
	£000	£000
(b) Analysis of freehold and leasehold properties:		
Freeholds	27,495	28,425
Long leaseholds (over 50 years)	2,487	2,608
Short leaseholds (50 years and under)	8,256	7,112
	38,238	38,145
(c) Use of properties:		
Service delivery	14,307	14,834
Other (including shops and offices)	23,931	23,311
	38,238	38,145

Rental income is received from properties surplus to operational requirements.

17. Investments

	Group	
	2016	2015
	£000	£000
Investments at market value	66,917	69,675
Investments of the charity include £20,000 in Subsidiary undertakings (Note 2).		
Investments at market value:		
At beginning of year	69,675	62,751
Additions	10,379	8,467
Disposals	(10,039)	(8,340)
Realised/unrealised (losses)/gains	(3,098)	6,797
At end of year	66,917	69,675
Comprising:		
UK Equities	21,838	23,354
UK Bonds	21,915	20,758
International Pooled Funds	21,146	22,385
Cash	364	2,104
Other investments	1,654	1,074
	66,917	69,675
Cost of Investments	60,551	59,741

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

18. Stocks and work in progress

Finished goods	1,338	1,216
Work in progress	7,175	5,177
	8,512	6,393

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.

19. Debtors

	Group		Charity	
	2016	2015	2016	2015
	£000	£000	£000	£000
Trade debtors	157	429	42	10
Statutory and related funders	20,092	19,355	13,409	11,386
Taxation	3,996	3,230	3,597	3,199
Other debtors	732	772	707	750
Prepayments and accrued income	12,623	10,582	10,760	9,007
Amounts due from subsidiaries	-	-	11,794	10,777
	37,600	34,367	40,309	35,128

Amounts due from subsidiaries represent:

1. Loans from the charity to Barnardo Trading Ltd and Barnardo Developments Ltd. 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 per cent to 2 per cent above base rate.
2. Temporary current account balances between the charity and Barnardo Services Limited and Barnardo Events Ltd.

20. Current Asset Investments

	Group		Charity	
	2016	2015	2016	2015
	£000	£000	£000	£000
Interest bearing deposit accounts	7,187	11,160	7,187	11,160

21. Analysis of cash and cash equivalents

	Group		Charity	
	2016	2015	2016	2015
	£000	£000	£000	£000
Cash in hand	4,310	5,450	3,781	4,758
Notice deposits (less than 3 months)	5,091	1,086	5,091	1,086
Total cash and cash equivalents	9,401	6,536	8,872	5,844

22. Financial instruments

Financial instruments comprise a bank loan

	2016	2015
	£000	£000
Loan payable falling due within one year	-	3,028

Repayable within two years at fixed rates of interest of between 3.5 per cent and 3.8 per cent.

23. Creditors – amounts falling due within one year

Pension contributions	536	511	536	511
Other taxes and social security costs	7,152	7,911	3,965	4,234
Other creditors	5,706	5,834	5,702	4,497
Accruals	11,526	12,892	10,865	12,597
Trade creditors	5,778	2,757	5,778	2,757
Deferred income	11,062	10,979	6,193	7,088
Bank loans	2	3,028	-	3,028
	41,762	43,912	33,040	34,712

Deferred income relates to fees and grants invoiced in advance from statutory and related funders. An amount of £10.1m (2015:£8.5m) was released from prior year.

24. Commitments

(a) Capital Expenditure	Group		Charity	
	2016	2015	2016	2015
	£000	£000	£000	£000
Capital expenditure contracted	5,439	244	179	244
Capital expenditure authorised but not contracted for	-	-	-	-

Capital expenditure commitment relates to the outstanding expenditure on the Barkingside Regeneration Project (Phase 4) development.

(b) Land & Other Buildings	Group & Charity	
	2016	2015
	£000	£000
Total future minimum lease commitments under non-cancellable operating leases are as follows		
Operating Leases which expire:		
Within one year	433	510
In the second to fifth years inclusive	17,504	14,204
Over five years	62,618	56,716

25. Fund balances

(a) Analysis of restricted & endowment funds	Restricted income funds	Restricted endowment funds	Total 2016	Restricted income funds	Restricted endowment funds	Total 2015
	2016	2016		2015	2015	
	£000	£000	£000	£000	£000	£000
Incoming resources						
Fundraising income	6,233	-	6,233	5,604	-	5,604
Big Lottery Fund	3,336	-	3,336	4,603	-	4,603
Net income from investments and other	-	873	873	-	912	912
	9,569	873	10,442	10,207	912	11,119
Resources expended:						
Child care and community work in the UK	9,918		9,918	9,840	-	9,840
Cost of fundraising income	1,041		1,041	834	-	834
Grants to young people in need		311	311	-	365	365
	10,959	311	11,270	10,674	365	11,039
Net incoming/(outgoing) resources	(1,390)	562	(828)	(467)	547	80
Gains and losses on revaluation and on investment asset disposals:						
Unrealised (losses)/gains	(1,354)	-	(1,354)	2,273	-	2,273
Realised Gains	197	-	197	113	-	113
	(1,157)	-	(1,157)	2,386	-	2,386
Net movement in funds	(2,547)	562	(1,985)	1,919	547	2,466
Fund balances brought forward	10,535	22,059	32,594	8,616	21,512	30,128
Fund balances carried forward	7,989	22,620	30,609	10,535	22,059	32,594

All endowment funds are permanent endowments.

The restricted capital and endowment fund balances carried forward at 31 March 2016 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.

	£000
Value of assets representing the unapplied total return within endowment funds at 1 April 2015	3,987
Net decrease in value during the year of the unapplied total return within endowment funds	(1,271)
Value of assets representing the unapplied total return within endowment funds at 31 March 2016	2,716

(b) Categorisation of restricted & endowment funds	2016	2016	2015	2015
	No.	£000	No.	£000
Fund balances				
Educational purposes	3	2,620	3	2,715
Project buildings	2	284	2	284
Sea training	1	428	1	444
General & other purposes	19	27,277	19	29,151
	25	30,609	25	32,594

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 (FRS102), as custodian Trustees, and with Charity Commission consent, these charities have been included as if they represent restricted funds of Barnardo's.

(c) Analysis of fund balances between group net assets	Unrestricted	Restricted & endowments	Total	Unrestricted	Restricted & endowments	Total
	2016	2016	2016	2015	2015	2015
	£000	£000	£000	£000	£000	£000
Fixed assets	41,714	174	41,887	41,684	174	41,858
Investments	41,834	25,083	66,917	43,652	26,023	69,675
Pension liability (note 13)	(114,900)	-	(114,900)	(109,500)	-	(109,500)
Net current assets	15,587	5,353	20,940	8,147	6,397	14,544
Net assets	(15,765)	30,609	14,844	(16,017)	32,594	16,577

(d) Analysis of fund balances between charity net assets	Unrestricted	Restricted & endowments	Total	Unrestricted	Restricted & endowments	Total
	2016	2016	2016	2015	2015	2015
	£000	£000	£000	£000	£000	£000
Net assets						
Fixed assets	41,714	174	41,888	41,684	174	41,858
Investments	41,834	25,083	66,917	43,651	26,024	69,675
Pension liability (note 13)	(114,900)	-	(114,900)	(109,500)	-	(109,500)
Net current assets	17,995	5,353	23,348	11,043	6,396	17,439
Net assets	(13,357)	30,609	17,253	(13,122)	32,594	19,472
Unrealised losses included in investments value	(2,466)	2,274	(193)	4,077	2,274	6,351

The restricted funds are held in appropriate asset forms to enable the restrictions to be satisfied.

26. Reconciliation of net income to net cash outflow from operating activities

	2016	2015
	£000	£000
Net income	4,467	9,841
Depreciation charge	4,733	4,336
Loss/(Gains) on investments	3,098	(6,797)
Profit on the sale of fixed assets	(7,933)	(9,630)
Net pension charges	(800)	-
(Increase) in debtors	(3,233)	(5,672)
Increase in creditors	876	837
(Increase)/Decrease in current asset investments	1,000	6
Investment income and interest	(2,497)	(3,078)
Increase in stock and work in progress	(2,119)	(4,425)
Net cash used in operating activities	(2,408)	(14,582)

27. Related parties

The following transactions took place between the Charity and its subsidiaries.

	2016	2015
	£000	£000
The transfer under gift aid of the trading profits.		
Barnardo Services Limited	666	608
Barnardo Developments Limited	2,239	3,864
Barnardo Events Limited	175	274
Barnardo Trading Limited	907	871

Commission amounting to £0.7m was paid by the Charity to Barnardo Services Ltd (2015:£0.7m). Payments made to the pension scheme by the Charity amounted to £6.1m (2015:£5.9m) of which £0.5m is outstanding as at 31 March 2016 (2015:£0.5m).

28. 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 organisation is remote and consequently no material provision has been included in the accounts.

29. Transition to FRS 102

Barnardo's has adopted FRS 102 for the year ended 31 March 2016 and has restated the comparative year amounts.

Changes for FRS 102 adoption

Under FRS 102, Barnardo's is required to accrue for holiday entitlement earned but not taken at the date of the statement of financial position.

Restatement statement of financial position as at 31 March	Group 2015	Group 2014
Original total funds employed	18,208	21,340
Annual leave provision as at 31 March	(1,131)	(1,002)
Pension reserve adjustment	(500)	(500)
Restated funds employed	16,577	19,838

Restatement statement of financial position as at 31 March	Charity 2015	Charity 2014
Original total funds employed	21,103	23,978
Annual leave provision as at 31 March	(1,131)	(1,002)
Pension reserve adjustment	(500)	(500)
Restated funds employed	19,472	22,476

Gifts and grants received

Funding from donations

Corporate donations

AF International, Aldi Stores Limited, Balfour Beatty plc, Bank of Ireland, BEKO plc, Bluebay Asset Management, Bregal Investments LLP, Briggs Equipment UK, Build A Bear workshop, Carillion plc, Citibank, Dunelm (Soft Furnishings) Ltd, GE Capital, Goldman Sachs, Hallmark Cards, Herald and Times Group, John Lewis Partnership, Lotto Scotland Ltd, Next plc, Ogier, Prestige Gifting Ltd, Promethean World plc, Santander, Screwfix Direct Ltd, Squire Patton Boggs, SurveyMonkey, Sweets for Life, Tesco Bank, Travelers, The Royal Bank of Scotland Group plc, Willis Towers Watson.

Charitable trusts, grants and foundations

The 29 th May 1961 Charity	£8,000
The Alan Edward Higgs Charity	£10,000
The Atlantic Philanthropies	£256,157
Baily Thomas Charitable Fund	£10,000
Dr Barrow Trust	£21,097
The J H Bartlett Charity Trust	£50,515
BBC Children in Need	£28,097
The Belfast Cathedral Sitout	£800
Big Lottery Fund	
All Stars	£281,533
Barnardo's Building Better Opportunities	£24,000
BIG Manchester	£237,708
BIG Manchester CBO	£46,550
Blaenau Gwent Community Connections	£32,812
Breaking the Cycle	£84,179
Canolfan Caban Bach Mantell Gwynedd	£138,981
Community Spaces	£41,051
Compass Aspire	£182,222
Cyfle work your Way	£13,000
Eleri project	£90,000
Family Learning and Integration Hub	£64,839
Growing Up	£80,999
Highlands & Islands – Barnardo's Works	£8,867
Highlands & Islands – Face2face	£55,210
Hopscotch	£163,488
London Hub and Spoke	£16,987
Newtownabbey Family Connections	£100,000
Nurturing Inverclyde	£207,605
Palmerstonville Training	£45,358
Positive Destinations	£73,197

Realising Ambition Lifeskills	£342,225
Realising Ambition Paths +	£385,413
South Lakeland Families	£106,459
Spokes CSEFA Reaching Communities	£69,728
Streetlevel – Perpetrators Programme	£41,344
Support and Connect	£19,015
Taith – Girls with Sexually Harmful Behaviour	£10,000
Talent Match – Bradford	£108,477
Talent Match – Lincolnshire	£33,529
Threads Connections	£126,847
VAW – Advocacy Service – Dundee	£179,989
Bill Brown’s Charitable Settlement of 1989	£3,750
The Blagrave Trust	£106,300
The Bromley Trust	£5,000
Burges Salmon Charitable Trust	£3,000
The Cattanach Charitable Trust	£9,504
Choose Life Funding – Suicide Prevention	£20,264
Chrimes Family Charitable Trust	£1,000
Comic Relief	£46,300
The Constance Travis Charitable Trust	£5,000
D.C.R Allen Charitable Trust	£10,000
David & Ruth Lewis Family Charitable Trust	£10,000
Miss E A Pemberton-Barnes Will Trust	£19,206
Early Years – the organisation for young children	£74,558
The Edith Murphy Foundation	£10,000
Esmée Fairbairn Foundation	£9,500
The Evan Cornish Foundation	£7,500
Eveson Charitable Trust	£10,000
The Freemasons’ Grand Charity	£25,000
The Gannochy Trust	£18,000
George Fentham Birmingham Charity	£5,000
The Grantham Yorke Trust	£10,000
The Hadfield Charitable Trust	£4,000
Impact Arts	£10,920
Jane Hodge Foundation	£5,000
Jenour Foundation	£5,000
Jimbo’s Fund	£20,000
John Fisher Foundation	£20,000
John James Bristol Foundation	£25,000
John Raymond Tijou Charitable Trust	£10,000
The Jones 1986 Charitable Trust	£10,000

Joseph and Lillian Sully Foundation	£4,000
Katherine Martin Charitable Trust	£204,000
KPMG Foundation	£385,708
Littlefield Foundation	£6,370
Lloyds TSB Foundation – Hopscotch	£76,652
The Liz and Terry Bramall Charitable Trust	£10,000
Maud Elkington Charitable Trust	£4,500
McLain 8 Strands Foundation Ltd	£10,000
Moondance Foundation	£150,000
Norman Harry King Will Trust	£24,814
Northern Rock Foundation	£215,098
Openwork Foundation	£5,000
Operahouse music projects, in memory of Virginia Rushton	£3,674
The Peacock Charitable Trust	£15,000
People's Postcode Trust	£50,000
Philip Gower Charitable Trust	£61,130
Pilkington Charities Fund	£5,000
Miss R C R Angel Charitable Trust	£7,970
The Robertson Trust	£67,500
The Rothley Trust	£1,500
The Samworth Foundation	£35,000
The Sandra Charitable Trust	£10,000
The Shanley Foundation	£10,000
Sherburn House Charity	£5,000
STV Charitable Trust – CHIP	£71,082
Sovereign Health Care Charitable Trust	£2,000
Springboard	£2,710
Tom Parrington's Will Trust	£40
The Waterloo Foundation	£35,000
William Belmer Rush Foundation	£19,190
D C Worley's Charitable Trust	£5,000

Funding from statutory authorities

Cymru/Wales

South Wales Police: £97,834
Welsh Government: £196,014 including £194,416
Section 180 Homelessness Grant

England

Department for Education

In Plain Sight: £636,160
FGM Centre: £880,802

Home Office

Child Trafficking Advocacy: £210,917
Cedars: £1,134,201

Wiltshire Council

Short Breaks: £213,444
Children's Centres, Calne & Corsham: £334,135

Northern Ireland

Belfast Health and Social Care Trust: £1,401,591
Department for Employment and Learning
European Social Fund: £471,174
Department of Education: £25,209
Department of Justice: £62,552
Department of Justice – Northern Ireland
Prison Service: £115,103
Health and Social Care Board: £1,978,597
Northern Ireland Housing Executive: £293,940
Office of the First Minister and Deputy
First Minister: £32,908
Public Health Agency: £770,941
Southern Health and Social Care Trust: £1,141,049
Victims and Survivors Service: £122,791
Western Health and Social Care Trust: £172,225

Scotland

Better Breaks: £33,378

Central Scottish Government

ASD - Caern - BIBBS: £29,632
Cashback for Communities: £7,950
Safer Futures Programme: £46,289
You First (Big Lottery): £196,750
Clackmannanshire Council – Youth
Substance Service: £54,111

Falkirk Council

Alcohol & Drug Partnership: £72,118
Cluaran: £394,297
Education and Family Support Services: £279,208
Oxgang Family support Service: £182,724

Highland Council

Springboard: £319,505
Northern Lights: £732,553
Inverclyde Council – Inverclyde Family
Support Team £181,970
Lothian Health Trust: £22,000
NHS Forth Valley Partners: £15,853
NHS Forth Valley – Stirling and Clacks
Services: £18,750
Scottish Prison Service: £399,317
Stirling and Clackmannanshire Alcohol and Drug
Partnership: £35,424

Pro Bono Support

Barnardo's would like to thank the following firms and practitioners for their pro bono work over the course of the financial year:

Covington & Burling LLP
DLA Piper UK LLP
Eversheds LLP
Freshfields Bruckhaus Deringer
Hunton & Williams LLP
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Members of 7 Bedford Row
Members of Fenners Chambers
Radcliffes Le Brasseur
Weil Gotshal & Manges

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Mr Bruce Oldfield, OBE
His Honour Sir Mota Singh, QC
Mr Philip Taylor

Chief Executive*

Javed Khan

Corporate Director Strategy and Performance*

Adam Pemberton (appointed January 2016)

Corporate Director Children's Services (England)*

Sam Monaghan

Corporate Director Children's Services (Celtic Nations)*

Martin Crewe (appointed July 2015)

Corporate Director Support Services*

Everton Bryan (resigned May 2016)

Corporate Director Income and Innovation*

Louise Parkes (appointed January 2016)

Director People**

Anne Comber

Director Finance**

Kevin Barnes (resigned February 2016)

Director Policy and Communications**

Gill Holmes (appointed March 2016)

Company Secretary

Marie Livingstone

**member of Corporate Leadership Team*

***attends Corporate Leadership Team meetings*

Trustees

Mr John Bartlett (2014)
Mr Neil Braithwaite (2011) – Honorary Treasurer
Mr Hugh Burkitt (2009)
Ms Judy Clements, OBE (2006) – Deputy Chair until retired October 2015
Ms Alexis Cleveland (2011)
Mr Tony Cohen (2011) – Chair
Lady Amanda Ellingworth (2009), Deputy Chair from October 2015
Mr Stephen Goldman (January 2016)
Mr Colin MacLean (2014) – retired November 2015
Mr Darra Singh (January 2016)
Mr Colin Walsh (2014)
Ms Eleanor Williams (2008)

Contact details

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Ruffer LLP, 80 Victoria Street, London SW1E 5JL

Principal solicitors

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Cymru/Wales

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www.barnardos.org.uk



Barnardo's adheres to the Fundraising
Promise and Fundraising Standards
Board guidelines. Barnardo's Registered
Charity Nos. 216250 and SC037605.
Registered Company No. 61625.