



Working with children,  
for children

# **NATIONAL CHILDREN'S BUREAU**

## **Report and Financial Statements For the year ended 31 March 2014**

**A company limited by guarantee  
Registered in London No 952717  
Registered charity No 258825**

**8 Wakley Street, London, EC1V 7QE**

## Introduction

2013/14 has been a year for both celebration and change for the National Children's Bureau (NCB). Celebration as we marked the 50th anniversary of NCB being founded, with a range of special events and reports launched throughout the year, but also a time of change, as we undertook a restructuring of our activities to prepare NCB for the challenges that lie ahead.

During the year, the Board of Trustees has been delighted that NCB continues to consistently meet its strategic objectives. A review of the strategic plan for 2012-15 showed that the majority of the expectations it sets out, has been met during the year. So in November 2013, a new strategic plan was developed, to take the charity forward as we continue to champion the rights of children and young people, especially the most vulnerable.

To achieve these aims requires NCB to remain an efficient and responsive organisation. Following a consultation with staff, we undertook a significant restructuring in 2013/14 to reduce our core costs, and narrow the gap between income and expenditure so that our vital project work is adequately funded. I would like to pay tribute to our staff, past and present, who have shown enormous commitment throughout this process to ensure the future sustainability of NCB.

At the same time, the Board has made improvements to its working methods. At the 2013 annual general meeting, the Board Advisory Group voted to cease its governance role within NCB. This reform was the first step in re-drafting our Articles of Association and aligning our governance further with our specialist membership groups who are an integral part of the fabric of NCB's work.

Alongside this restructuring, we have also seen significant progress in the work to re-develop our Wakley Street site, which in future years we hope will create a modern working environment as well as releasing capital to invest in NCB's future.

These measures put NCB in a stronger position within the new funding climate the charity sector finds itself in. Our greatest challenge is to develop a sustainable business model for NCB and a balanced budget. While we have had to draw upon our reserves, the budget deficit was reduced from the previous year and the Trustees are confident that the restructuring will provide a solid basis for the coming year.

The impact of NCB in 2013/14 is a great source of pride. NCB's work as strategic partner for the both the Department for Education and the Department of Health, the implementation of the Independent Support programme, together with the release of reports such as 'Greater Expectations' and 'Why Children Die', have demonstrated NCB's breadth of achievement throughout 2013/14. As I look to next year, I am reassured by the high quality of the work delivered by NCB's staff and have every confidence that we will continue to improve the experiences and life chances of children and young people across the country.

**Elaine Simpson**  
**Chair**

## 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 March 2014 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

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 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 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.

At the AGM on 26 November 2009, NCB's members approved changes to the charity's governance, together with amended Articles of Association. The Articles were updated, in line with the Companies Act 2006, and additionally provided for improvements to NCB's governance structure. The liability of members in respect of the guarantee, as set out in the Memorandum, is limited to £1 per corporate member of the company.

## Governance

NCB's Board of Trustees comprises three honorary officers (chair, vice-chair and treasurer) each elected by the full membership; three young representatives appointed by Young NCB; and eight to nine further trustees (up to four co-opted places and five appointed by the Selection Committee from the members). Each board member serves for a maximum of two, three-year terms. The Board meets seven times a year, including the AGM, and has overall responsibility for strategic direction, financial management, policy development and external relations. It receives regular reports on finance and performance issues, and reviews and monitors NCB's work programme on an ongoing basis. Trustees receive briefing papers in advance of each board meeting and take part in an annual trustee awayday to review policy, strategy and direction.

NCB's Audit Committee broadened its remit to include the work of the Remuneration committee and was renamed as the Finance, Risk and Audit Committee (FRAC). The FRAC is delegated by the Board of Trustees to ensure that there is an appropriate framework of policies, processes and controls within NCB; That NCB operates in a financially sound and prudent manner and that NCB complies with all its financial obligations and requirements of the law, relevant regulation, and the standards of good practice accepted by the Charity Commission and by the voluntary sector in general. The Committee's powers include the authority to investigate on the behalf of the Board of Trustees anything that threatens or adversely affects the accomplishment of NCB's aims and objectives, its assets, the reliability of its records and information, its compliance with relevant laws and regulations, and its adherence to its constitution. The Finance, Risk and Audit Committee (FRAC) is authorised to obtain appropriate external legal and other professional advice in order to fulfil its responsibilities.

Trustee vacancies are advertised widely and prospective candidates are interviewed by NCB's selection committee, which is responsible for overseeing appointments and elections to the Board of Trustees and Board Advisory Group. New members receive an induction into NCB and receive further support, as appropriate. New trustees receive an induction pack, which includes information about their responsibilities under company and charity law and contains information about NCB's financial position, its strategic business plan and its policies and procedures. As part of their induction, trustees are required to sign acceptance of NCB's trustee code of conduct and to complete a conflicts of interest declaration. Prior to their first board meeting, trustees are also invited to meetings with the chair of trustees, chief executive and other senior staff. Young board members receive the same induction as adult trustees but, in addition, have access to an adult mentor before and during board meetings, and further support outside meetings from specialist NCB staff. Trustees are encouraged to develop their skills and are invited to relevant NCB conferences. They also participate in regular reviews of trustee effectiveness.

## President

Baroness Claire Tyler of Enfield

## Board of Trustees

Elaine Simpson	Chair
Jane Held	Vice Chair
Ed Hannan	Treasurer (From October 2013)

Dr Sarah Davidson MBE

Anne Fox (covering the term of Helen MacKinnon)

Mike Greig (until July 2014)

Dewi Hughes

Cllr Ken Meeson

Peter Phippen

Anita Tiessen (from July 2014)

Professor Cecile Wright

Cecil Worthington (Nominated by Northern Ireland)

Aneela Ahmed (Nominated by Young NCB)

Grace Gurbutt (Nominated by Young NCB)

Members of the Board of Trustees (except those nominated by Young NCB) under charity law are also directors of the charitable company for the purpose of company law.

## Senior Leadership Team

Hilary Emery	Chief Executive (Until June 2014)
Michael Chuter	Director of Finance and Resources (Until December 2013)
Fergus Crow	Director of NCB Partnerships
Maria Eaton	Director of Human Resources (Until March 2014)
Trevor Edinborough	Director of Fundraising and Business Development (From April 2013)
Annamarie Hassall MBE	Director of NCB Programmes (From June 2013)
Sue Owen	Director of NCB Programmes (Until June 2013)
Enver Solomon	Director of Evidence and Impact

## Directors

Christine Lenehan	Director, Council for Disabled Children
Celine McStravick	Director, NCB Northern Ireland

## Advisors

### Auditors

Crowe Clark Whitehill LLP  
St Bride's House, 10 Salisbury Square  
London EC4Y 8EH

### Bankers

Barclays Bank PLC  
1 Churchill Place  
London E14 5HP

National Westminster Bank PLC  
PO Box 8032  
London N1 0QF

Co-operative Bank plc  
118-120 Colmore Row  
Birmingham B3 3BA

### Investment managers

CCLA Investment Management Ltd  
80 Cheapside  
London EC2V 6DZ

### Solicitors

Stone King LLP  
16 St John's Lane  
London  
EC1M 4BS

## Aims, objectives, progress, achievements and future plans

The objectives contained within the 2012 - 15 Strategic Plan were largely achieved by March 2014. A new strategic plan was developed to cover 2015 – 2017 and the Board of Trustees agreed the strategic direction at its meeting of November 2013. The 2015 – 2017 strategic plan detailed NCB’s mission to continue to be a strong voice for children and young people, championing their rights and reducing the impact of inequalities, so that every child, especially the most vulnerable, can grow up safe, happy and healthy.

In order to achieve this mission, NCB will focus on four integrated areas,

Disability / SEN	Early Years
Education & learning	Health & Social Care

and deliver work through four core activities

Research & Evidence	Practice Improvement
Policy Influencing	Partnerships

**NCB's strategic goals** are:

**Participation** - Children and young people's voices and actions improve their lives and the lives of those around them

**Vulnerable children** - Vulnerable children and young people have improved experiences and life chances

**Prevention** - Children, young people and families successfully deal with life changes and challenges

The consolidated statement of financial activities sets out the costs associated with how we further NCB’s charitable objectives. It is to be noted that NCB NI was listed as a separate strand of work in 2013/14 but has now been incorporated into the Partnerships Directorate.

NCB’s progress Against the aims and objectives for 2013 – 2014 are detailed below

- Aim 1** Reduce inequalities of opportunity in childhood
- Aim 2** Ensure children and young people can use their voice to improve their lives and the lives of those around them
- Aim 3** Improve perceptions of children and young people
- Aim 4** Enhance the health, learning, experiences and opportunities of children and young people
- Aim 5** Encourage the building of positive and supportive relationships for children and young people with families, carers, friends and communities
- Aim 6** Provide leadership through the use of evidence and research to improve policy and practice

<b>Objective</b>	<b>Link with strategic aims</b>
<p><b>Objective 1</b> <b>Core Indicator Set</b></p>	<p>Produce and report on a set of evidence informed core social, economic and health indicators that set out NCB’s assessment of childhood and the inequalities children face.</p> <p>We published ‘Greater Expectations’ in August 2013. The report, accompanied by an innovative film, set out 12 key indicators looking at childhood inequality and disadvantage. The report was widely disseminated:</p> <ul style="list-style-type: none"> <li>• It gained extensive national and local media coverage across print and broadcast outlets</li> <li>• The report has been had more than one thousand downloads from the website and over three thousand streamed views</li> <li>• There was extensive coverage and ‘noise’ on social media which contributed an increase to the number of followers of NCB on twitter</li> <li>• The publication of the report also contributed to a year on year increase of traffic to our website</li> <li>• We received some very positive anecdotal feedback from senior figures in the sector such as the Chief Executive of the Royal College of Paediatrics and Child Health and the office of the Chief Medical Officer.</li> </ul> <p>The recommendations are being followed through collaboration on developing a common indicator set with other key third sector organisations. These proposals were discussed at a workshop held by the Nuffield Foundation in December and a funding proposal was submitted to Nuffield and invited to go through to the final stage In addition the Social Mobility and Child Poverty Commission has followed up on the recommendation that the OBR should publish an annual analysis of the impact of each budget on child poverty and inequality.</p>

<p><b>Objective 2 Practice Development Products</b></p>	<p>Identify, evolve and produce products, packages or interventions that improve and develop practice.</p> <p>This will include extending the reach of existing products such as:</p>	<p>Aim 1, 2, 4, 5 and 6</p>
<p><b>Objective 2 Participation</b></p>	<p>Following an internal review of our participation work we will secure and then grow participation as a central focus placing a stronger emphasis on the involvement of children and young people at all levels of the organisation and in the external environment. In particular we will focus on:</p> <ul style="list-style-type: none"> <li>• Increasing the range of voices we hear and promote (vulnerable or disengaged children, the full age range)</li> <li>• Ensuring more effective engagement in policy making</li> </ul>	<p>Aim 2, 3, 4 and 5</p>
	<p>Children and young people have been actively involved in a number of pieces of policy work. Examples include:</p> <ul style="list-style-type: none"> <li>• An online mediated discussion and consultation with Young NCB members about the government’s proposed curriculum reforms.</li> <li>• Young NCB inviting their MP to attend the 50th anniversary event in the House of Commons. Twenty young NCB members attended and 10 of their MPs joined them.</li> <li>• Young people gave evidence to the APPG on Children inquiry into the relationship between the police and children including young people from Cookham Wood Young Offenders Institution holding an inquiry meeting with the APPG members in the YOI.</li> <li>• We held a young people’s question time session in parliament with key decision makers and parliamentarians</li> </ul>	

<p><b>Objective 4 Partnerships and membership</b></p>	<p>We will sharpen the focus of our existing partnerships and seek to establish new partnerships as well as growing our membership and improving retention and satisfaction levels.</p> <p>Options for growing new partnerships will be explored based on:</p> <ul style="list-style-type: none"> <li>• Current partnerships in health</li> <li>• Current relationships in education</li> <li>• Current relationships in youth justice</li> </ul>	<p>Aim 3,4,5 and 6</p>
	<p>We have reviewed and either closed or migrated three partnerships to date either due to inherently unsustainable business models or to realise migration aims.</p> <p>We have continued to develop relationships with a number of external organisations which we believe will result in new partnerships.</p> <p>Our approach to membership has continued to develop. We have recently launched our new eCommerce site, which allows for the purchase of memberships on-line. In addition, and as a trial, we have launched a new membership segment, as part of NCB’s core membership, aimed at the Early Years workforce. These members receive a very bespoke package, serviced by the Early Childhood Unit.</p>	

## Business objectives

Progress against the five agreed business objectives are summarised below.

Business Objectives	
<p><b>Objective 1</b> <b>Establish a new business model</b></p>	<p>We will review our business model and set out a plan for implementing a new model for the organisation that will deliver financial sustainability over the next 5 years and enable secure strategic and departmental planning.</p> <p>We have devoted a considerable amount of time in the earlier part of the year to developing and consulting on the proposed business model. There is widespread agreement that NCB needs to have a more diverse model for the delivery of a more sustainable approach to income generation – to include more extensive and wider ranging bidding processes, the development of a more cohesive and effective traded services offer and a more focused approach to charitable giving.</p> <p>A marketing strategy is now being devised based on a much more confident understanding of the products we have to offer and the extent to which we are successful in selling those products. The structure of the Business Team has been revised to reflect the identified needs. The Business Hub has been created and is providing support to a variety of teams across NCB. Systems and processes are now in place including an NCB wide pipeline for bids.</p>
<p><b>Objective 2</b> <b>Diversify our funding streams</b></p>	<p>We will diversify our funding streams ensuring that no single funding source accounts for more than 10% of total income and thus reduce dependencies</p> <p>This work has several facets to it – increasing the range and nature of activity in the market, broadening the range of clients and customers, increasing the number of longer-term contracts and improving on the value of contracts and grants.</p> <p>This work continues in Business objective 4.1</p>
<p><b>Objective 3</b> <b>Invest in staff learning and development</b></p>	<p>We will invest in staff through a new programme of learning and development to ensure the right skills are in the right place.</p> <p>Delivery of the annual training plan (prepared September 2012) continued in the first half of the year, including NVQ qualifications in IT, Advanced Management, Team Leading and Customer Service. The 2013 annual plan was a combination of learning and development identified in annual appraisals, interventions identified as organisational strategic priorities inc. participation and programme management, as well as retraining arising from redeployments as a consequence of the remodelling programme. It built on the 2013 appraisals and staff survey and was signed off by SLT in December. This training plan will be updated following the 2014 appraisals which was completed in alignment with the Operational Planning for 2014/15.</p>

<p><b>Objective 4</b> <b>Demonstrate impact of our work</b></p>	<p>We will roll out an impact framework and impact measurement tools with appropriate systems in place to powerfully demonstrate the impact our work has on the lives of children and young people.</p> <p>With support from New Philanthropy Capital and through extensive staff input and consultation we have successfully developed and signed off three Theories of Change on vulnerable children; participation and prevention. Each Theory of Change includes a set of outcomes that have formed the basis for the new three year Strategic Plan for 2014-2017 which in turn provides the framework for our operational planning for 2014/15.</p> <p>In order to have the appropriate tools and the data collection systems in place we have developed a series of introductory briefings and guidance documents for staff and ensured that the new Salesforce project database is set up to capture the necessary information. Workshops for staff about use of the tools and guides have been set up. As the theories of change are embedded in the new plans for 2014/15 onwards we are aiming to implement the full impact measurement framework in 2014/15. In parallel work led by Northern Ireland, outcomes based accountability (OBA) is being used for projects.</p>
<p><b>Objective 5</b> <b>Raise our profile and improve our reputation</b></p>	<p>We will review our brand and implement a new communications and marketing strategy to raise our profile and improve our reputation amongst key audiences.</p> <p>A detailed communications strategy for 13/14 was signed off by SLT in July with clear targets to raise our profile and improve the reach of our communications. We have made very good progress - year on year our media coverage has more than doubled and we have held a number of very successful profile raising events.</p>

## Planning for 2014/15

The table below summarises the objectives and outcomes that have been agreed in order to complete delivery of the aims and objectives within the 2015 - 2017 strategic plan. Each of the four individual Directorates, Evidence & Impact; Finance & Business; Partnerships and Programmes hold an operational plan which is informed from the strategic plan.

NCB's business objectives are also detailed below, at an operational level these are monitored within the corporate business plan that provides links into individual Directorate operational plans.

### Strategic Goal One

<b>Participation Objectives</b>	<b>Participation Outcomes</b>	
To influence decision makers to reflect CYP views in policy making process and policy	1.1	Decision makers reflect CYP views in policy making process and policy
To enable and empower CYP voices to inform and influence NCB's practice, policy and research	1.2	CYP voices inform and influence NCB's practice, policy and research
To ensure CYP involved in NCB's participation work have a positive and beneficial experience	1.3	CYP have a positive experience of participation, benefiting personally and socially
To enable and empower CYP to influence decisions that affect their lives	1.4	CYP influence decisions that affect their lives

### Strategic Goal Two

<b>Vulnerable Children Objectives</b>	<b>Vulnerable Children Outcomes</b>	
To provide resources and opportunities for practitioners	2.1	Practitioners make greater use of resources and opportunities
To provide peer-to-peer knowledge exchange for network members	2.2	Network members learn from each other
To provide information, training and support for practitioners	2.3	Practitioners become more knowledgeable, skilled and/or confident
To secure evidence that learning has informed practice	2.4	Network members incorporate learning into practice
	2.5	Practitioners incorporate learning into practice
To influence the implementation of strategies for taking policy into practice	2.6	Policies are implemented more effectively
To influence legislation, regulation and guidance in the interests of vulnerable CYP	2.7	Legislation, regulation and guidance are altered in the interests of CYP
To gather evidence that CYP have better access to appropriate services	2.8	Vulnerable CYP have better access to appropriate services

**Strategic Goal Three**

<b>Vulnerable Children Objectives</b>	<b>Vulnerable Children Outcomes</b>	
To gather evidence that CYP and families have better access to services	3.1	CYP and their families have better access to appropriate services
To gather evidence that families and communities have greater confidence in engaging with practitioners	3.2	Families and community members feel more confident about engaging with practitioners
To improve the availability and dissemination of knowledge and strategies	3.3	Families incorporate knowledge and strategies into their lives
To provide resources and opportunities for practitioners	3.4	Practitioners make greater use of resources and opportunities
To secure evidence that learning has informed practice	3.5	Practitioners become more knowledgeable, skilled and/or confident in engaging with families
To influence the implementation of strategies for taking policy into practice	3.6	Practitioners incorporate learning into practice
	3.7	Policies are implemented more effectively
To influence, legislation, regulation and guidance in ensuring the interests of CYP and families are recognised and met	3.8	Legislation, regulation and guidance is altered in the interests of CYP and families

**Business Objectives**

<b>Business Objectives</b>	<b>Business Outcomes</b>	
To support teams in achieving greater diversification in income streams and funders	4.1	Sustainable, long term and varied funding streams
To provide the support to staff in developing high quality and innovative proposals to customers and funders	4.2	High quality proposals and submissions with an improved success rate.
To empower and support staff in enhancing the skills needed to be innovative in developing products and services	4.3	Increased range of products, services and toolkits
To develop and deliver a clear and effective marketing strategy for products and services, including memberships	4.4	Improved level of higher value sales

## Financial review for the year

### Summary

2013/14 saw an improvement in financial performance:

- The operating deficit (loss) on **unrestricted funds** of £(0.3)m was significantly lower than the previous year (£(1.0)m). Trustees consider this to be the key indicator of financial performance, and its improvement this year demonstrates the progress being made towards reaching a more sustainable financial position.
- £(0.9)m of **restricted funds** carried forward from the previous year were disbursed during 2013/14, resulting in an **overall net expenditure** for the year of £(1.1)m
- NCB's overall **net assets** increased from £3.0m to £4.0m in the year.

### Financial Performance

#### Income

Whilst overall income fell slightly (£10.5m in 2013/14 from £11.5m in 2012/13), unrestricted income increased (£6.6m from £5.7m). This is in line with Trustees' objective of continuing to increase the proportion of unrestricted income within the total.

In 2013/14 NCB worked as a Strategic Partner to both the Department of Health and, as part of the Children's Partnership, the Department for Education. NCB continued to deliver a number of significant contracts with the Department for Education, was successful in winning three further, two-year grants under the Department's VCSE National Prospectus Grants Programme and late in the year was awarded the co-ordination of the Independent Support programme.

Significant, continued support for our work came from a variety of funders, listed at the back of this report, and NCB also gained financial support from new sources.

As we move into the new financial year, we continue to deliver almost all the programmes listed above and welcome the opportunity to commence the 'A Better Start' programme, funded by the Big Lottery Fund, as part of the Lambeth Early Action Partnership. This is significant for NCB as it represents a ten year programme, securing long term funding and impact.

#### Expenditure

Whilst NCB has been successful in securing ongoing funding for a variety of programmes, the Trustees addressed the causes of much of the underlying deficit in this and the previous financial year.

Significant restructuring was undertaken, targeted at areas that, whilst conducting valued work, had become or remained significantly underfunded externally. Trustees also moved to realign core support services with the new needs of NCB's current suite of programmes. This latter area, particularly, helped reduce NCB's annual cost base by almost £1m. Whilst some impact can be seen in reduced expenditure for 2013/14, the full run-rate benefit of this will impact 2014/15 and beyond.

## Overall Result for the Year

Total net expenditure for the year of £(1.1)m comprises £(0.9)m expenditure of restricted funding brought forward from the previous year, pension scheme movements in the year of £0.1m and an operating deficit on Unrestricted funds of £(0.3)m.

Trustees consider NCB's operating result on Unrestricted funds to be the key indicator of financial performance. Whilst NCB continued to produce a deficit on Unrestricted funds in 2013/14, it was improved significantly from £(1.0)m in 2012/13 to £(0.3)m in 2013/14.

This progress reflects the overall improved funding of our programmes, but also the realignment of our core support services.

## Financial Position

NCB's total reserves grew from £3.0m at the start of the year to £4.0m at the end of the year.

The deficit on NCB's defined benefit pension scheme reduced significantly (£4.1m to £2.9m), whilst we continued to recognise the (now increased) current market value of our property as we progress toward its planned sale. This led to a significant strengthening of Unrestricted funds (net of the pension deficit) from £1.3m to £3.2m over the year.

Restricted funds nearly always represent time-bound programmes of work. We completed a significant project in the year, for which we had carried forward £1.0m from 2012/13, but continue to hold £0.8m of restrict funds for project work in 2013/14 and beyond, with a significant number of programmes receiving renewed restricted funding from 1st April 2014.

## Other Matters

### Freehold property

As NCB repositions itself for the future it has become increasingly clear that it no longer needs an office as large as the one it presently has and needs to operate at levels of efficiency and collaboration that its present building make impossible. Trustees have therefore approved plans for the sale and redevelopment of NCB's London office and the moving of all its London based staff into a smaller property on the same site.

Following a robust appraisal by Trustees and independent expert advisers of a number of offers and in-depth review by a specially formed sub-group of Trustees, NCB exchanged contracts during the year with a developer for the site. Completion is subject to planning permission.

NCB received a non-refundable deposit of £355k on exchange of contracts.

NCB has continued to reflect the existing use valuation of its property in its accounts and this increased in the year to £5.1m (£4.1m in 2013/14).

### Pension fund

The valuation of NCB's defined benefit pension scheme as at 31st March (under FRS17 principles) has seen a significant reduction in the scheme deficit to £2.9m (from £4.1m in 2013/14).

NCB closed the scheme to new entrants in the previous financial year and now runs a defined contribution scheme for new starters. NCB continues to meet and monitor its annual obligations to the scheme, including the closure of the deficit, as agreed with the scheme provider. The value of the agreed contribution towards closing the deficit for the coming year is just £160k.

## Going Concern

The Trustees' planning process included a review of likely income in 2014/15 and further ahead, as well as considering the financial standing and future sustainability of the organisation. Taking all these 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.

As an element of the assurance gained by Trustees, NCB have established an overdraft facility for working capital purposes.

## Restatement of Prior Year Comparators

From the 2011/12 to 2012/13 accounts, there was a significant change in the description of the categories of activities in furtherance of the charity's objects. There is some further change in these accounts and the prior year comparators have been restated so that both years are comparable.

## Subsidiary

National Children's Bureau Enterprises Ltd manages conference and lettings programmes, various funding activities and provides support services for other charities. Its results are consolidated in these financial statements. The majority of activity was in shared support services, resulting in a slightly reduced turnover for NCB Enterprises of just under £0.3million (£0.3million for 2013/14), and a gross profit of £49k (£102k in 2013/14). Administration costs decreased to £37k. The net profit of £12k represents 5 percent of turnover. NCB Enterprises' entire profit is gift aided to the charity.

## Risk and Internal Control

The trustees continue to review the risks facing the NCB group, have set out an updated, strengthened Risk Appetite and Management policy and formal delegation of responsibility for ongoing risk management work. Within this context the trustees note the following specific areas that give rise to the potential major risk areas for the next financial year;

- income streams are not secured as planned
- planning permission for our freehold development is not granted or delayed;
- the move to temporary accommodation causes a loss of business continuity;
- unforeseen issues require further calls on unrestricted reserves.

Trustees have considered the potential impact and likelihood of risks throughout NCB's activities and have identified the key controls in place. They are of the view that an appropriate control framework is in place to manage such risks. NCB has control procedures in place to maintain strong internal controls and the trustees are satisfied that the systems of financial control comply in all material aspects with the guidelines issued by the Charity Commission.

## Reserves Policy

General reserves are required to enable NCB to continue its operations in the event of short-term fluctuations in expenditure and income, to cover unforeseen events beyond its control including meeting its contractual financial obligations and to facilitate investment in programmes and activities in pursuit of its charitable objectives, that may not yet be ready to attract external funding or may never attract external funding at all.

The reserves policy adopted by the trustees is for NCB to hold a level of free reserves based on 12 weeks costs for all staff, which would amount to £1.04m based on current staffing for 2014/15. As at 31st March 2014 the general funds are £1.14m.

### **Investment Policy**

The trustee's investment policy is only to invest in equities which are genuinely long term; and to hold the remainder of its reserves in less volatile assets, like cash deposits. All the charity's free reserves are currently held in the latter. For any future investment in equities, the charity will continue its ethical investment policy of avoiding companies with more than 50 per cent of their turnover in gambling, tobacco or armaments.

The trustees have begun a process of refreshing the approach to investment, to ensure the best use of the significant anticipated funds arising from the sale of the freehold property.

### **Public Benefit**

The trustees continue to have regard to the public benefit provided by NCB in relation to its charitable purposes and have given due consideration to the guidance issued by the Charity Commission on this subject. We review aims, objectives and activities annually and, as part of that process, we consider the outputs of our activities, assess the benefit of those outputs on the lives of disadvantaged children and young people and develop future objectives to ensure that our work continues to deliver our charitable aims, which is reflected in our mission to improve children and young people's experiences and life chances by reducing the impact of inequalities. The trustees believe NCB can clearly demonstrate that it provides a public benefit.

### **Trustees' responsibilities for the financial statements**

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 2005) issued under the auspices of the Charity Commission.

### **Members, funders, stakeholders and sponsors**

We would like to thank all our members for their continued support of NCB both financially and in pursuit of its aims and activities. We would also like to express our grateful thanks to government departments, charitable bodies, companies and individuals for their considerable support in financing NCB's activities.

### **Auditors**

Crowe Clark Whitehill LLP were re-appointed as the company's auditors during the year and have expressed their willingness to continue in that capacity.

**This Annual Report of the Trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 23 July 2014 including approving in their capacity as company directors the Strategic Report contained therein, and is signed as authorised on its behalf by:**



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Elaine Simpson  
Chair  
National Children's Bureau  
8 Wakley Street, London, EC1V 7QE  
Company Number: 952717

## Independent Auditor's Report to the Members and Trustees of National Children's Bureau

We have audited the financial statements of the National Children's Bureau for the year ended 31 March 2014 set out pages 22 to 36.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charitable company's trustees as a body in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Report – incorporating the Directors' Strategic Report and Administrative Report and any other surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2014 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting record; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Strategic Report and the Trustees Annual Report.

Tina Allison  
Senior Statutory Auditor



For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
**St Bride's House**  
**10 Salisbury Square**  
**London**  
**EC4Y 8EH**

Date: Wednesday 15<sup>th</sup> October 2014

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

## Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account)

Period ended 31 March 2014

	Notes	Restricted Funds £'000	Unrestricted Pension Reserve £'000	Unrestricted Other Funds £'000	2014 £'000	2013 £'000
<b>INCOME AND EXPENDITURE ACCOUNT</b>						
<b>INCOMING RESOURCES</b>						
Voluntary income						
Donations and appeals		-	-	139	139	115
Activities in furtherance of the charity's objects						
Evidence and impact		154	-	578	732	595
NCB partnerships		1,980	-	4,784	6,764	7,999
NCB programmes		1,462	-	420	1,882	2,372
Children's Partnership	13	300	-	-	300	-
Sector support		-	-	80	80	79
Activities for generating funds						
Lettings and catering		-	-	51	51	67
Other activities		-	-	41	41	84
Shared services		-	-	140	140	197
Other income						
Freehold sale deposit	7	-	-	355	355	-
Investment income	3	-	-	5	5	12
<b>Total incoming resources</b>		<b>3,896</b>	<b>-</b>	<b>6,593</b>	<b>10,489</b>	<b>11,520</b>
<b>RESOURCES EXPENDED</b>						
Cost of generating funds						
Fundraising		-	-	24	24	129
Lettings and catering		-	-	20	20	23
Shared services		-	-	138	138	163
		-	-	182	182	315
Charitable expenditure						
Cost of activities in furtherance of the charity's objects						
Evidence and impact		188	-	895	1,083	955
NCB partnerships		2,794	-	4,523	7,317	7,104
NCB programmes		1,433	-	770	2,203	2,750
Children's Partnership	13	300	-	-	300	-
Sector support		-	-	278	278	560
		4,715	-	6,466	11,181	11,369
Restructuring and redundancy cost	6	47	-	193	240	183
Pension scheme movements in year	18	-	(110)	-	(110)	(69)
<b>Total charitable expenditure</b>		<b>4,762</b>	<b>(110)</b>	<b>6,659</b>	<b>11,311</b>	<b>11,483</b>
Governance	4	-	-	58	58	82
<b>Total resources expended</b>		<b>4,762</b>	<b>(110)</b>	<b>6,899</b>	<b>11,551</b>	<b>11,880</b>
<b>NET INCOME / (EXPENDITURE) FOR THE YEAR</b>		<b>(866)</b>	<b>110</b>	<b>(306)</b>	<b>(1,062)</b>	<b>(360)</b>
<b>OTHER RECOGNISED GAINS AND (LOSSES)</b>						
Pension scheme actuarial gain (loss) (FRS 17)	18	-	1,080	-	1,080	(1,601)
Revaluation of freehold land and buildings	1 & 7	-	-	1,078	1,078	3,410
<b>NET MOVEMENT IN FUNDS including Pension Reserve</b>		<b>(866)</b>	<b>1,190</b>	<b>772</b>	<b>1,096</b>	<b>1,449</b>
<b>FUNDS BROUGHT FORWARD</b>		<b>1,687</b>	<b>(4,057)</b>	<b>5,321</b>	<b>2,951</b>	<b>1,502</b>
<b>FUNDS CARRIED FORWARD</b>		<b>821</b>	<b>(2,867)</b>	<b>6,093</b>	<b>4,047</b>	<b>2,951</b>

Notes 1 to 18 form part of these financial statements

All results relate to ongoing operations.

## Balance Sheets

As at 31 March 2014

	Notes	Group 2014 £'000	2013 £'000	Charity 2014 £'000	2013 £'000
<b>FIXED ASSETS</b>					
Tangible assets	1 & 7	5,194	4,166	5,194	4,166
Investments	1 & 9	10	10	10	10
Shares in subsidiary undertaking	10	-	-	-	-
		<u>5,204</u>	<u>4,176</u>	<u>5,204</u>	<u>4,176</u>
<b>CURRENT ASSETS</b>					
Stocks	1	13	13	13	13
Debtors	11	2,414	2,416	2,420	2,472
Cash on deposit	9	20	2,215	20	2,215
Cash at bank and in hand		2,299	832	2,276	758
		<u>4,746</u>	<u>5,476</u>	<u>4,729</u>	<u>5,458</u>
Less					
CREDITORS falling due within one year	12	(3,036)	(2,644)	(3,024)	(2,631)
		<u>1,710</u>	<u>2,832</u>	<u>1,705</u>	<u>2,827</u>
<b>NET CURRENT ASSETS</b>					
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>					
Pension Scheme liability		(2,867)	(4,057)	(2,867)	(4,057)
		<u>6,914</u>	<u>7,008</u>	<u>6,909</u>	<u>7,003</u>
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>					
	16	<u>4,047</u>	<u>2,951</u>	<u>4,042</u>	<u>2,946</u>
<b>FUNDS</b>					
Restricted Funds	1 & 14	821	1,687	821	1,687
Unrestricted - other funds	1 & 15	1,605	1,911	1,600	1,906
- revaluation fund	1 & 16	4,488	3,410	4,488	3,410
Unrestricted pension reserve	18	(2,867)	(4,057)	(2,867)	(4,057)
		<u>4,047</u>	<u>2,951</u>	<u>4,042</u>	<u>2,946</u>

Notes 1 to 18 form part of these financial statements

The financial statements were approved and authorised for issue by the trustees on 23 July 2014 and were signed on their behalf by:



**Elaine Simpson**

Chair

National Children's Bureau

Company number: 952717

## Consolidated Cash Flow Statement

for the period ended 31 March 2014

	£'000	2014 £'000	£'000	2013 £'000
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>		(722)		(354)
<b>RETURNS ON INVESTMENTS</b>				
Interest and dividends received		5		12
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS</b>				
Payments to acquire tangible fixed assets	(11)		(73)	
Decrease in investment funds on deposit	-		-	
		(11)		(73)
<b>MANAGEMENT OF LIQUID RESOURCES</b>				
Decrease / (increase) in cash on deposit		2,195		(1,109)
		<u>1,467</u>		<u>(1,524)</u>

### Notes to the Consolidated Cashflow Statement

	1 Apr 2013	2013 cashflow	31 March 2014
	£'000	£'000	£'000
<b>ANALYSIS OF CASH AVAILABLE ON DEMAND</b>			
Cash at bank and in hand	832	1,467	2,299

### RECONCILIATION OF NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES

	2014 £'000	2013 £'000
Net expenditure for the year	(1,062)	(360)
Depreciation	61	44
Increase in creditors	392	238
Decrease / (increase) in debtors	2	(199)
Decrease in stock	-	4
Interest and dividends receivable	(5)	(12)
Pension reserve net gain, excluding actuarial gains / losses	(110)	(69)
Net cash (outflow) from operating activities	<u>(722)</u>	<u>(354)</u>

## Notes to the Financial Statements

for the year ended 31 March 2014

### 1 ACCOUNTING POLICIES

#### Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of listed investments, which are included on a market value basis, and freehold land and buildings, which were revalued as at 31 March 2014 by Strettons (Chartered Surveyors) on 30 April 2014 using existing use basis.

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Accounting and Reporting by Charities, applicable accounting standards and the Companies Act 2006.

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.

The description of activities in furtherance of the charity's objects were changed significantly from the 2011/12 to 2012/13 accounts, to reflect the management structure introduced in April 2012.

This structure has been slightly further adjusted in the year to March 2014. The comparatives for 2012/13 have therefore been changed so that the figures for both years are comparable.

#### Group accounts

Group financial statements have been prepared on a line by line consolidation basis in respect of NCB and its wholly owned subsidiary National Children's Bureau Enterprises Limited. No separate statement of Financial Activities has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

#### Consortium charity

NCB is one of four charities in the field of childcare which receive donations from the consortium undertaking, Childlife. The donations are recognised in the Statement of Financial Activities with Donations and appeals. The accounts of Childlife are considered not material for the purpose of consolidation.

#### Incoming resources

Incoming resources include donations on a received basis, and all other income on a receivable basis in respect of the period.

#### Income in advance

Income is treated as received in advance only when the charity has to fulfil conditions before becoming entitled to it.

#### Resources expended

All expenses are accounted for on an accrual basis. Expenditure is classified under NCB's principal categories of activity rather than types of expenses in order to provide more useful information to users of the financial statements.

Expenditure comprises direct expenditure, including staff costs, attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with budgeted use of the resources. Accommodation costs are allocated by floor space. Other support service are allocated by income (previously by staff costs) or by full-time equivalent staff.

Fundraising costs are those incurred in seeking legacies and donations.

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

Governance includes trustees, audit and general legal expenses.

**Value added tax**

NCB is a partially-exempt body of VAT purposes. Expenditure subject to VAT, which is not fully recoverable by NCB, is shown inclusive of irrecoverable VAT in the financial statements.

**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. They are included as costs against unrestricted pension reserve funds. A cost of pension is calculated by the actuaries to comply with the accounting standard FRS 17, allocated to activities in proportion to employer contributions.

Employers' contributions are also made to employees' Personal Pensions. These are also charged in the year in which they become payable.

Pension reserve net expense, excluding actuarial gains and losses, is allocated pro rata to employer's pension contributions.

**Tangible fixed assets**

Freehold property, shown at valuation, is depreciated on a straight line basis at 2% per annum of cost of the buildings and 4% per annum of cost of the building roof. Furniture and equipment, shown at cost, is depreciated on a straight line basis at 20% to 33% per annum. All fixed assets costing under £500 are written off in the year of purchase.

In light of the impending sale of the freehold property the Trustees decided to refresh the valuation of the property (see note 7 for further details).

**Operating Lease**

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

**Investments**

Investments are stated at market valuation at the balance sheet date. The surplus or deficit of this revaluation is shown in the Statement of Financial Activities as unrealised gains or losses.

On disposal of investments the differences between their opening valuation for the year (or cost if acquired during the year) and the proceeds are shown as realised investment gains or losses in the Statement of Financial Activities

**Stocks**

Stocks are books for resale valued at the lower of cost and net realisable value

**Fund accounting**

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of restricted funds are set out in note 14.

Designated funds comprise funds which have been designated at the discretion of the Board of Management for specific purposes. The purpose and use of designated funds are set out in note 15.

The Fixed Asset funds, together with the equipment grants, in notes 14 and 15, represent the investment in tangible assets.

General funds are available for use in furtherance of the general objectives of NCB.

**2. INCOMING RESOURCES**

	Government project grants £'000	Other project grants £'000	Other Income £'000	2014 £'000	2013 £'000
<b>Voluntary income</b>					
Donations and appeals	-	-	139	139	115
<b>Activities in furtherance of the Charity's objects</b>					
Evidence and impact	-	191	541	732	595
NCB partnerships	1,031	1,050	4,683	6,764	7,999
NCB programmes	1,337	425	120	1,882	2,372
Children's Partnership	300	-	-	300	-
Sector Improvement	-	-	80	80	79
<b>Activities for generating funds</b>					
Lettings and catering	-	-	51	51	67
Shared services	-	-	140	140	197
Other activities	-	-	41	41	84
<b>Other income</b>					
Freehold sale - deposit (note 7)	-	-	355	355	-
Investment income	-	-	5	5	12
	<u>2,668</u>	<u>1,666</u>	<u>6,155</u>	<u>10,489</u>	<u>11,520</u>
Totals for 2013	<u>4,572</u>	<u>1,310</u>	<u>5,638</u>	<u>11,520</u>	

**3. INVESTMENT INCOME**

	2014 £'000	2013 £'000
<b>Fixed Asset investments:</b>		
Income from listed investments	-	1
<b>Cash on deposit:</b>		
Bank and other interest receivable	<u>5</u>	<u>11</u>
	<u>5</u>	<u>12</u>

**4. RESOURCES EXPENDED**

	Staff £'000	Other expenses £'000	Internal cross charges £'000	Support Services £'000	2014 £'000	2013 £'000
<b>Cost of generating funds</b>						
Fundraising	44	7	(52)	25	24	129
Lettings and catering	51	23	(58)	4	20	23
Shared services	97	17	13	11	138	163
<b>Cost of activities in furtherance of the charity's objects</b>						
Evidence and impact	668	389	(273)	299	1,083	955
Support Services	1,245	872	(511)	(1,606)	-	-
NCB partnerships	1,826	3,982	660	849	7,317	7,104
NCB programmes	697	1,002	206	298	2,203	2,750
Children's Partnership	124	130	5	41	300	-
Sector Improvement	93	99	7	79	278	560
Governance	-	55	3	-	58	82
Restructuring	193	47	-	-	240	183
Resources expended before pension scheme movements	5,038	6,623	-	-	11,661	11,949
<b>Totals for 2013</b>	<b>5,804</b>	<b>6,145</b>	<b>-</b>	<b>-</b>	<b>11,949</b>	

An analysis of staff costs is set out in note 5.

	2014 £'000	2013 £'000
<b>Support Services</b>		
Facilities	879	864
Human resources	272	229
Finance	272	319
Management	183	212
	<b>1,606</b>	<b>1,624</b>

	2014 £'000	2013 £'000
<b>Governance costs</b>		
Trustees' expenses	7	6
Auditors' remuneration	39	38
Other expenses	12	38
	<b>58</b>	<b>82</b>

	Restricted £'000	Unrestricted £'000	2014 £'000	2013 £'000
<b>Resources expended include</b>				
Depreciation	28	33	61	44
Auditors' remuneration	-	20	20	20
- Statutory audit (Current year provision)	-	20	20	20
- Statutory audits (under provision prior year)	-	18	18	6
- Project audits	-	8	8	6
- VAT services	-	4	4	6

**5. STAFF AND TRUSTEES**

	2014 £'000	2013 £'000
<b>Staff Costs</b>		
Salaries and wages	4,171	4,734
Social Security costs	350	405
Staff pension cost	517	665
	<u>5,038</u>	<u>5,804</u>

	2014 number	2013 number
<b>Average full - time equivalent staff numbers by main area</b>		
Fundraising	1	2
Lettings and catering	1	2
Evidence and impact	19	20
Support Services	25	28
NCB partnerships	44	53
NCB programmes	16	22
Sector Improvement	2	5
	<u>108</u>	<u>132</u>

**Staff earning over £60,000**

between £60,000 and £70,000	3	3
between £70,000 and £80,000	-	1
between £90,000 and £100,000	1	1
	<u>4</u>	<u>5</u>

No remuneration is payable to trustees. Travel and accommodation expenses totalling £7,203 (2013: £6,149) were reimbursed to seven trustees (2013: ten)

Trustee Indemnity Insurance £1,802 (2013: £1,802) was purchased in the year.

**6. RESTUCTURING COSTS**

During the course of 2013/14, 26 staff members accepted redundancy. More context is given in the Trustees' report.

**Provision has been made for the cost of the restructuring programme as follows:**

	2014 £'000	2013 £'000
Payment in respect of redundancy	171	34
Payment in respect of additional pension entitlement	69	147
Payment for counselling, training and support	-	2
	<u>240</u>	<u>183</u>

**7. TANGIBLE FIXED ASSETS**

<b>Valuation</b>	Freehold land and buildings £'000	Furniture and equipment £'000	Total £'000
<b>Group and Charity</b>			
Valuation as at 1 April 2013	4,085	842	4,927
Additions	-	11	11
Disposals	-	(58)	(58)
Revaluation	1,055	-	1,055
Valuation as at 31 March 2014	<u>5,140</u>	<u>795</u>	<u>5,935</u>
Depreciation as at 1 April 2013	-	761	761
Charge	23	38	61
Disposals	-	(58)	(58)
Revaluation	(23)	-	(23)
Depreciation as at 31 March 2014	<u>-</u>	<u>741</u>	<u>741</u>
<b>Net book value as at 31 March 2014</b>	<b>5,140</b>	<b>54</b>	<b>5,194</b>
Net book value as at 31 March 2013	4,085	81	4,166

**Revaluation of freehold land and buildings as at 31 March 2014**

The freehold land and building were valued as at 31 March 2014 by Strettons (Chartered Surveyors) on 30 April 2014 using existing use basis.

	£'000
Valuation as at 31 March 2014	5,140
Valuation as at 31 March 2013	(4,085)
Depreciation charged in year	23
<b>Movement on revaluation</b>	<u><b>1,078</b></u>

**Sale of the freehold property**

Contracts on the sale of the freehold property were exchanged on 17 February 2014 between NCB and the buyer. As part the sale a non-refundable deposit of £355k equating to 5% of the agreed purchase price has been paid to NCB's solicitors. The non-refundable deposit has been recognised as income in the accounts of NCB for the year under review.

Costs to the value of £70k which have been incurred by NCB and are directly attributable to the sale of the property have been carried forward to next year (prepaid), to be offset against the full sale proceeds.

**Non-returnable deposit received under this contract.**355

<b>Historic cost</b>	Freehold land £'000	Freehold buildings £'000	Furniture and equipment £'000	Total £'000
<b>Group and Charity</b>				
Cost as at 1 April 2013	138	1,009	842	1,989
Additions	-	-	11	11
Disposals	-	-	(58)	(58)
Cost as at 31 March 2014	<u>138</u>	<u>1,009</u>	<u>795</u>	<u>1,942</u>
Depreciation as at 1 April 2013	-	472	761	1,233
Charge	-	23	38	61
Disposals	-	-	(58)	(58)
Depreciation as at 31 March 2014	<u>-</u>	<u>495</u>	<u>741</u>	<u>1,236</u>
Net book value as at 31 March 2014	138	514	54	706
Net book value as at 31 March 2013	138	537	81	756

**8. OPERATING LEASE COMMITMENTS**

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

	Under one year	Two to five years	2014 £'000	2013 £'000
Land and buildings	94	49	143	142
Equipment	-	50	50	50

**9. INVESTMENTS AND CASH ON DEPOSIT**

	2014 £'000	2013 £'000
<b>Group and Charity</b>		
<b>Quoted investments</b>		
Market value as at 1 April 2013	10	10
Loss for the year	-	-
Market value as at 31 March 2014	<u>10</u>	<u>10</u>
Quoted investments - Historic value as at 31 March 2014	<u>8</u>	<u>8</u>
	2014 £'000	2013 £'000
All investments are listed in the United Kingdom		
The following investment holdings were over 5% of the portfolio value		
M&G Charibonds	<u>10</u>	<u>10</u>
	2014 £'000	2013 £'000
<b>Group and Charity</b>		
<b>Cash on deposit</b>		
CCLA	<u>20</u>	<u>2,215</u>

**10. SHARES IN SUBSIDIARY UNDERTAKING**

This represent 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. The company gift aids its taxable profits to NCB. A summary of its trading results is shown below. Audited financial statements are filed with the Registrar of Companies. The result of subsidiary undertaking have been consolidated on a line by line basis. The subsidiary undertakes conferences and lettings programmes and various fundraising activities for NCB, and provides support services for other charities.

	2014 £'000	2013 £'000
Turnover	265	335
Cost of sales	<u>(215)</u>	<u>(230)</u>
Gross profit	50	105
Administrative expenses	(37)	(45)
Net profit before gift aid	13	60
Amount gift-aided to NCB	(13)	(60)
Net profit retained	<u>-</u>	<u>-</u>
	2014 £'000	2013 £'000
The aggregate of the assets, liabilities and funds was:		
Assets	30	163
Liabilities	<u>(25)</u>	<u>(158)</u>
Net assets	<u>5</u>	<u>5</u>
Share capital (100 shares £1)	-	-
Accumulated Profit and Loss	5	5
Total funds	<u>5</u>	<u>5</u>

**11. DEBTORS**

	Group		Charity	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Trade debtors	1,702	1,560	1,696	1,471
Amount due from subsidiary undertaking	-	-	13	145
Taxation recoverable	-	-	-	-
Other debtors and prepayments	242	266	241	266
Accrued income ( grants due for projects)	470	590	470	590
	<u>2,414</u>	<u>2,416</u>	<u>2,420</u>	<u>2,472</u>

£70,493 of costs relating to the future sale of freehold property have been carried forward as a prepayment, to be offset against the proceeds when the sale is completed.

**12. CREDITORS FALLING DUE WITHIN ONE YEAR**

	Group		Charity	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Trade Creditors	769	1,041	767	1,037
Social Security and other taxes	490	199	489	196
Pension contributions	36	52	36	52
Other creditors and accrued charges	669	363	660	357
Income received in advance	1,072	989	1,072	989
	<u>3,036</u>	<u>2,644</u>	<u>3,024</u>	<u>2,631</u>

	B/fwd 1 Apr 2013 £'000	Received 2014 £'000	Income 2014 £'000	C/fwd 31 March 2014 £'000
Income received in advance in respect of 2014/15				
Membership subscriptions	46	117	125	38
Consultancy and other fees	828	5,614	5,408	1,034
Grants	115	3,920	4,035	-
	<u>989</u>	<u>9,651</u>	<u>9,568</u>	<u>1,072</u>

**13. RELATED PARTY TRANSACTIONS**

The group has taken advantage of the exemption, which is conferred by Financial Reporting Standard 8 "Related Party Disclosure", that allows the group not to disclose transaction with group undertakings that are eliminated on consolidation.

Claire Quarrell (Head of Communications) was a director of Childlife during the year, a consortium which donated £85,000 to NCB during the year.

From 18 March 2013 to 1 December 2013 Michael Chuter (Director of Finance) and from 1 January 2014 Trevor Edinborough (Director of Business Development) were directors of The Children's Partnership Ltd, which paid £300,000 Department for Education Strategic Partner grant to NCB during the year.

**14. RESTRICTED FUNDS**

<b>Group and Charity</b>	B/fwd 1 Apr 2013 £'000	Income £'000	Expenses £'000	C/fwd 31 March 2014 £'000
<b>Project and Unit funds</b>				
Grants from Government Departments	1,118	2,437	(3,349)	206
Grants from Big Lottery	36	565	(562)	39
Grants from Sainsbury Family Charitable Trusts	30	345	(241)	134
Other grants and income	212	549	(582)	179
Supplementary Notes Page ??	1,396	3,896	(4,734)	558
Fixed asset fund - restricted element	210	-	(5)	205
Equipment grants	58	-	(23)	35
Other funds	23	-	-	23
	<u>1,687</u>	<u>3,896</u>	<u>(4,762)</u>	<u>821</u>

## 15. UNRESTRICTED OTHER FUNDS

	B/fwd 1 Apr 2013 £'000	Income £'000	Expenses £'000	Loss on investments £'000	Allocations and Transfers £'000	C/fwd 31 March 2014 £'000
<b>Designated funds</b>						
Fixed asset fund - designated element	490	-	(33)	-	9	466
Pension fund	-	4	(118)	-	114	-
Specialist membership groups funds	628	2,309	(2,281)	-	(656)	-
	<u>1,118</u>	<u>2,313</u>	<u>(2,432)</u>	<u>-</u>	<u>(533)</u>	<u>466</u>
<b>General Funds</b>	793	4,280	(4,467)	-	533	1,139
Group - unrestricted funds before pension reserve	<u>1,911</u>	<u>6,593</u>	<u>(6,899)</u>	<u>-</u>	<u>-</u>	<u>1,605</u>
Charity - unrestricted funds	1,906					1,600
Subsidiary undertaking	5					5

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

The **Pension fund** is used to fund costs not covered by the main pension scheme and potential pension scheme deficit.

Several **Specialist membership groups** are based at NCB and operate under its charitable status. Any unrestricted net income in these groups is allotted to them. It is only shown as designated funds above where there is a specific and timely plan to use the funds.

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

## 16. UNRESTRICTED REVALUATION FUND

	B/fwd 1 Apr 2013 £'000	Income £'000	Expenses £'000	Revaluation of freehold £'000	Allocations and Transfers £'000	C/fwd 31 Mar 2014 £'000
Revaluation fund	<u>3,410</u>	<u>-</u>	<u>-</u>	<u>1,078</u>	<u>-</u>	<u>4,488</u>

The freehold land and building were valued as at 31 March 2014 by Strettons (Chartered Surveyors) on 30 April 2014 using existing use basis. The Revaluation fund represents the difference between the valuation and historic cost net book value (note 7).

	£'000
Valuation as at 31 March 2014	5,140
Valuation as at 31 March 2013	(4,085)
Depreciation charged in year	23
<b>Movement on revaluation</b>	<u>1,078</u>

## 17. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £'000	Investments £'000	Net Current Assets £'000	Pension Scheme Liability £'000	Total £'000
Restricted Funds	240	-	581	-	821
Unrestricted - other funds	466	10	1,129	-	1,605
Unrestricted - revaluation fund	4,488	-	-	-	4,488
Net Assets before Pension Reserve	<u>5,194</u>	<u>10</u>	<u>1,710</u>	<u>-</u>	<u>6,914</u>
Pension Reserve	-	-	-	(2,867)	(2,867)
Group Net Assets	<u>5,194</u>	<u>10</u>	<u>1,710</u>	<u>(2,867)</u>	<u>4,047</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 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). A full triennial actuarial valuation was carried out as at 31 March 2013 and a further valuation made for the purposes of FRS 17 to 31 March 2014 by a qualified independent actuary. The charity is required to comply with the full requirements of FRS17. Details of these are set out below.

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. Following the March 2013 valuation, the contribution rate was increased to variable rates between 17% and 22% of pensionable salaries from 1 April 2014. Additional amounts will be payable to fund the forecast deficit on the pension fund.

The methodology for calculation of pension cost is determined as part of the actuarial valuation. The most recent valuation was as at 31 March 2013. The cost of NCB's contribution to SYPF for the year ended 31 March 2014 was £511,622 (2013 £663,173), which included £101,900 deficit repayment (2013 £99,700) and £75,494 (2013 £146,839) redundancy costs.

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

Set out below are disclosures required for the purposes of FRS 17.

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

	Long-term rate of return expected	2014 £'000	2013 £'000	Long-term rate of return expected
Assets				
Equities	7.0%	15,549	14,606	7.0%
Government bonds	3.4%	3,368	2,640	2.8%
Other bonds	4.3%	1,722	2,426	3.9%
Property	6.2%	2,532	2,212	5.7%
Cash	0.5%	380	190	0.5%
Other	7.0%	1,773	1,713	7.0%
Total market value of assets		25,324	23,787	
Present value of scheme liabilities		(28,191)	(27,844)	
(Deficit) in the scheme		(2,867)	(4,057)	

	2014	2013	2012	2011	2010
	Assumptions	Assumptions	Assumptions	Assumptions	Assumptions
<b>The major assumptions used by the actuary were:</b>					
Increase in salaries	3.0%	3.0%	3.0%	4.7%	4.8%
Rate of increase in pensions	2.4%	2.4%	2.5%	2.9%	3.3%
Discount rate	4.5%	4.2%	4.9%	5.5%	5.6%
Inflation assumption	2.4%	2.4%	2.5%	3.4%	3.3%
	2014	2013	2012	2011	2010
	£'000	£'000	£'000	£'000	£'000
<b>Analysis of the amount charged to operating result</b>					
Current service cost	518	492	567	882	572
Curtailment loss	152	13	-	65	20
Prior year and past pension	-	112	-	(1,501)	-
Total operating charge	670	617	567	(554)	592
<b>Analysis of other finance income (expense)</b>					
Expected return on pension scheme assets	1,375	1,178	1,320	1,183	825
Interest on pension scheme liabilities	(1,161)	(1,151)	(1,259)	(1,338)	(1,139)
Net income / (expense)	214	27	61	(155)	(314)
<b>Analysis of actuarial gains and losses:</b>					
Asset gains / (losses)	493	1,687	(437)	365	3,449
Liability gains / (losses)	587	(3,288)	418	1,133	(5,848)
Change in assumptions	-	-	-	-	-
Net gain / (loss)	1,080	(1,601)	(19)	1,498	(2,399)
<b>Movement in (deficit) during the year:</b>					
Deficit in scheme at beginning of year	(4,057)	(2,525)	(2,511)	(5,110)	(2,731)
Movements in year					
Operating charge	(670)	(617)	(567)	554	(592)
Contributions	566	659	511	702	926
Other finance income / (expense)	214	27	61	(155)	(314)
Actuarial gains / (losses)	1,080	(1,601)	(19)	1,498	(2,399)
Deficit in scheme at end of year	(2,867)	(4,057)	(2,525)	(2,511)	(5,110)

**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 3.5% of pensionable salaries. The cost of NCB's contributions for the year ended 31 March 2014 was £5,643 (2013: £1,491).

**SUPPLEMENTARY NOTE (Unaudited)**

for the year ended 31 March 2014

Project	Funder	Funding	Incoming	Resources	Funding
		balances 31 March 2013	Resources	expended	balances 31 March 2014
		£	£	£	£
<b>Evidence and Impact</b>					
Carlile Inquiry	Various trusts	-	10,000	8,765	1,235
Disabled Children's Participation	Big Lottery Fund	35,984	41,353	72,774	4,563
From Care to Independence	Prince's Trust	-	42,435	37,699	4,736
Role of the Independent Reviewing Officer in improving care planning for looked after children	Nuffield Foundation	-	60,447	60,447	-
<b>NCB partnerships</b>					
Alternative City of culture	Big Lottery	-	6,100	4,862	1,238
Anti Bullying Alliance	Department for Education	-	730,637	730,637	-
Anti Bullying Forum (NI)	Department for Education (NI)	-	112,553	112,553	-
Atlantic Grantees Network (NI)	Atlantic Philanthropies	19,421	-	19,421	-
Childhood Bereavement Network	True Colours Trust	-	245,327	131,071	114,256
	Waldron Trust	25,000	-	-	25,000
- Research	True Colours Trust	3,250	-	-	3,250
Children and Youth Participation (NI)	Atlantic Philanthropies	-	64,148	64,148	-
Countdown to Change	NHS Commissioning Board	-	72,497	24,987	47,510
Delivering better for children with long term conditions	Department of Health	-	104,417	56,703	47,714
Every Disabled Child Matters	Esmée Fairbairn Foundation	-	25,000	25,000	-
	True Colours Trust	6,199	100,000	101,790	4,409
Exploring Nature Play	Natural England	786	120,722	121,508	-
Exploring Nature Play - placement	Vodafone	2,750	-	2,750	-
Expert Parent Programme	Department of Health	30,977	79,255	91,398	18,834
Leadership Training Programme	JP Morgan Chase Foundation	134,816	-	64,122	70,694
Lessons in Love	Comic Relief	-	38,644	38,644	-
My rights, Your responsibilities	True Colours Trust	20,731	-	8,090	12,641
Northern Ireland office	Atlantic Philanthropies	29,733	261,000	228,733	62,000
Play England	Social Action Fund	997,160	-	997,160	-
	North Tyneside Play and Youth	-	4,087	4,087	-
Prepared for Puberty	Wellcome Trust	-	14,996	-	14,996
Transition Support programme	Department of Health	67,942	-	-	67,942
<b>NCB programmes</b>					
Children In Care Councils & Corporate Parenting	Department for Education	-	145,614	144,755	859
Commissioning4Equality	Department of Health	-	58,000	58,000	-
Creativity	Trinity College	-	28,200	28,200	-
European Youth tackling Obesity	EU commission	-	82,543	64,480	18,063
Fulfilling Lives: a better start	Big Lottery Fund	-	396,663	362,813	33,850
Health & Care VSS Strategic Partner	Department of Health	-	199,773	196,607	3,166
Involved by Right	EU commission	-	(4,235)	(4,235)	-
LINKS: Getting It Right For Children and Young People	Department of Health	20,528	-	20,528	-
Making it REAL	Department for Education	-	555,720	555,183	537
VCSE Strategic Partner - Children's Partnership	Department for Education	-	300,000	300,000	-
<b>TOTAL</b>		<b>1,395,277</b>	<b>3,895,896</b>	<b>4,733,680</b>	<b>557,493</b>