

# Building Back Childhood

Annual report and accounts 2021–22



Company Number: 952717

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Registered charity number 258825.

NCB's Registered Office is at 23 Mentmore Terrace, Hackney, London, E8 3PN

# Foreword

## From our Chair



The most important questions for any charity board of trustees are does our charity still have a purpose? And are we still as relevant now as we were when we were established?

NCB celebrates its sixtieth anniversary in 2023, at the same time we come to the end of our current five-year strategy. So, it seems like the right time to be asking our stakeholders these questions.

Their answers are affirming. NCB was established to bring the sector together, from Parliament to the playground, grass roots organisations to national charities, academics and policymakers. We are still seen as vital conveners, and as a pillar of the children's sector.

Our activities over the last year confirm our relevance. Alongside our challenging and successful programme delivery and influencing we have worked hard to secure our future.

I am particularly proud of the way we influenced the NHS England strategy so that children are prioritised, and by the honour awarded to Alison Penny MBE, our Director of the Childhood Bereavement Network.

Our future has been strengthened by reducing our core costs which has sadly meant losing some staff. But we also developed a strong five-year financial model, bringing in new funds in a highly competitive environment; recruited new trustees – four of whom are under 25 years old; and commissioned an independent review of our board's effectiveness.

NCB is as vital today as it was in 1963, the challenges and opportunities ahead remain critical to children and families, but I am confident that NCB will rise to meet them.

A handwritten signature in black ink that reads "Alison O'Sullivan". The script is cursive and fluid.

**Alison O'Sullivan – Chair**

## From our Chief Executive



This has been a year of endings and beginnings.

Firstly, we said goodbye to our Independent Advice and Support Programme run through local authorities in England for families of children with special education needs and disabilities (SEND). Our role in establishing these advice services has been completed but we are still involved in supporting local authorities to run them effectively.

Secondly, our work with The National Lottery Community Fund's Head Start programme, working on mental health and wellbeing in schools, came to a finish. However, our work supporting learning and development within this programme complemented

and inspired one of our beginnings: the establishment of our newest specialist membership group, the Schools Wellbeing Partnership.

In another year disrupted by Covid-19, we began to restart face-to-face work and were happy to be back in our offices in Hackney, Lambeth and Belfast.

And we have responded to a busy government agenda, helping to shape new pieces of legislation and contributing to reviews of SEND, education, and social care. And the focus could not be more needed.

The system which children and families rely on for education, support and wellbeing is not fit for purpose. Rising insecurity, debt, homelessness and hunger is not the context in which families can be strengthened and children kept safe.

The increasing strain on family budgets will undoubtedly push more babies, children and young people into precarious situations. NCB will continue to make the case for investment in children, and we will hold to account those who have the power to change the system.

A handwritten signature in dark ink, reading 'Anna Feuchtwang'. The script is fluid and cursive, with a large 'A' and a long, sweeping tail on the 'g'.

**Anna Feuchtwang - Chief Executive**

# Introduction

**This annual report sets out the progress we've made during 2021-22.**

It provides a close look at how we have been building back childhood after the pandemic, and the difference we made together.

From research on the impact of the pandemic on children with special educational needs and disabilities, to bringing policy makers and services together to hear from children and young people throughout the UK, we have brought every inch of our policy and practice expertise to bear on strengthening systems and empowering children and young people to reach their full potential.

While adapting and responding to emerging needs, we've not missed a beat in our work to keep delivering the changes that make childhood better: driving improvements to the services children count on and gathering intelligence about work on the ground to influence decision-making.

We hope you enjoy finding out more about NCB's work to create a better childhood for every child.

## **The NCB family - working together to deliver better childhoods**

Every member of the NCB family brings people and organisations together to drive change on particular issues and help deliver a better childhood for the UK.

### **Anti-Bullying Alliance**

The Anti-Bullying Alliance brings together organisations and individuals working together to achieve our vision to stop bullying and create safer environments in which children and young people can live, grow, play and learn.

2021-22 highlights include:

- Providing CPD to over 14,977 participants, which included a new course to help schools reduce bullying of Gypsy, Roma and Traveller children.
- Establishing a steering group in Wales.
- Delivering Anti-Bullying Week, reaching 7.5 million children with 80% of schools taking part.
- Establishing our new whole-school programme, United Against Bullying.

Read more about our work: [anti-bullyingalliance.org.uk](https://anti-bullyingalliance.org.uk)

### **Northern Ireland Anti-Bullying Forum**

The Northern Ireland Anti-Bullying Forum brings together over 20 statutory and voluntary sector organisations committed to stopping the bullying of children and young people in our schools and communities.

2021-22 highlights include:

- Delivering a successful Anti-Bullying Week in NI, providing anti-bullying activities and resources to all schools in NI.
- Celebrating our Anti-Bullying Week Creative Art Competition and starting our School Staff Award.
- Developing our first Young Advisors group who presented to NI policy makers.
- Supported implementation of the Addressing Bullying in Schools Act.

Read more about our work: [endbullying.org.uk](https://endbullying.org.uk)

### **Childhood Bereavement Network**

The Childhood Bereavement Network brings together those working with bereaved children, young people and their families across the UK.

2021-22 highlights include:

- Working with partners to steer the work of the UK Commission on Bereavement, investigating the experiences of bereaved people and making recommendations for improving support
- Bringing bereavement professionals and volunteers together in a community of practice with 1200 attendances at our monthly webinars
- Coordinating the sector in responding to policy consultations such as the Terms of Reference of the Covid-19 Public Inquiry

Read more about our work: [childhoodbereavementnetwork.org.uk](https://childhoodbereavementnetwork.org.uk)

## LEAP

The Lambeth Early Action Partnership (LEAP) unites local services to improve social and emotional development, communication and language development and diet and nutrition for 0 to 3-year-olds in areas of Lambeth.

2021-22 highlights include:

- An operational data platform that links person-level data across services and provider organisations.
- A shared measurement framework underpinning our collective impact evaluation.
- Appointment of Dartington Service Design Lab as our local evaluation partner.
- Successful development of our community engagement programme through an approach based on seasonal campaigns and co-creation with our partners.
- Completion of 11 capital programmes.

Find out more: [leaplambeth.org.uk](https://leaplambeth.org.uk)

## Schools' Wellbeing Partnership

The Schools' Wellbeing Partnership is a national network of more than 50 member organisations working together to improve the wellbeing and mental health of all children in education.

2021-22 highlights include:

- Convening two joint member events in partnership with the Children and Young People's Mental Health Coalition, with a focus on ensuring a better systemic response to children and young people's mental health in schools.

- Growing our membership and schools forum.
- Working with partners to develop responses to key consultations including the DfE Behaviour guidance review.

Read more about our work: [schoolswellbeing.org.uk](https://schoolswellbeing.org.uk)

## **Council for Disabled Children**

The Council for Disabled Children is the umbrella body for the disabled children's sector bringing together professionals, practitioners and policymakers.

2021-22 highlights include:

- Delivering consultancy, training, resources and events which bring together key stakeholders at the local, regional and national levels.
- Sharing good practice and working collaboratively to overcome challenges related to the implementation of the SEND reforms.
- Ensuring a focus on achieving positive outcomes through effective and well evidenced joint commissioning.
- Working in partnership to improve access and inclusion for young children with SEND.

Read more about our work: [councilfordisabledchildren.org.uk](https://councilfordisabledchildren.org.uk)



# NCB's strategic priorities

NCB work to improve children's lives is founded on five strategic priorities:

1. Influencing legislation, policy and practice to make sure it's based on high quality evidence about what works for children.
2. Enabling children and young people to actively participate in decision-making and influence change.
3. Bringing organisations together to put the best interest of children first.
4. Developing a workforce that is knowledgeable and skilled to make positive changes for children.
5. Building respect and trust as a pioneering and high-performing charity.

Further details on each of these priorities is provided below.

## 1. Making evidence count

### **Ensuring decisions affecting children and young people are based on sound research about what works.**

Through our leadership role in the sector, NCB made a far-reaching and demonstrable impact on children's lives through our policy, public affairs and campaigning activity.

Based closely on evidence of need, we led the development of a cross-sector vision for the three-year Spending Review, uniting over 150 organisations in a series of campaign actions calling on government to #BuildBackChildhood and put #ChildrenAtTheHeart of their long-term spending plans in England. This significantly influenced the Treasury decision to invest over £500m in additional services for children and families this year.

Taking the lead in the children's sector, NCB delivered a programme of work to put children's needs at the heart of new NHS structures in England, securing a number of amendments to primary legislation included in the Health and Care Bill and embedding a new appreciation within Whitehall of the benefits of integrating services for children. The incredibly busy policy agenda has proved challenging, with NCB also playing a key role in providing evidence, based on the views of those with lived experience, to the Independent Review of Children's Social Care, the Leadsom Review, the SEND Review, and the development of Family Hubs.

Our research highlights this year included publishing a report on the impact of Covid-19 on children with SEND which attracted significant attention from the media and NI Assembly. We also delivered our third annual evaluation report on embedding trauma-

informed practice across the workforce in Northern Ireland. We also completed our fieldwork evaluating the work of four projects in England that support care leavers with insecure immigration status, and we continued to ensure that young people and families inform the research work of our academic partners.

In our role as learning and development partner for the National Lottery Community Fund's A Better Start early years programme, we published and disseminated four thematic reports and brought practitioners together in more than 20 online forums to share learning, make connections and develop knowledge. Our success this year culminated in our second annual learning event for A Better Start opened by Minister Will Quince and attended by more than 600 people from across the early years sector.

Our challenges this year were mostly internal with the integration of the NI and London research teams and the recruitment of new team members impacting on our capacity. These issues have been addressed through capacity building work across the research team including embedding high quality project management processes and recruiting a new team member to support our growth opportunities within the academic sector.

## 2. Involving children and young people

### **Amplifying the voices of children and families to make policy more relevant and to improve services.**

NCB's work amplifying the voice of children and young people has faced some significant challenges this year, while also achieving significant successes. Overall, we have increased the amount of work we deliver, and the number of children and young people we work with, and built a strong position for 22/23.

We continue to grow youth voice and put it at the centre of NCB's work. We delivered an NCB-wide social media day that was co-designed with our three long-term youth advisory groups. We developed a youth-led podcast series and built on the number of young people writing blogs on a range of topics. Our Young NCB group has directly contributed to our thinking about the new NCB strategy.

Strategically, we worked with NCB's SLT to develop a safeguarding and consent document to support NCB's staff to plan and deliver safe youth engagement, and we continued to support a number of teams and SMG's to engage with young people, either through direct planning and delivery, or advice and resource development. There has been a significant rise in the number of teams delivering against outcome two in their workplans which really demonstrates the way in which participation is becoming truly embedded across the organisation from data to fundraising.

This year saw the merging of our London and Belfast participation teams into one cross-organisation team. A team working across two jurisdictions has brought exciting opportunities for sharing expertise and bringing together different perspectives. We have said goodbye to participation staff whose expertise has been key in helping us meet targets and expectations, but we have also been able to recruit some highly skilled staff in their place who will support us in broadening our capacity and our ability to take on future work.

This year we successfully bid for and won a three-year extension (with the possibility for a further two years) for the Making Participation Work programme, which is our biggest participation contract. We also won work to become NHS England's strategic children and young people partner for the Learning Disability and Autism Programme until March 2024. This is the first time we have successfully won a multi-year participation contract from NHS England. This funded work has allowed us to put children's voices at the heart of local service delivery.

### 3. Bringing organisations together

#### **Using our convening power to unite all those who can help us put the best interests of children first.**

Despite the challenges of moving to virtual delivery precipitated by the pandemic, NCB has continued to successfully convene diverse groups of organisations, practitioners and wider stakeholders, channelling their expertise and support into enhanced reach and influence.

We have developed creative and sustainable online engagement opportunities, harnessing new technologies to create new virtual ways of working across NCB teams and the wider specialist networks that make up the NCB family.

NCB has led the way in facilitating information and innovation sharing between stakeholders at all levels including communities of practice, online forums for those working on specific areas, and regional action learning sets focused on building capacity and developing stakeholder relationships at a local level.

We have continued to convene key opportunities for collaboration both through the development of cross-sector-partnerships such as the Children's Service Funding Alliance and the Health Policy Influencing Group, as well as less formal communities of practice in mental health and wellbeing; anti-bullying; special educational needs and disabilities; bereavement; vulnerable children; and the early years.

We have taken particular care to actively engage with children, young people and the organisations representing them, to understand the impact of Covid-19 and to inform recovery planning through convening and amplifying the voice of the sector.

## 4. Developing the workforce

### **Training and equipping an up-to-date and skilled workforce to deliver a better childhood throughout the UK.**

This year, NCB has provided expert advice and training for the children's workforce, equipping people and services with the knowledge and skills to deliver the changes that make childhood better.

Across NCB, we have developed and delivered 42 separate programmes of training, coaching and facilitation, often delivered multiple times across different localities and jurisdictions. In total, we have delivered 577 workforce development events and activities and reached 57,877 individuals. Across all our programmes, our training was rated as 'good' or 'excellent' by 89% of attendees, and 93% said they had improved their skills and knowledge.

We have extensive geographical reach, with our EY SEND Partnership bringing about strategic and cultural change in 72 local authority areas in England, securing local ownership of the change needed. Our Delivering Better Outcomes Together programme worked with 85 local areas to support them with their most pressing issue of concern around delivering services to children and young people with SEND.

Through LEAP in Lambeth, we also support the workforce on a very local basis. The LEAP Team supported one of its providers, The Breastfeeding Network, in delivering a study day with esteemed speakers including Dr Jack Newman and Nakisha Killings discussing infant feeding. The study day was attended by 390 practitioners and parents and was our most popular LEAP event to date.

The leading themes for our workforce development activity are: improving services for children with SEND, preventing and tackling bullying, early years, and supporting multi-agency working.

The majority of our delivery on outcome four is now online. We have continued to develop our digital offer, receiving excellent feedback on the quality of our events.

This year also saw us successfully secure a number of long-term contracts with the Department for Education to support the SEND workforce in future years.

We also secured funding for, and launched, our new online whole school anti-bullying programme 'United Against Bullying', which will support schools to tackle bullying of children with protected characteristics and other at-risk groups.

## 5. Growing respect and trust

**Putting into practice our core governance principles of leadership, integrity, transparency and accountability.**

### **Strong governance**

We successfully recruited seven new trustees - four of whom are aged between 18 and 25 - and one independent board member, filling all our trustee and independent member posts.

This recruitment has significantly diversified our leadership, increasing representation of disability, ethnicity, youth, and lived experience of the care system at a board level.

Furthermore, all our sub-committee positions have been filled and all additional roles appointed, including our equality, diversity and inclusion champion, and the special membership group leads.

To further enhance our trustees' contribution, we commissioned an external consultant to conduct a review of how our board's effectiveness could be improved.

### **Flexible and supportive culture**

We established and implemented our 'Ways of Working' policy to support all our staff to work flexibly whilst recognising the value of face-to-face interpersonal connections and collaboration.

NCB also took important steps to support our team's wellbeing, creating a mental health framework and plan in close collaboration with staff. We also joined MIND's Workplace Wellbeing Index and ran a wellbeing staff survey at the end of the year with results expected in early 2022/23.

### **Delivering the digital strategy**

Our digital strategy moved forward significantly during the year helped by the development of clear governance processes that allow our senior leadership team to approve and prioritise projects and regularly report on progress.

Other achievements included piloting a new event management system, developing end-to-end income tracking in Salesforce, and ongoing testing to support the selection of a new learning management system.

### **Financial responsibility**

To protect NCB during a time of financial uncertainty, we developed a five-year financial model to support longer-term strategic decision making and to provide early warning of

financial challenges ahead. NCB also reduced annual central costs by approximately 15%, as the not-for-profit sector adjusts to economic pressures.

### **Thinking strategically**

To ensure NCB's effectiveness and financial resilience, we established an annual plan aligning planning and reporting processes with clear read across to the annual budget, quarterly re-forecasts, income growth plans, operational plans, and quarterly impact reporting. We also undertook a six-month project to explore the potential of the schools market and revised our research strategy with a focus on clearer links with academic institutions, increasing opportunities for larger, longer-term pieces of work.

### **Improving tools and systems**

NCB introduced an integrated HR and payroll system increasing staff's ability to 'self-serve' and providing better data and more powerful reporting tools. An upgrade of our finance system was also started to ensure seamless provision, and all staff laptops and mobile phones were updated to ensure effective working.

# Trustees' annual report

Incorporating the Directors' Strategic Report and Administrative Report for Companies Act Purposes.

The Trustees of the National Children's Bureau present their Annual Report for the Year Ended 31<sup>st</sup> March 2022 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and the Strategic Report under the 2006 Act, together with the audited financial statements for the year.

## Administrative information

### Board of Trustees

Alison O'Sullivan	Chair
Elizabeth Railton, CBE	Vice-Chair
Robert Whelan	Treasurer
Yvonne Campbell	
Ajit Dhaliwal	
Fergal McFerran	
Thivya Jeyashanker	(to December 2021)
Clare Laxton	(to September 2021)
Page Nyame-Satterthwaite	(to December 2021)
Shubhi Rajnish	
Nainan Shah	
Kathryn Pugh	(from January 2022)
Jadesola Olusanya	(from January 2022)
Sarah Mullen	(from January 2022)
Catriona Hugman	(from January 2022)
Rose Akinsulire	(from January 2022)
Emma Beeden	(from January 2022)
Bethan Hoggan	(from January 2022)



Members of the Board of Trustees under charity law are also Directors of the charitable company for the purpose of company law.

### Independent committee members

Marjorie James	People & Culture Committee (from March 2022)
Sheena Parker	Finance, Risk & Audit Committee
Laura Sercombe	People & Culture Committee
Judith Worthy	Finance, Risk & Audit Committee

### Strategic leadership team

Anna Feuchtwang	Chief Executive
Annamarie Hassall MBE	Strategic Director of Practice and Programmes (to September 2021)
Dame Christine Lenehan	Strategic Director - Practice and Programmes
Celine McStravick	Strategic Director – External Affairs
Rachel Rand	Chief Operating Officer

### Advisors

#### Auditors

Sayer Vincent LLP  
Invicta House  
108-114 Golden Lane  
London  
EC1Y 0TL

#### Bankers

Barclays Bank PLC  
1 Churchill Place  
London E14 5HP

#### Investment managers

CCLA Investment Management Ltd  
80 Cheapside  
London EC2V 6DZ

The National Children's Bureau (NCB) was registered as a charity in 1969 (charity number 258825), although it was founded in 1963 as the National Bureau for Cooperation in Child Care. NCB is also a company limited by guarantee (registration number 952717) and has a subsidiary trading company, National Children's Bureau Enterprises Ltd (registration number 2633796).

NCB's Registered Office is at 23 Mentmore Terrace, Hackney, London, E8 3PN

NCB was established for the public benefit in order to advance the well-being of children and young people in particular by (but not limited to):

- relieving poverty, sickness and distress
- safeguarding and maintaining health and well-being
- encouraging positive and supportive family and other environments for children and young people
- advancing education and training
- reducing inequalities
- ensuring that children and young people have a strong voice in all matters that affect their lives.

For the purposes of carrying out these objects, NCB's Articles of Association expect it to promote and organise cooperation and partnerships and to influence and inform policy, practice and service development by bringing together voluntary organisations, statutory authorities, individual professionals and all those concerned with the well-being of children and young people.

The liability of members in respect of the guarantee, as set out in the Articles, is limited to £1 per member of the company.

### **Governance and management**

The Board is ultimately accountable for NCB's strategic and financial sustainability and growth and that this is achieved through an organisational culture based on integrity, accountability and transparency. With this, NCB is committed to upholding its organisational culture and values in-line with the seven principles of the Charity Governance Code (updated 2020):

- Organisational purpose
- Leadership
- Integrity
- Decision making, risk and control
- Board effectiveness
- Equality, diversity and inclusion
- Openness and accountability

NCB's Board of Trustees and Strategic Leadership Team reflect these standards across practices, function and behaviours, conscious of the fact that the organisational culture is influenced and embedded from these levels. The Governance Code is also embedded across NCB particularly with regard to setting the foundations for the governance objectives and outcomes in the organisational strategy 2018-2023.

As set out in the Memorandum and Articles of Association, NCB's Board of Trustees comprises a maximum membership of fifteen, including the Chair, Vice-Chair, and Treasurer and at least two Trustees must be under the age of 25 years at the time of appointment to fulfil NCB's young governance requirements. The maximum size of the Board of Trustees exceeds the Governance Code's recommended maximum in the recognition of the fact younger trustees are at a stage in life where they typically have less control over their time so are less likely to be able to attend all meetings.

Each Board member serves a maximum of two terms each of three-years, with the possibility of a one-year extension at the end of their second term in exceptional circumstances. At Year-end 31<sup>st</sup> March 2022, the Board membership was fifteen with the above requirements met.

Over the reporting period, three Trustees retired from the Board upon conclusion of full term of services. Seven new Trustees, including four under the age of 25 years, were successfully appointed through a wide reaching, transparent and robust recruitment process supported by Inclusive Boards.

New Trustees were provided with a full induction programme introducing the role of the charity Trustee, NCB leadership, governance, finance, development, core delivery programmes and have a buddy system in place for further support in navigating the Board's business and the work for NCB.

The Board remains fully committed to promoting an inclusive approach recognising that a more diverse Board better supports its leadership, effectiveness and decision making from harnessing a broader range of perspectives and that lived experience is as equally valuable as professional expertise. The Board seeks to continuously develop and enhance its structures and ways of working to support inclusivity. As part of the process, the Board periodically reviews its collective membership and individual expertise, lived experience and development requirements. Annual one to ones are held with each Trustee and either the Chair or Vice-Chair and external effectiveness reviews are undertaken periodically to obtain independent assessment and advice.

A detailed independent assessment of board effectiveness was commissioned and undertaken in the year. The report concludes that NCB demonstrates an impressive breadth and depth of compliance with the recommendations held within the Charity Governance Code for Board effectiveness. In the spirit of continued development, the Board has prioritised areas for further improvement over the next period.

In response to the COVID-19 pandemic, the Board swiftly and effectively moved its arrangements online. The Board is currently reviewing its arrangements with an expectation of adoption of a hybrid model in future.

The Finance, Risk and Audit Committee (FRAC) ensures that NCB is compliant in its financial obligations, auditing standards and legal requirements of regulatory bodies, including the Charity Commission, through an appropriate framework of policies, processes and controls.

The People and Culture Committee is focused on all matters pertaining to 'people' including Board membership, succession planning, Trustee recruitment, equality, diversity and inclusion (ED&I) and delivery of key strategic objectives set out in NCB's People Plan. The Committee oversaw the recruitment and induction of seven new Trustees in the year, bringing the Board to full strength.

The Board may establish advisory groups to support the development of strategic objectives. The Strategic Advisory Group (SAG) continues its work to support the diversification of NCB's income generation.

## Senior pay

NCB aims to ensure that all staff are paid on a grade appropriate to the nature of the work and the experience, knowledge and skills needed to carry out the job within the organisation.

NCB also aims to ensure that all jobs are at a pay level which is reasonable when compared with the external market pay ranges for the charity and civil service sectors. The grades of all roles are assessed as part of NCB's job evaluation process, with the exception of the Chief Executive's and Directors' salaries which are proposed by the People and Culture Committee of the Board of Trustees for determination by the Board of Trustees.

## Fundraising

NCB has not contracted the services of professional fundraisers or commercial participants. NCB benefits as one of four recipients from donations secured by Childlife, a consortium charity whose methods include door-to-door, street fundraising and payroll giving. All activity lines are rigorously observant of industry recognised, best practice in ethical fundraising.

We delegate our low-level individual giving because our work does not lend itself to a large scale, fundraising opportunity with the general public. Accordingly, the advice we give to those wishing to fundraise on our behalf, is offered on a case-by-case basis, with Institute of Fundraising best practice in mind.

NCB and Childlife are registered with the Fundraising Regulator. No complaints have been received about our fundraising activities.

## Risk and internal control

The Trustees continue to review the risks facing NCB group, controls in place and mitigating actions being taken using the organisation's general statement of risk appetite with its corresponding set of principles around generally acceptable levels of risks.

The Trustees remain of the view that appropriate control procedures are in place to manage risks and that the systems of financial control comply in all material aspects with the guidelines issued by the Charity Commission.

The Trustees note the following specific areas that give rise to the potential major risks for the next financial year:

Risk	Key mitigating actions
<p>Financial:</p> <p>Cost inflation, rising energy prices and rising employment costs will all put pressure on operating margins, especially in multi-year contracts where increased costs cannot be passed on to the funder.</p> <p>NCB's financial operating model requires the organisation to be of a certain size to cover fixed operating costs. A failure to secure a sufficient level of funding and a lack of diversification of income increases the risk of operating deficits eroding free reserves.</p>	<ul style="list-style-type: none"> <li>• Retention of financial planning with extended, five-year, time horizons.</li> <li>• Significant central cost reduction exercise undertaken in late 2021/22 with changes fully embedded for 2022/23.</li> <li>• Staff pay bands linked to benchmark reflecting triennial market rate analysis.</li> <li>• Multi-year development strategy in operation to focus on areas with most potential for income growth and diversification.</li> </ul>
<p>Delivery:</p> <p>The move to wholly virtual delivery was a required response to the pandemic. As restrictions lift, we engage with the challenge of determining which elements of digital delivery to retain and where is best to return to an in-person model.</p> <p>A higher proportion of digital delivery will continue for the long-term so we must ensure correct resourcing and cost modelling is in place with suitable systems in operation to support our work.</p>	<ul style="list-style-type: none"> <li>• Early engagement with funders over preferred methods of delivery with evidence-based recommendations relying on the experience of recent years.</li> <li>• Detailed evaluations undertaken to establish impact of delivery as well as reach.</li> <li>• Project costing tools regularly revised and updated to accurately reflect the costs of high-quality virtual delivery.</li> <li>• Dedicated Digital team now established to support in selection, integration and adoption of digital solutions as well as providing ongoing support of current digital tools.</li> </ul>

People:

The ongoing establishment of a hybrid model of working brings many positives for our people but also presents risks including a more fragmented workforce, reduced capacity for creativity and diluted professional relationships.

Conversely, a failure to achieve a sufficiently flexible working culture and provision of a working environment supportive of more digital delivery in the long-term could negatively impact on our ability to retain or recruit staff.

- Ongoing clear two-way communication with staff ensuring feedback from staff is considered at all stages and the evolution in working practices is established as transparently as possible.
- Recognition that we are operating in a changing environment so an ongoing process of assessment, consultation and review will be appropriate.
- Increased automation of recruitment processes to improve the experience, efficiency and reporting capabilities.
- Extended reporting on staff turnover, exit interview findings and induction experiences.

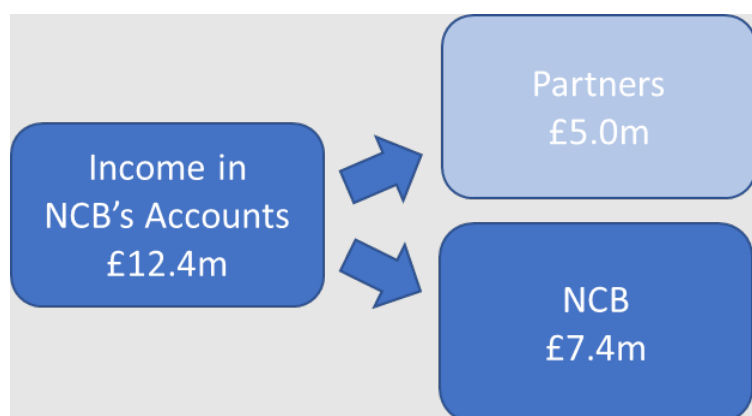
# Financial review

## Understanding NCB's finances

### Leading partnerships

Income shown in our accounts is £12.4m. However, this is inflated by £5.0m of funding that is received by NCB, but is passed on to partner organisations, leaving a core income of £7.4m.

£1.9m of the funds managed on to partners is under the Information, Advice and Support Programme (IASP) we run on behalf of the Department for Education and £2.6m to partners in the Lambeth Early Action Partnership (LEAP), a 10-year programme funded by the National Lottery Community Fund as part of their A Better Start initiative.



One of our great strengths is convening the children's sector and therefore we are often asked, by Government and others, to lead partnerships. Part of our role, for the funder's convenience, is to receive, distribute and steward funding among partner organisations involved in a particular programme.

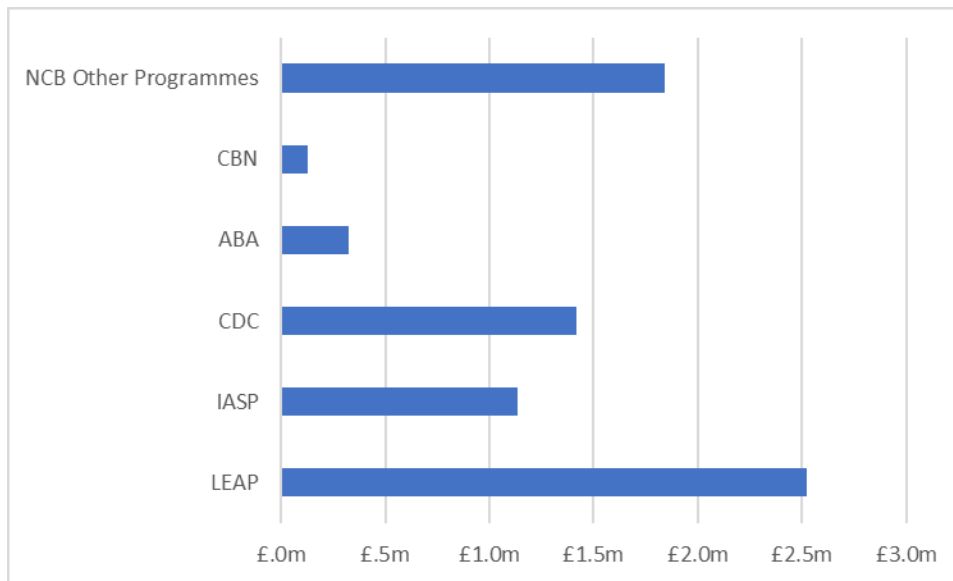
We still recognise this as income in our accounts, despite not funding NCB activity, for two reasons:

- We are required to by accounting standards, as we oversee and direct the funds.
- It helps ensure our budget holders have ease of visibility of all their financial transactions, helping strong financial management.

### NCB's structure

NCB is a family, bringing together expert membership networks to provide a unifying voice in the sector, including the Council for Disabled Children, the Anti-Bullying Alliance and the Childhood Bereavement Network.

The £7.3m 2021/22 net income (i.e. excluding money to partners) can be broken down as follows:



### NCB's unrestricted income

NCB's accounts for 2021/22 show unrestricted income of £5.7m. It is important to understand that, according to charity accounting rules, this must include income earned by NCB through contracts and the sale of training and memberships, even though this income merely covers the unavoidable cost of delivering those contracted services. Only the £131k shown as unrestricted donations and legacies was genuinely given to NCB with free choice as to how to use it.

### NCB's reserves and reserves policy

In line with the Charity Commission's best practice, NCB's Trustees maintain a reserves policy. Whilst we would otherwise spend our funds on achieving charitable impact, we retain sufficient free reserves (ie unrestricted funds, excluding those tied up in our property or set aside to be spent soon, and excluding the pension deficit), to protect against the impact of volatility in future funding, disruption to operations and other risks, and to invest in adapting and evolving our services, to ensure we sustain our impact for future beneficiaries.

NCB's trustees have adapted a standard, benchmarked framework to assess the reserves required to safeguard the charity against future risks and provide for future opportunities. In their assessment, the trustees review the organisation's risk register and consider the possible financial impacts of those risks, of which the following are considered material:

- NCB may need to cover costs and ensure continuity of impact and, ultimately, solvency in the case of changes (including abrupt changes) to funding over the coming years.



- Government funding, specifically, could be delayed or significantly changed, initially due to disruption to spending plans, requiring NCB to cover staff and other costs in an interim period.
- The defined benefit pension scheme is valued on a triennial basis. We do not require input from reserves in the immediate period, but expect to in the very near future. Macro-economic conditions, scheme risk-management, membership or proactive assessment by NCB could increase the need for additional funding in future, which could be significant in value.
- We will need to continue to make cyclical investment in new products and services, to meet emerging policy aims and societal needs and generate the next income streams for NCB to sustain the charity. This may not be recoverable through funding and selling.
- Other adverse events could require unbudgeted payment, such as failure of compliance with HMRC or GDPR.
- Costs would need to be met in the event of closing the charity down, e.g. ensuring the continuity of services, administrator costs, redundancies. (While this is not remotely perceived to be needed, it is prudent to set this aside at all times and we assess that this would be significant, given the complexity of NCB.)

NCB typically only receives around £100k of donation-type income each year, with all other income tied closely to delivery expenditure. This means it is difficult to rebuild free reserves after they are spent, which encourages NCB to take a more conservative approach to retaining these funds for adverse events. The current free reserves have been built primarily from the recent sale of freehold property (net of reinvestment in the new London office), meaning Trustees consider there to be less pressure to promptly spend these funds than if they had been donated with the expectation of achieving timely impact. NCB anticipates that the need for its system improvement work, to continue delivering a better childhood across a wide range of themes, will evolve but continue to exist for the foreseeable future. So, there is no impetus to spend down reserves to 'complete' our mission.

Trustees regularly review in-year and multi-year financial forecasts, including the impact on free reserves, and consider the need for adaptive action to maintain sufficient reserves. The significant IASP contract ended in March 2022 and our LEAP programme is scheduled to end in its current form in 2025. NCB has good plans for development of future funding, for programmes that meet emerging needs in society, and trustees are conscious of the risk of funding shortfall in our plan and financial models, for which we need to earmark reserves.

Trustees assess that NCB should generally hold a minimum of £1m at any time, and we would expect to explain here our reasoning and plan, should reserves fall below this. In considering the risks at present and in our near future, as set out above, Trustees are also comfortable that reserves significantly higher than this also represent an appropriate balance between using funds for impact and maintaining organisational integrity to ensure NCB continues to be a reliable partner to funders and to meet the

anticipated need to improve childhoods for years to come. This considers that the risks above are extremely unlikely to all be of imminent concern at any one time. Should free reserves exceed £2m, we would expect to explain here our plan for investing some of these, or our reasoning for retaining the full amount at that time.

Current free reserves are £1.8m (with a further £1.4m designated against specific risks and plans), in line with this policy and rightly at the higher end in light of the need to continue to manage through some disruption ahead due to evolving our portfolio of projects, as well as economic conditions and uncertainties. As is outlined elsewhere in this report this disruption will impact funding across multiple years, but this is not anticipated to be severe, still leaving appropriate reserves to cover the other needs and risks listed. NCB's operational budget is to break even, matching income and expenditure, while delivering across this strategic period and therefore maintain these reserves. In addition to this aim, our agreed budget for 2022/23 anticipates a small deficit, as we continue to deliver the full breadth of our core activities, underwriting these where funding is difficult to find, and invest in our future development to grow our scale and evolve to meet emerging needs, including strengthening our ability to deliver our impact digitally. £0.4m of the designated funds mentioned above are for this investment. We will therefore continue to look for external funding for all our programmes and investment funding to help us develop new solutions to meet these emerging needs.

In addition to our free reserves, we have a leasehold property asset (£4.4m). This asset primarily represents an investment in reducing running costs and provides value for money to our funders, but it could also provide further liquid reserves if required in the future, or security against risk and volatility in, say, our pension scheme. We have designated less than £0.1m of funds at this year-end to cover planned additions to the property, and £0.3m for potential further VAT costs under the capital goods scheme. Designated funds total £1.4m and £6.1m including the fixed asset fund.

NCB also has a long-term pension deficit, which is managed via an agreed, standard recovery plan and not likely to crystallise as a liability in the near future (**and against which we designate a small amount of reserves to help meet periodic changes in the recovery plan**), and restricted project funds of £0.6m (2021 £0.9m) received in advance and strictly ring-fenced for delivery of the projects agreed with the funders. The total funds held by the charity therefore stand at £4.9m (2021 £1.5m)

## Summary for the year under review

2022/23 sees NCB come towards the end of a five-year strategy. We have developed a new five-year financial model and development plan, as we move towards a new strategic period. The plan is designed to grow and strengthen the diversity of income as we meet evolving and emerging needs, maintaining economies of scale and value. The focus on financial balance has seen us break-even this year (as in the previous three years), matching unrestricted income and expenditure, and maintaining our strong reserves. Our aim is to continue to do so in future years.

The result seen in the financial statements can be broken down as follows:

There was a small operating surplus on unrestricted funds (excluding the pension scheme) of £0.1m (2021 £0.2m), representing an important continuation of running at break-even whilst maintaining investment in income generation for future years.

Net expenditure on operational restricted funds was £0.3m, reflecting merely the timing of spend on grant funded projects.

This resulted in the net of NCB's assets and current liabilities being strengthened to £8.4m (2021 £8.6m) and free reserves maintained at £1.8m (2021 £1.8m). NCB is therefore in a strong financial position, with free reserves above the policy minimum set out above, a significant property asset and a strong, strategic income generation approach to continue the strong financial performance in the years ahead.

Alongside this positive result and position, NCB's overall net assets increased from £1.5m to £4.9m due to a significant decrease in the actuarial valuation of the liability in our defined benefit pension scheme from £7.1m to £3.5m. Whilst we must show the valuation according to FRS102 methodology in our accounts, this is a very long-term liability. NCB manages this in a long-term approach with the fund, meeting all funding requirements set out by the fund's actuaries every three years and the latest valuation for contribution purposes showed the fund in surplus. Our continuing break-even result for this year is strong evidence that we will continue to sustainably meet any pension fund requirements.

## Financial performance

### Income

As expected, overall income decreased during the year from £16.2m in 2020/21 to £12.4m. Unrestricted income reduced to £5.7m (£8.2m in 2020/21), reflecting mainly the funder-planned reduction in subcontracts and funding passing through to partners on our IASP contract. Restricted income lessened from £8.0m to £6.7m, reflecting the change in activity in our 'A Better Start' programme for National Lottery Community Fund and some other programmes being smaller. Outside of these the charity continues to hold a number of government contracts for the future and has secured significant

grants for its projects and research from a range of government, trust and other sources.

## **Expenditure**

Expenditure decreased in line with the changes in activity on our major contracts and grants, as expected and outlined above, from £16.2m last year to £12.9m this year.

## **Financial position**

NCB's total reserves increased from £1.5m at the start of the year to £4.9m at the end of the year. NCB has a strong general funds position (£1.8m) retained in line with the reserves policy by virtue of the break-even performance in the year, alongside further funds designated to meet specific needs or risks in the near future. In addition, total assets, less current liabilities of £8.4m (£8.6m 2021), includes the funds invested in our main London office. Whilst the lessened deficit in the pension fund (£3.5m, £7.1m 2021) is still significant, this is a long-term liability subject to fluctuations in economic conditions at the balance sheet date and is being managed and paid off under a standard recovery plan, with annual contributions managed comfortably within our annual budgeting.

## **Other matters**

### **Leasehold property**

After disruption due to the Covid-19 pandemic, we are delighted to be back in our offices and working together. Trustees have retained a small amount of designated funds to allow for some final works to enhance the space, delayed due to Covid-19 restrictions, as set out in note 16 to the accounts.

### **Pension fund**

The valuation of NCB's defined benefit pension scheme as at 31 March 2022 (under FRS102 principles) has seen a decrease in the scheme deficit to £3.5m (from £7.1m in 2021), mainly due to change in inflation assumptions and the discount rate used to measure the future liabilities. Estimates used by the actuary in the calculation of this accounting deficit valuation have been benchmarked by the Trustees and are considered appropriate. Further details are shown in Note 18 to the accounts.

NCB closed its defined benefit scheme to new entrants in 2012/13 and now runs a defined contribution scheme for new starters. NCB continues to meet and monitor its annual obligations to the scheme, including the repayment of the deficit, as agreed with the scheme provider. The latest triennial valuation (as at 31st March 2019) calculated that no deficit recovery contributions were required for the next three years. NCB continues to hold funds to meet future increased obligations over the long term, and to allow proactive and responsive management of the scheme as it evolves, including in light of the impact of macro-economic factors.

## **Going concern**

As is normal in the preparation of accounts, Trustees are required to determine whether the accounts are to be compiled on a going concern basis. All organisations will be placing increased scrutiny on this exercise in light of the impact and future economic influences caused by the Covid-19 virus.

The recent sale of the freehold property, and subsequent investment in a new property has put NCB in a strong reserves and cash position. This took place alongside restructuring, three subsequent years of break-even financial performance in running our charitable activities and the establishment of a medium-term financial strategy to strengthen the diversity of our income while continuing to break-even each year. This plan began to strengthen our finances in 2021/22 and will do so further in the years ahead.

NCB currently holds £1.8m of free reserves (in excess of designated funds), which meets the reserves policy set out above, including in light of the impacts from the Covid-19 disruption described above, and assures the Board of Trustees we can meet any risks that become issues, and puts NCB in a good position for the coming period.

Taking all these factors into consideration Trustees believe it is reasonable to expect that NCB will generate sufficient resources to finance its operations for the foreseeable future and believe there are no material uncertainties that call into doubt the charity's ability to continue. Accordingly, the accounts have been prepared on the basis that the charity is a going concern.

## **Subsidiary**

National Children's Bureau Enterprises Ltd exists to manage, as and when appropriate, conference and lettings programmes, various funding activities and support services for other charities. The majority of work has largely been stopped, and the residual, incidental trading activity handled within the charity itself, resulting in no turnover or profit in the company for the year, as was the case in the prior year. The company was dormant throughout the financial year. Any profit made by NCB Enterprises' is gift-aided to the charity.

## **Investment policy**

NCB's investment policy is to limit investment in more volatile assets and to keep key reserves in cash deposits. The Trustees continue to monitor this approach to investment, to ensure the best use of the significant funds from the sale of the freehold property. This is the role of the Finance, Risk and Audit Committee which is chaired by the Treasurer, with the Chair attending as an observer, and with the Chief Executive and the Chief Operating Officer in attendance.

The Committee advises the Board on investment policy to ensure risk, return and liquidity are balanced in the best interests of the charity and, where necessary, will seek independent external advice. In addition, it recommends to the Board the proportion of its investments to be held in longer term funds against maintaining prudent cash, or cash equivalent, balances, or retaining for use directly on charitable activities, infrastructure and operations.

For any future investment in equities and other financial products, the charity will continue with an ethical investment policy, including avoiding companies with more than 50 per cent of their turnover in gambling, tobacco or armaments. The Committee will also advise the Board on maintaining a reasoned ethical approach, and will seek to take external advice to set this against the need for proper returns on new funds.

## Statement of responsibilities

The Trustees are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Insofar as each of the trustees of the company at the date of approval of this report is aware there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. Each trustee has taken all of the steps that he/ she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

## Compliance with statutory requirements

The financial statements have been prepared in compliance with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP FRS 102) issued under the auspices of the Charity Commission.

## Funders, stakeholders and sponsors

We would like to express our grateful thanks to government departments, charitable bodies, companies and individuals for their considerable support in financing NCB's activities.

## Auditors

Sayer Vincent LLP has indicated its willingness to be reappointed statutory auditor.

This Annual Report of the Trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 29<sup>th</sup> June 2022, including approving in their capacity as company directors the Strategic Report contained therein, and is signed as authorised on its behalf by:

A handwritten signature in black ink that reads "Alison O'Sullivan". The script is cursive and fluid, with the first name "Alison" and the surname "O'Sullivan" clearly distinguishable.

Alison O'Sullivan

Chair

National Children's Bureau

Company Number: 952717



# Independent Auditor's Report

Independent auditor's report to the members of National Children's Bureau

## Opinion

We have audited the financial statements of National Children's Bureau (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

## Basis for opinion

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

## Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on National Children's Bureau's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

## Responsibilities of trustees

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

## Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

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

Joanna Pittman (Senior statutory auditor)

For and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

# Statement of financial activities

(incorporating an Income and Expenditure Account)

Year ended 31 March 2022

	Notes	Restricted Funds £'000	Unrestricted Pension Reserve £'000	Unrestricted Other Funds £'000	2022 £'000	2021 £'000
	1 & 2					
<b>Income from:</b>						
Donations and legacies		78	-	131	209	163
Charitable activities		6,629	-	5,549	12,178	16,070
Other trading activities		-	-	4	4	4
Income from investments		-	-	2	2	2
<b>Total</b>		<b>6,707</b>	<b>-</b>	<b>5,686</b>	<b>12,393</b>	<b>16,239</b>
	1, 3 & 6					
<b>Expenditure on:</b>						
Raising funds		-	-	35	35	31
Charitable activities		7,031	-	5,524	12,555	15,833
Operating pension scheme movements in year	18	-	349	-	349	305
<b>Total</b>		<b>7,031</b>	<b>349</b>	<b>5,559</b>	<b>12,939</b>	<b>16,169</b>
<b>Net income (expenditure)</b>		<b>(324)</b>	<b>(349)</b>	<b>127</b>	<b>(546)</b>	<b>70</b>
<b>Other recognised gains / (losses):</b>						
Actuarial gains on defined benefit pension scheme	18	-	3,999	-	3,999	626
<b>Net movement in funds</b>		<b>(324)</b>	<b>3,650</b>	<b>127</b>	<b>3,453</b>	<b>696</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		916	(7,125)	7,699	1,490	794
<b>Total funds carried forward</b>		<b>592</b>	<b>(3,475)</b>	<b>7,826</b>	<b>4,943</b>	<b>1,490</b>

Notes 1 to 20 form part of these financial statements.

Full comparative figures are shown in note 19.

## Balance sheet

As at 31 March 2022

	Notes	2022 £'000	2021 £'000
<b>Fixed assets:</b>			
Tangible assets	1 & 6	4,613	4,662
Shares in subsidiary undertaking	10	-	-
<b>Total fixed assets</b>		<u>4,613</u>	<u>4,662</u>
<b>Current assets:</b>			
Debtors	12	1,389	1,326
Notice deposits	9	512	512
Cash at bank		5,216	7,026
<b>Total current assets</b>		<u>7,117</u>	<u>8,864</u>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	13	(3,312)	(4,911)
<b>Net current assets</b>		<u>3,805</u>	<u>3,953</u>
<b>Total assets less current liabilities</b>		8,418	8,615
Defined benefit pension scheme liability		(3,475)	(7,125)
<b>Total net assets</b>	17	<u>4,943</u>	<u>1,490</u>
<b>The funds of the charity:</b>			
Restricted Funds	1 & 15	592	916
General Funds	1 & 16	1,775	1,779
Other Unrestricted Funds	1 & 16	6,051	5,920
		<u>8,418</u>	<u>8,615</u>
Unrestricted pension reserve	18	(3,475)	(7,125)
<b>Total charity funds</b>		<u>4,943</u>	<u>1,490</u>

Notes 1 to 20 form part of these financial statements

The net result for the period ending 31 March 2022 was a surplus of £3.5m (2021 surplus of £0.7m).

The financial statements were approved and authorised for issue by the trustees on 29th June 2022 and were signed on their behalf by:



Alison O'Sullivan, Chair

National Children's Bureau, Company number: 952717

## Cash Flow Statement

For the year ended 31 March 2022

	2022 £'000	2021 £'000
<b>Cash flows from operating activities</b>		
<b>Net cash (used in) / provided by operating activities</b>	<u>(1,656)</u>	<u>(808)</u>
<b>Cash flows from investing activities</b>		
Interest and dividends from investments	2	2
Purchase of leasehold property and equipment	(156)	(46)
<b>Net cash provided by investing activities</b>	<u>(154)</u>	<u>(44)</u>
<b>Change in cash and cash equivalents in the reporting period</b>	(1,810)	(852)
Cash and cash equivalents at the beginning of the reporting period	7,538	8,390
<b>Cash and cash equivalents at the end of the reporting period</b>	<u>5,728</u>	<u>7,538</u>
<b>Analysis of cash and cash equivalents</b>	2022 £'000	2021 £'000
Cash in hand	5,216	7,026
Notice deposits	512	512
<b>Total cash and cash equivalents</b>	<u>5,728</u>	<u>7,538</u>
<b>Reconciliation of cash flows from operating activities</b>	2022 £'000	2021 £'000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	(546)	70
Adjustments for:		
Depreciation charges	205	192
(Decrease) / increase in creditors	(1,599)	(1,905)
Decrease / (increase) in debtors	(63)	532
Interest and dividends receivable	(2)	(2)
Pension reserve net expense, excluding actuarial gains	349	305
<b>Net cash (used in) / provided by operating activities</b>	<u>(1,656)</u>	<u>(808)</u>



# Notes to the financial statements

for the year ended 31 March 2022

## 1. Accounting policies

### Statutory information

National Children's Bureau (NCB) is a registered charity and company limited by guarantee, incorporated in the United Kingdom. The registered office address and principal place of business is 23 Mentmore Terrace, London, England E8 3PN.

### Basis of preparation

The financial statements 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 (FRS 102) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates.

"Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

Details of the main accounting estimates can be found in the notes to the accounts. The valuation of the defined benefit pension scheme is in note 18."

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

### Going concern

After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly

they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities.

### **Consortium charity (Joint venture)**

NCB is one of four charities in the field of childcare which receive grants from the consortium undertaking, Childlife. The grants are recognised in the Statement of Financial Activities with Donations and appeals. Under the SORP the accounts of Childlife do not have to be consolidated. Financial details are set out in note 11.

### **Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### **Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

### **Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on Raising funds relate to the staff costs and other expenditure incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on Charitable Activities includes staff costs and other expenditure undertaken to further the purposes of the charity and their associated support costs

NCB is a partially-exempt body for VAT purposes. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

## **Delivery Partners**

Expenditure subcontracted, or managed on, to partners is recognised to the same policy as expenditure above, or when funds are passed on, as a grant, as agreed.

## **Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on a basis consistent with the budgeted use of the resources. Support services are allocated by income or by full-time equivalent staff.

Support services include the chief executive office, facilities, finance, human resources and equipment depreciation.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities including trustees, audit and general legal expenses.

## **Operating leases**

Rental costs under operating leases are charged to the SOFA in equal amounts over the period of the leases.

## **Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- |                              |              |
|------------------------------|--------------|
| • Leasehold property         | 100 years    |
| • Fitting out costs          | 20 years     |
| • Furniture and IT equipment | 3 to 5 years |
| • Software                   | 7 years      |

## **Investments**

Investments in subsidiaries are at cost.

## **Cash at bank and in hand**

Cash at bank and in hand includes cash and short term liquid investments with a short maturity of one month or less from the date of acquisition or opening of deposit or similar account.

## **Notice Deposits**

Notice Deposits are liquid investments with a notice period greater than one month.

## **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

## **Creditors and provisions**

Creditors and provisions are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## **Financial instruments**

The charity 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 their settlement value.

## **Pension costs**

NCB is an admitted body of the South Yorkshire Pension fund (SYPF), which is a defined benefit scheme. Employer's contribution to the pension scheme, which are made in accordance with consulting actuaries' periodic calculations to spread the cost of pensions over the employees' working lives, are charged in the year in which they become payable.

A cost of pension is calculated by the actuaries to comply with the accounting standard FRS 102 allocated to activities in proportion to employer contributions.

Employers' contributions are also made to a defined contribution scheme, managed by Standard Life, and employees' personal pensions. These are charged in the year in which they become payable.

## 2. Income

	Restricted £'000	Unrestricted £'000	2022 £'000	Restricted £'000	Unrestricted £'000	2021 £'000
<b>Donations and legacies</b>	78	131	209	39	124	163
<b>Charitable activities</b>						
Government grants	1,053	-	1,053	1,658	-	1,658
National Lottery Community						
Fund grants	5,104	-	5,104	5,504	-	5,504
Other project grants	472	-	472	812	-	812
Other income	-	5,549	5,549	-	8,096	8,096
<b>Other activities</b>	-	4	4	-	4	4
<b>Income from investments</b>						
Bank and other interest receivable	-	2	2	-	2	2
	<u>6,707</u>	<u>5,686</u>	<u>12,393</u>	<u>8,013</u>	<u>8,226</u>	<u>16,239</u>

Government grants are for project delivery work secured by a bidding process.  
Significant items are shown in note 15.

### 3. Expenditure

	Staff £'000	Delivery partners £'000	Other expenses £'000	Support services £'000	2022 £'000
<b>Raising funds</b>					
Fundraising	33	-	2	-	35
<b>Charitable activities</b>	4,845	5,027	1,423	1,260	12,555
Support Services	514	-	704	(1,218)	-
Governance costs	-	-	42	(42)	-
Expenditure before pension scheme movements	<u>5,392</u>	<u>5,027</u>	<u>2,171</u>	<u>-</u>	<u>12,590</u>

#### Comparative figures for the prior year

	Staff £'000	Delivery partners £'000	Other expenses £'000	Support services £'000	2021 £'000
<b>Raising funds</b>					
Fundraising	30	-	1	-	31
<b>Charitable activities</b>	4,440	8,315	1,961	1,117	15,833
Support Services	459	-	623	(1,082)	-
Governance costs	-	-	35	(35)	-
Expenditure before pension scheme movements	<u>4,929</u>	<u>8,315</u>	<u>2,620</u>	<u>-</u>	<u>15,864</u>

	2022 £'000	2021 £'000
<b>Support Services</b>		
Facilities	657	551
Human resources	174	162
Finance	251	225
Management	136	144
	<u>1,218</u>	<u>1,082</u>

	2022 £'000	2021 £'000
<b>Governance costs</b>		
Trustees' expenses	-	-
Auditors' remuneration (excluding non-governance services listed below)	22	23
Other expenses	20	12
	<u>42</u>	<u>35</u>

	2022 £'000	2021 £'000
<b>Expenditure includes</b>		
Depreciation	205	192
Auditors' remuneration - Statutory audit current year provision		
	23	21
- Statutory audit (over) under provision prior year	(1)	1
- Project audits prior and current years	4	3
- Other work	0	1

Non-staff expenditure on governance and support services (including auditors' remuneration) shown includes partially irrecoverable VAT (where charged by suppliers) according to the balance of business and non-business, and exempt, activity supported. For 2021-22 58% of this VAT was irrecoverable (2020-21 54%), ie adding 11.5% (2020-21 10.8%) to relevant costs.

#### 4. Delivery Partners

	2022 £'000	2021 £'000
LEAP (Lambeth Early Action Partnership)	2,582	2,971
IASP (Independent Advice and Support Partnership)	1,892	4,604
Early Years SEND Partnership	553	648
Other	-	92
	<u>5,027</u>	<u>8,315</u>

NCB works in partnership to achieve the aims of its programmes; amounts shown here are subcontracting, or passing on and over-seeing the use of funding, where there is a high degree of visibility for other organisations to the ultimate funder. NCB worked with 202 organisations in this way in the year (2021: 199).

#### 5. Staff and trustees

	2022 £'000	2021 £'000
<b>Staff costs</b>		
Salaries and wages	4,499	4,113
Social Security costs	471	431
Staff pension cost	422	385
	<u>5,392</u>	<u>4,929</u>

	2022 number	2021 number
<b>Average head count staff numbers</b>		
Full-time staff	92	87
Part-time staff	21	20

	113	107
<b>Staff earning over £60,000</b>		
between £60,000 and £70,000	5	5
between £70,000 and £80,000	1	2
between £100,000 and £110,000	1	1

The key management personnel of the parent company, the Charity, comprise the Trustees, Chief Executive, Chief Operating Officer, Strategic Director External Affairs and two Strategic Directors of Practice & Programmes (one only part of the year). The total employee remuneration and benefits received by the five key management personnel were £435k (2021 £471k).

In compliance with recent recommendations for disclosure from the National Council for Voluntary Organisations (NCVO), NCB have chosen to disclose the full-time equivalent, gross salaries of the senior leadership team at 31 March 2022, which were:

<b>Role</b>	<b>Salary</b>
Chief Executive	£105,196
Chief Operating Officer	£78,916
Strategic Director of Practice & Programmes	£77,038
Strategic Director of External Affairs	£65,597

No remuneration is payable to trustees. No trustees were reimbursed (2021: one) for travel and accommodation expenses which therefore totalled £0 for the year (2021: £106).

Trustee Indemnity Insurance £896 (2021: £896) was purchased in the year.

£70k redundancy costs were incurred in the year (2021 £22k), of which £22k is unpaid at the year end (2021 £6k).



## 6. Tangible fixed assets

Cost	Leasehold property	Furniture and equipment	Total
<b>Group and Charity</b>			
Cost as at 1 April 2021	4,616	501	5,117
Additions	12	144	156
Cost as at 31 March 2022	4,628	645	5,273
Depreciation as at 1 April 2021	148	307	455
Charge	99	106	205
Depreciation as at 31 March 2022	247	413	660
<b>Net book value as at 31 March 2022</b>	<b>4,381</b>	<b>232</b>	<b>4,613</b>
Net book value as at 31 March 2021	4,468	194	4,662

In March 2018 NCB exchanged contracts to purchase a 250 year lease on a property as a new London office, completed the purchase in March 2019 and completed office fit-out works and began using the office in September 2019. Amounts already paid are capitalised above and now include all retention payments. Trustees have set aside funds for some final costs, as set out in note 16.

## 7. Capital commitments

Amounts contracted for but not provided in the financial statements, all relating to the future property purchase, amounted to £nil (2020 £0.03m).

Further details of planned expenditure are also set out in note 16.

## 8. Operating lease commitments

The Group has annual commitments under non-cancellable operating leases expiring as follows:

	2022 £'000	2021 £'000
<b>Due within one year</b>		
Land and buildings	2	2
Equipment	2	4
<b>2 to 5 years</b>		
Equipment	-	2
	<u>4</u>	<u>8</u>

Lease payments recognised in the year amounted to £21k (2020: £135k).

## 9. Notice deposits

	2022 £'000	2021 £'000
<b>Notice deposits</b>		
Barclays	512	512

## 10. Shares in subsidiary undertaking

This represents NCB's holding of 100 ordinary shares of £1 each, which is a 100% interest in the share capital of National Children's Bureau Enterprises Limited, a company registered in England and Wales (no. 2633796) and a wholly owned subsidiary of the charity. Financial statements are filed with the Registrar of Companies.

The company has been dormant for the whole financial year. The net assets brought and carried forward are £5k, with the debtor due from the charity, NCB. An audit was not performed.

Activity may start up again in future, through letting of the new office, or from other emerging fundraising approaches.

## 11. Joint venture

Childlife is a joint venture between four charities, with NCB therefore having an equal 25% share of voting rights. The information below shows the full activities, liabilities and assets, of which NCB has a 25% interest. The 25% share of these amounts are not consolidated into NCB's financial statements. NCB recognised income of £80,000 from Childlife in the year. Notes 1 and 14 provide further information on our relationship.

	2022	2021
	£'000	£'000
Income	1,174	998
Expenditure	1,257	904
Net income	(83)	94
Net movement in funds	(83)	94

The aggregate of assets, liabilities and funds was:

Assets	479	568
Liabilities	(46)	(53)
Net assets	433	514
Total funds	433	514

## 12. Debtors

	2022	2021
	£'000	£'000
Trade debtors	662	479
Other debtors and prepayments	309	248
Accrued income (grants due for projects)	418	599
	1,389	1,326

### 13. Creditors falling due within one year

	2022 £'000	2021 £'000
Trade Creditors	946	1,726
Social Security and other taxes	612	1,084
Pension contributions	16	44
Amount due to subsidiary undertaking	5	5
Other creditors and accrued charges	1,461	1,806
Income received in advance	272	246
	<u>3,312</u>	<u>4,911</u>

	B/fwd 1 Apr 2021 £'000	Received 2022 £'000	Income 2022 £'000	C/fwd 31 March 2022 £'000
Income received in advance in respect of 2022/23				
Services and other income	246	5,712	5,686	272
	<u>246</u>	<u>5,712</u>	<u>5,686</u>	<u>272</u>

### 14. Related party transactions

NCB Enterprises Ltd (a wholly owned subsidiary of NCB, also registered at 23 Mentmore Terrace, London E8 3PN) did not trade in 2021-22.

The amount owed from the parent company at 31st March 2022 was £5,374 (2021: £5,374). Further details are shown in note 10.

Annamarie Hassall was a director of Childlife until September 2021, and Celine McStravick was a director from October 2021; a consortium which donated £80,000 to NCB during 2021-22. No donations were received from any other related parties.

## 15. Restricted funds

Project and Unit funds		B/fwd 1 April 2021	Income	Expenses	C/fwd 31 March 2022
Project	Funder	£'000	£'000	£'000	£'000
Early Years SEND	Department for Education	-	772	(772)	-
United Against Bullying	Department for Education	-	146	(146)	0
Other Grants from Government Departments		160	135	(260)	35
Lambeth Early Action Partnership	National Lottery Community Fund	55	5,104	(5,063)	96
	London Borough of Lambeth	117	-	0	117
REAL Programme	Education Endowment Foundation	221	50	(260)	11
REAL in Lewisham	Charity of Sir Richard Whittington	113	116	(79)	150
Other grants and income		227	384	(451)	160
		893	6,707	(7,031)	569
Other funds		23	-	-	23
		916	6,707	(7,031)	592

## Comparative figures for prior year

Project and Unit funds		B/fwd 1 April 2020	Income	Expenses	C/fwd 31 Mar 2021
Project	Funder	£'000	£'000	£'000	£'000
Early Years SEND	Department for Education	-	918	(918)	-
	Department for Digital, Culture, Media and Sport	-	191	(191)	-
Other Grants from Government Departments		43	549	(432)	160
Lambeth Early Action Partnership	National Lottery Community Fund	57	5,504	(5,506)	55
	London Borough of Lambeth	117	-	-	117
Jersey Early Childhood Development	UBS Optimus	16	85	(101)	-
REAL Programme	Education Endowment Foundation	231	159	(169)	221

REAL in Lewisham	Charity of Sir Richard Whittington	-	113	-	113
Other grants and income		224	494	(491)	227
		688	8,013	(7,808)	893
Other funds		23	-	-	23
		711	8,013	(7,808)	916

All restricted funds represent grants for specific projects, as agreed with the funder in an application process and carried forward to continue the agreed project, with the exception of the £78k of donations shown on the Statement of Financial Activities and Note 2 (£39k in 2020-21, shown in note 19), which were given by individuals in response to our Anti-Bullying Week campaign.

## 16. Unrestricted other funds

	B/fwd 1 Apr 2021 £'000	Income £'000	Expenses £'000	Allocations and Transfers £'000	C/fwd 31 March 2022 £'000
<b>Designated funds</b>					
Fixed asset fund	4,661	-	(205)	157	4,613
Strategic priorities fund	400	-	-	-	400
Capital Goods Scheme fund	375	-	-	(52)	323
New building fund	68	-	-	-	68
Pension fund	416	4	(44)	271	647
	5,920	4	(249)	376	6,051
General Funds	1,779	5,682	(5,310)	(376)	1,775
<b>Group - unrestricted funds before pension reserve</b>	<b>7,699</b>	<b>5,686</b>	<b>(5,559)</b>	<b>-</b>	<b>7,826</b>

	B/fwd 1 Apr 2020 £'000	Income £'000	Expenses £'000	Allocations and Transfers £'000	C/fwd 31 Mar 2020 £'000
<b>Designated funds</b>					
Fixed asset fund - designated element	4,808	-	(192)	45	4,661
Strategic priorities fund	-	-	-	400	400
Capital Goods Scheme fund	413	-	-	(38)	375
New building fund	100	-	-	(32)	68
Pension fund	192	4	(21)	241	416
	5,513	4	(213)	616	5,920
General Funds	2,016	8,222	(7,843)	(616)	1,779

<b>Group - unrestricted funds before pension reserve</b>	<b>7,529</b>	<b>8,226</b>	<b>(8,056)</b>	<b>-</b>	<b>7,699</b>
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**Comparative figures for the prior year**

The **Fixed asset fund** represents the net book value of tangible fixed assets.

The **Pension fund** is used to support funding the agreed annual deficit recovery contributions to the defined benefit pension scheme, as well as other small ad hoc pension costs. At present this is in light of an approaching new triennial valuation period, driving updated cash contribution requirements.

The **New building fund** is set aside to fund the remaining costs for the purchase (and all associated fees), fit-out and move to the new London office property. For the costs already recognised see note 6 and for those committed to see note 7.

The **Capital Goods Scheme fund** is set aside for any additional expense of recovered VAT during the ten year period of the Capital Goods Scheme that NCB is required to run regarding expenditure on the new leasehold property. This represents NCB's full exposure through the period.

The **Strategic Priorities Fund** is set aside for investment in the coming year (or just beyond) in enhancing our digital capabilities, strengthening the diversity and scale of our income, and supporting our core work (for which we aim to find, but do not assume, external funding during the year ahead). Use of this fund was delayed in 2021-22 due to Covid recovery, change of staffing and delays in successful procurement of partners.

**General funds** represent the net of accumulated surplus and deficits of income and expenditure after transfers to designated funds.

## 17. Analysis of net assets/(liabilities) between funds

	Tangible Fixed Assets £'000	Net Current Assets £'000	Pension Scheme Liability £'000	Total £'000
Restricted Funds	-	592	-	592
Unrestricted - Designated funds	4,613	1,438	-	6,051
- General funds	-	1,775	-	1,775
Net Assets before Pension Reserve	4,613	3,805	-	8,418
Pension Reserve	-	-	(3,475)	(3,475)

Group Net Assets	<u>4,613</u>	<u>3,805</u>	<u>(3,475)</u>	<u>4,943</u>
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## Comparative figures for the prior year

	Tangible Fixed Assets £'000	Net Current Assets £'000	Pension Scheme Liability £'000	Total £'000
Restricted Funds	-	916	-	916
Unrestricted - Designated funds	4,662	3,037	-	5,920
- General funds	-	1,779	-	1,779
Net Assets before Pension Reserve	4,662	5,732	-	8,615
Pension Reserve	-	-	(7,125)	(7,125)
Group Net Assets	<u>4,662</u>	<u>5,732</u>	<u>(7,125)</u>	<u>1,490</u>

## 18. Pension arrangements

The disclosures set out below relate to pension arrangements to which contributions are made by the charity - a defined benefit scheme, a defined contribution scheme and individual personal pension arrangements.

### Defined benefit scheme

The charity is an admitted body to the South Yorkshire Pension Fund (SYPF), which is a defined benefit scheme, managed by the South Yorkshire Pension Authority (SYPA). The assets of the scheme are held separately from those of the charity by South Yorkshire Pensions Authority. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over the employees' working lives with the charity. The cost of NCB's contribution to SYPF for the year ended 31 March 2022 was £195,216 (2021 £197,644).

There are two different valuations which are relevant to the scheme.

### Triennial valuation

A full triennial actuarial valuation is carried out every three years. This is used to determine the funding position of the scheme and calculate the cash contributions to the scheme to close the deficit position if one exists.



Following the March 2019 valuation, the contribution rate was increased to variable rates between 24% and 28% of pensionable salaries from 1 April 2020. This includes the contribution from the employee. There is no deficit recovery payment due across this triennial period.

The actuarial method in use at the most recent triennial valuation was the Projected Unit method.

### Accounting valuation

The charity is required to comply with the full requirements of FRS102 in valuing the scheme for the annual accounts. A further valuation of the scheme for accounting purposes as at 31 March 2022 was therefore undertaken by a qualified independent actuary. This valuation is undertaken using a series of assumptions and judgments which are agreed by Trustees. The valuation of the scheme is very sensitive to these assumptions and thus there is a significant risk that this valuation will change materially during the coming year, as it has in past years.

The deficit decreased from £7.1m to £3.5m during the year. The key assumptions and results of the valuation are shown below.

Set out below are disclosures required for the purposes of FRS 102.

The fair value of assets in the scheme and the expected return were:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Assets		
Equities	27,964	19,449
Government bonds	in below	5,347
Other bonds	10,169	3,248
Property	3,813	3,605
Cash	424	555
Other	0	7,407
Total market value of assets	42,369	39,611
Present value of scheme liabilities	(45,844)	(46,736)
(Deficit) in the scheme	(3,475)	(7,125)

	2022 Assumptions	2021 Assumptions	2020 Assumptions	2019 Assumptions	2018 Assumptions
<b>The major assumptions used by the actuary were:</b>					
Increase in salaries	4.2%	3.0%	3.4%	2.8%	2.8%
Rate of increase in pensions	3.2%	2.8%	2.2%	2.3%	2.2%
Discount rate	2.7%	2.1%	2.4%	2.4%	2.7%
Inflation assumption	3.7%	2.7%	2.1%	2.2%	2.1%
	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
<b>Analysis of the amount charged to operating result</b>					
Current service cost	378	321	370	347	408
Past service cost	-	-	306	-	-
Administration expenses	5	5	5	5	5
Curtailment loss	-	-	150	-	0
Total operating charge	383	326	831	352	413
<b>Analysis of other finance (expense) income</b>					
Expected return on pension scheme assets	821	805	862	933	943
Interest on pension scheme liabilities	(973)	(982)	(1,075)	(1,106)	(1,138)
Net (expense) income	(152)	(177)	(213)	(173)	(195)
<b>Analysis of remeasurements - liabilities and assets</b>					
Remeasurements - assets	2,911	5,738	(2,324)	1,100	461
Remeasurements - liabilities	(176)	996	2,282	-	377
Change in assumptions	1,264	(6,108)	2,090	(3,228)	-
Net (loss) / gain	3,999	626	2,048	(2,128)	838
<b>Movement in (deficit) during the year:</b>					
Deficit in scheme at beginning of year	(7,125)	(7,446)	(8,885)	(6,570)	(7,163)
Movements in year					
Operating charge	(383)	(326)	(831)	(352)	(413)
Employer contributions	186	198	435	338	363
Other finance expense	(152)	(177)	(213)	(173)	(195)
Remeasurements (loss) gain - liabilities and assets	3,999	626	2,048	(2,128)	838
Deficit in scheme at end of year	(3,475)	(7,125)	(7,446)	(8,885)	(6,570)

## Defined contribution scheme

The charity participates in a defined contribution scheme independently managed by Standard Life. Contributions to the scheme are charged to the statement of financial activities as they become payable. NCB makes twice the employees' percentage

contribution, up to a maximum of 8% of pensionable salaries. The cost of NCB's contributions for the year ended 31 March 2022 was £199,814 (2021: £181,479).

### **Personal pension plans**

Payments are also made to employees' personal pensions which are charged in the year in which they become payable. NCB matches employees' contributions up to a maximum of 8% of pensionable salaries. The cost of NCB's contributions for the year ended 31 March 2022 was £3,015 (2021: £6,030).

## 19. Statement of financial activities with comparatives

	Notes	Restricted Funds £'000	Un- restricted Pension Reserve £'000	Un- restricted Other Funds £'000	2022 £'000	Restrict ed Funds £'000	Un- restricted Pension Reserve £'000	Un- restrict ed Other Funds £'000	2021 £'000
	1 & 2								
<b>Income from:</b>									
Donations and legacies		78	-	131	209	39	-	124	163
Charitable activities		6,629	-	5,549	12,178	7,974	-	8,096	16,070
Other trading activities		-	-	4	4	-	-	4	4
Income from investments	3	-	-	2	2	-	-	2	2
<b>Total</b>		<b>6,707</b>	<b>-</b>	<b>5,686</b>	<b>12,393</b>	<b>8,013</b>	<b>-</b>	<b>8,226</b>	<b>16,239</b>
<b>Expenditure on:</b>	1, 4 & 7								
Raising funds									
Fundraising		-	-	3	3	-	-	31	31
Other trading activities		-	-	-	-	-	-	-	-
Charitable activities		7,031	-	5,557	12,588	7,808	-	8,025	15,833
Restructure	6	-	-	-	0	-	-	0	0
Operating pension scheme movements in year	18	-	349	-	349	-	305	-	305
<b>Total</b>		<b>7,031</b>	<b>349</b>	<b>5,560</b>	<b>12,940</b>	<b>7,808</b>	<b>305</b>	<b>8,056</b>	<b>16,169</b>
<b>Net (expenditure)</b>		<b>(324)</b>	<b>(349)</b>	<b>126</b>	<b>(547)</b>	<b>205</b>	<b>(305)</b>	<b>170</b>	<b>70</b>
<b>Other recognised (losses) / gains:</b>									
Actuarial gains / (losses) on defined benefit pension scheme	18	-	3,999	-	3,999	-	626	-	626
Gain on sale of fixed assets		-	-	-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(324)</b>	<b>3,650</b>	<b>126</b>	<b>3,452</b>	<b>205</b>	<b>321</b>	<b>170</b>	<b>696</b>

## 20. Financial instruments

At the balance sheet date, the group held financial assets at amortised cost of £1372k (2021 £1284k) and Financial liabilities at amortised cost of £2413k (2021 £3537k).

Workings:		2022	2021
<b>Current assets:</b>		£'000	£'000
Debtors	12	1,389	1,326
exclude prepayments		(17)	(42)
		<hr/>	<hr/>
		1,372	1,284
<b>Liabilities:</b>			
Creditors: due within one year	13	3,313	4,911
exclude: Social Security etc		(612)	(1,084)
exclude: Pension		(16)	(44)
exclude income recvd in adv		(272)	(246)
		<hr/>	<hr/>
		2,413	3,537

## United for a better childhood

The National Children's Bureau brings people and organisations together to drive change in society and deliver a better childhood for the UK. We interrogate policy, uncover evidence and develop better ways of supporting children and families.

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