



2015
2016

Annual Report

TIME TO MAKE A DIFFERENCE.

actionforchildren.org.uk



Once
upon
a time

In 2015/16 we helped over **390,000** children, young people and families.

We deliver **611** services:

- 415** take action for families
- 93** take action for disabled children
- 31** take action for children in care
- 72** take action for young people

WHERE THERE IS AN URGENT NEED

We make a positive difference for disadvantaged children: now, tomorrow and every day.



WE PROVIDE THE APPROPRIATE SERVICE

611 services across the UK
5,000 staff
2,000 volunteers



TO EFFECT A POSITIVE AND PERMANENT DIFFERENCE

Our evidence-based services improve children's lives now.

Our policy and campaigns secure improvement for the future.

CONTENTS.

Trustees' report (incorporating strategic report).

03 Chair's statement

05 Chief Executive's statement

Strategic report.

06 Progress against our 2014/17 strategic objectives

08 Improving early years

10 Helping young people

12 Supporting children in care

14 Helping disabled children

16 Speaking out fearlessly

18 2016/17 strategic objectives

19 Delivering a positive impact

20 Governance, structure and management

26 Management of risk

28 Financial review

35 Statement of trustees' responsibilities

36 Independent auditor's report.

Financial statements.

39 Consolidated statement of financial activities

40 Charity statement of financial activities

41 Balance sheet

42 Consolidated cash flow statement

43 Notes to the financial statements

68 Legal and administrative details.

70 Thanks to you.

72 Find out more and get involved.



“2015/16 HAS BEEN A **WAKE-UP-CALL** FOR UK CHARITIES TO PUT THEIR **HOUSE IN ORDER.**”

John O'Brien / Chair

Chair's Statement.

This past year has not been an easy one for UK charities. Intense media scrutiny over fundraising practices and efficacy have led to parliamentary inquiries and a call for trustees to “put their house in order”. Then there are additional financial concerns for charities delivering services for local authorities, as they see their traditional source of funding cut dramatically. Meanwhile, demand for local children's services is growing, as is the need to support children with more complex needs than we've previously experienced.

We're here, as we always have been, to meet these needs. My job as Chair is to agree the best strategy to do this effectively. So how do we do this? The simple answer is strong governance leading to strategic decisions being taken to enable the charity to invest in the right areas.

One such decision in 2015/16 focused on developing our brand. Today, Action for Children is a well-kept secret. Why would anyone trust a charity they've never heard of? And how can we generate greater support for children if no one knows our name? Whilst we have strong relationships with local authorities, we can no longer rely on statutory funding to reach out to children who need our assistance. This is why a strong brand, that helps us to diversify income streams and generate greater public support, is critical to our long-term success.

Fundraising is another area where the Board prioritised investment in 2015/16. To increase the number of people who give regularly to Action for Children, we opted for face-to-face activity to enable people to understand what we do, and why, before they commit to giving. With concerns raised about charity fundraising, we also reviewed our contractors to ensure principles are followed and donor details are not being sold on to others.

With the input of a panel of young people who've benefited from our services, five new Board Members were recruited in 2015/16 with expertise in social care, finance, HR, fundraising and communications. Together with our established governance practices, this added breadth of knowledge will help Action for Children to meet its strategic objectives.

All trustees connect to the children and young people we support and the amazing work being undertaken by our staff across the UK. Last October I visited Kite Ridge short breaks in Buckinghamshire, where I met fifteen year old Daniel. He was kind enough to allow me into his room, where after a few minutes he waved goodbye – remarkable, as he doesn't normally use hand gestures. It was the end of a long day and when I asked staff whether they'd be off home too, they gave me strange look and said, “Well John, to be honest, we stay until the children are ready for us to go...”. For me, this is what Action for Children is all about.

Finally, two notable milestones were reached in 2015: Northern Ireland celebrated 15 years, and Scotland 60 years, with the charity. In typical Action for Children style, Scotland marked their anniversary in a very practical way by opening a new Youthbuild centre in Glasgow. Three-quarters of those taking part in Youthbuild, which is run in partnership with private investors and the Scottish Government, go on to get a job. This was described by one Government minister as “making a massive difference to the lives of these young people”.

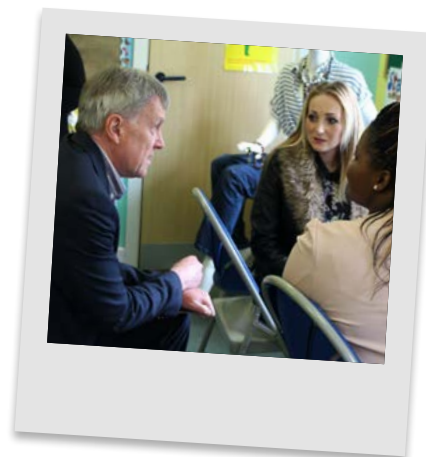
John O'Brien
Chair





“2015/16 HAS BEEN A YEAR TO CHALLENGE OURSELVES TO DO THINGS DIFFERENTLY.”

Sir Tony Hawkhead / Chief Executive



Chief Executive's Statement.

John's right when he speaks about the challenges facing charities and particularly those supporting local communities across the UK. Big public spending cuts, restrictions on fundraising and campaigning, and a growing need to demonstrate impact and transparency are all issues we need to resolve.

The next few years are going to be tough, but we're challenging ourselves to do things differently, measuring how our work supports and empowers disadvantaged children. And despite significant financial pressures, steady progress has been made to reduce running costs while continuing to deliver life-changing services. Ninety per cent of our staff are directly involved in improving the lives of disadvantaged children. Other staff support our front-line teams and work to get our message out to the wider public and influence Government policy.

In the past year, by listening to young people in our services to understand their needs, our Fair Deal campaign resulted in the UK Financial Capability Strategy specifically addressing issues such as how to avoid debt and manage money. When we launched Fair Deal at Stormont this January, dozens of members of the Northern Ireland Assembly came along to hear from young people who have overcome money problems with our help.

Embracing digital technology to drive greater efficiency and effectiveness represents an ongoing commitment from the charity. Digitally enabling staff at the front-line is just one aspect of a programme that includes upgrading our e-Aspire database. This innovative system enables front-line staff to log and track not only the tangible difference we make, but also identify need at a local and national level. By following strict guidelines to evidence our impact, we can report with complete transparency on the positive change local services deliver.

One final comment on progress made this year is the introduction of a ground-breaking social impact bond to fund our Multi-Systemic Therapy service in Essex. This is a world-first in the sector, bringing together the local authority and private investors to help teenagers steer clear of crime and keep families together.

Against a backdrop of financial constraint, I'm proud of the effort of all involved to make significant progress against our strategy. We are now poised to improve our financial position and make the strategy more active and externally focused.

As we move forward, it's useful to reflect on how others view us. I've had many discussions with major businesses about our work and they're consistently bowled over by our determination to do more for children. I've also listened to parents – as have our regulators. Last summer, Ofsted graded our Warwickshire short-break service “Outstanding”. I was there on the day of the inspection and interested to find out afterwards that they had repeatedly asked parents, what more could Action for Children do? They heard, again and again, “the staff do everything they can for us – nothing is too much trouble”. This was borne out when I visited on Christmas day. Staff had opted to work rather than take holiday, because they recognised families needed their support at what can be a very stressful time of year.

This charity is dedicated to making a real and lasting difference for disadvantaged children. Our task in 2016/17 is to spread the word about our work so that we're able to significantly increase the number of children's lives measurably and permanently improved by Action for Children.

Sir Tony Hawkhead
Chief Executive

PROGRESS AGAINST OUR 2014/17 STRATEGIC OBJECTIVES.

1. Improving costs and efficiency.

With a new Conservative Government in place, pressure on local authority budgets continues to increase, forcing cuts to essential children's services. In response, we are continuing to focus on the needs of disadvantaged children, by collaborating with local authorities and other partners to find new ways to deliver more, for the same budget or less.

In 2015/16 this has meant:

- Rigorously interrogating and challenging our running costs to find opportunities to streamline and deliver efficiencies.
- Rolling out a major programme to digitally enable staff across all children's services to reach out to more children. This has been achieved by equipping our teams at the front-line with devices that enable them to work remotely and cover more ground as a result.

Automating and simplifying ways of working helps to free up time and financial resources so that we can be both effective and efficient.

This will enable the operations team to maximise the resources they put into delivering life-changing front-line services. The ultimate goal is to continue to pursue a longer-term objective of gathering more evidence to deliver services that intervene at the first signs of distress; services that avoid preventable problems, spiralling out of control.

2. Improving income generation.

We have committed to long-term investment to increase our income from public donations and philanthropy, to fill the gap left by the reduction in statutory funding for local services. The aim is to fund the development of new services where need is greatest.

We are at the beginning of an ambitious programme where early results are encouraging. By testing a number of channels and audiences, we aim to maximise the return from our investment. Digital channels are a key focus for the future, as we work to attract a younger cohort of supporters, campaigners, volunteers and donors.

Major fundraising events like the Giant Wiggle for younger families, or Byte Night in support of young people at risk of homelessness, are continuing to make a positive impact. We also continue to invest in our strong network of community fundraisers who, day in and day out, develop strong relationships in local communities to raise vital funds and enlist new volunteers and campaign supporters.

Our brand also plays a key role in enlisting greater support. Our plans are well advanced to ensure it not only helps us to cut through in a crowded marketplace, but also demonstrates the problem to be solved and shows how our commissioners and supporters can be part of the solution.

3. Improving processes.

Digitally enabling Action for Children represents a substantial investment programme to harness technology to deliver new processes that offer greater efficiency and effectiveness. By equipping staff and providing training, our teams are at the early stages of witnessing the benefit as we increase our capacity to work with more disadvantaged children.

Digital capability is just one part of a major upgrade programme to modernise and simplify systems and processes, to free up staff time and energy for our cause. This includes back-office support such as HR and recruitment, plus a new system for financial reporting to enable the charity to be crystal clear on the attribution of support costs. This is an increasingly important factor when both commissioners and the public are calling for robust evidence on where money is spent.

Building greater trust and delivering transparency across all our activities is at the heart of a communications strategy to increase support for our work. As part of this, e-Aspire – our database for tracking and evidencing the impact of our work at the front-line – has been significantly upgraded, to report results we consistently achieve with complete transparency. By communicating the evidence, we will inspire greater confidence from commissioners of children's services and greater trust from public supporters.

4. Improving performance.

All our work starts from putting the needs of disadvantaged children at the centre of everything that we do. To do this, a key priority in 2015/16 has been to improve performance by adopting a more holistic and integrated working approach:

- **Child-centred objectives:** cross-functional teams have been helping to create child-centred solutions to objectives set. This approach combines expertise across safeguarding, service development and delivery, policy and communications.
- **Service co-creation:** when innovating new services, wherever possible we co-create services with those who will be using them. This includes ensuring that even young children can be involved.
- **Partnership working:** by investing time to really understand what our local authority commissioners are seeking to achieve, we join forces to identify the most appropriate and cost-effective way to deliver. We're also actively engaged in partnership working with other organisations that share our aims, where this helps us to deliver the best results for children.

By putting the needs of disadvantaged children at the centre of how we improve performance, and by measuring effectiveness, we not only provide the practical help and support that a child or family needs immediately, but also identify where we need to innovate or influence the policies that can permanently improve their future.

2015/16 HIGHLIGHTS ACROSS THE UK.

1. IMPROVING EARLY YEARS.

The early years, 0-5, are critical to enabling children to be the very best they can be. To support families who are struggling with parenting, we run a number of evidence-based programmes, such as Triple-P, to help parents better understand behaviour, whilst providing them with the tools they need to give their children the best start in life.

Roots of Empathy is another key improvement programme we run in schools throughout Renfrewshire, Northumberland and Cardiff. By introducing a new-born baby as the 'teacher' in class, empathy of children towards their peers and adults is measurably improved. This is evidenced by reduced levels of challenging behaviours both in and out of school, and reduced levels of offending in adolescent years.

New programmes are implemented where we have the evidence of their impact. One such programme, working in partnership with the NSPCC, is the Coping with Crying service to prevent safeguarding concerns and reduce the risk of shaken babies.

We are also continuing to pilot our unique Family Partners programme which has been successfully evaluated by the influential Dartington Social Research Unit. Family Partners is an effective new intervention to support families with young children overcome early signs of neglect.

"Emma was struggling. A single mum, she didn't know how to cook a proper meal, manage money or communicate with her children aged two and three. At the heart of the problem was a lack of confidence; Emma felt embarrassed to ask for help. By taking the brave step to take part in our 22-week Family Partners programme, the children's diet improved, they became more active and, with basic routines in place, they now enjoy spending time together as a family."

Sandwell Family Partners, 2015.
Names have been changed to protect identities.

Action for Children is currently the largest single supplier of children's centres in England; an area we expect to see a steep decline in, as local budgets are withdrawn. This is a primary concern when early years services are proven to avoid family breakdown and give children the best start in life. Our response will be to continue to develop the evidence that both supports investment and influences policy improvement.

**"RESPECT EVERYONE! DON'T CREATE CONFLICT!
IT'S A GOOD THING TO BE DIFFERENT! SPREAD
EMPATHY! LOVE GROWS BRAINS! BULLYING
BRUISES HEARTS! CARE FOR EVERYONE!"**

Year 3 child who has taken part in a Roots of Empathy programme, Tyne and Wear



Roots of Empathy

Improving challenging behaviour.

15,375 primary school pupils benefited in the past year from this evidence-based programme; 19,750 children in total have participated since 2014:

76% had lower aggression.

53% improved their emotional empathy.

13% displayed more positive social interactions.



Family Partners

For children at risk of neglect.

94 children across 37 families were supported by this innovative, intensive family-support programme in the past year:

78% felt safer as a result of better parental supervision.

77% benefited as a result of improved response to their emotional and physical needs.

72% were healthier as a result.



2015/16 HIGHLIGHTS ACROSS THE UK.

2. HELPING YOUNG PEOPLE.

Last year, we saw a sharp rise of reported concerns about teenagers at risk from sexual exploitation through networks of abusers and through exposure to risks online. In response, we have developed our staff training to improve their understanding and skills. Our services in Liverpool and Worcester have also developed specific treatment programmes for those at risk.

We have also developed our services for disadvantaged teenagers to help them stay safely at home where possible, improve their relationships with others, establish healthy emotional wellbeing and, as a result, reduce their risk of committing crime.

Building on an impressive track record and the highest levels of evidence, we have successfully introduced Functional Family Therapy (FFT) in Renfrewshire, Gloucestershire and London under licence. FFT succeeds in helping teenagers remain safely at home where there is a real risk of entering care unnecessarily, or going into custody.

Another highly successful evidence-based programme we operate under licence is Multi-Systemic Therapy (MST), an intensive home-based service, designed to create sustained behavioural change. MST in Essex is funded through the world's first social impact bond for children's services.

We also continue to make significant progress to open the door to employment. Apprenticeship schemes across Scotland, such as Youthbuild which operates in partnership with local construction firms, are instrumental in overcoming a background of abuse, substance misuse and homelessness.

Scotland is also home to a new service developed in partnership with the police in Glasgow: diversion from Offending supports children at risk of being drawn into serious organised crime. Working with 16 children in the past year, results have been impressive: 75% have not engaged in further offending; 20% have continued to offend but with substantially reduced seriousness and frequency.

"John struggled with verbal and physical aggression and refused to go to school. Every day he would shout, swear and even kick and hit his grandmother and younger siblings. By introducing MST, which takes a whole family approach and sets out achievable goals, John's grandmother learnt how to deal with his aggression and, as a result, John stopped the insults and started to apologise for his swearing. He's now back in a mainstream school, has good attendance and his behaviour has improved beyond all expectations."

MST, Essex, 2015.

Names have been changed to protect identities.



“JOHN’S FAMILY FELT THAT JOHN WAS **BEYOND THEIR CONTROL. THEY COULDN’T SEE THE CHILD, JUST THE BEHAVIOUR. EVERYTHING THEY TRIED HAD FAILED, BUT NOW THEIR LIVES ARE **BACK ON TRACK THANKS TO MST**.”**

Action for Children MST Practitioner.

Functional Family Therapy (FFT)

Reducing risk of going into custody or care.

Results from randomised control groups conducted in Renfrewshire this year, where FFT has run for four years, provide evidence that FFT has enormous potential as a highly effective intervention:

100% attended school or a vocational programme.

97% continue to live at home.

77% were violation free.



Multi Systemic Therapy (MST)

Delivering sustained behavioural change.

Results following evaluation from April-December 2015 of our MST programme in Essex, the first of its kind to be funded through social investment, show that:

92% continue to live at home.

85% were violation free and stopped offending.

85% attend school regularly.



Youthbuild (Scotland)

Reducing exclusion by improving employability.

Results from our Youthbuild programme in Scotland, which delivered supervised apprenticeships for 479 young people over the past year:

35% gained employment.

30% went on to further training.

15% went on to further education.



2015/16 HIGHLIGHTS ACROSS THE UK.

3. SUPPORTING CHILDREN IN CARE.

Last year, working with the Department for Education (DfE), Action for Children led a partnership of 15 organisations to implement the Government's new Quality Standards for residential care. This partnership has successfully provided information, advice and training to children's home managers and staff across England.

We will continue to lead Quality Standards to promote better results for children in care. This includes recognising and responding to concerns about past failings in children's homes, pending the outcome of the Government's review of residential provision led by Sir Martin Narey. Our independent review of historical child abuse reports linked to our former children's homes will report in 2016/17.

Building from research and informed by young people in our care, Residential Outcomes Now (RON) is a new approach for children in care homes being pioneered in Scotland and Wales. RON places emphasis on the power of relationships as a means for care workers to develop effective and meaningful change for children.

Our fostering and adoption services across the country place their focus on delivering not only better results for children, but stability over the longer-term. Many of the children we place are over 12 years old and, sadly, too many have experienced multiple placement breakdowns. By placing our focus on the importance of relationships and attachment, working with a single carer or set of carers, we can break this cycle.

Chloe has been in foster care since she was four and experienced multiple moves before finding Action for Children foster carers, David and Mary:

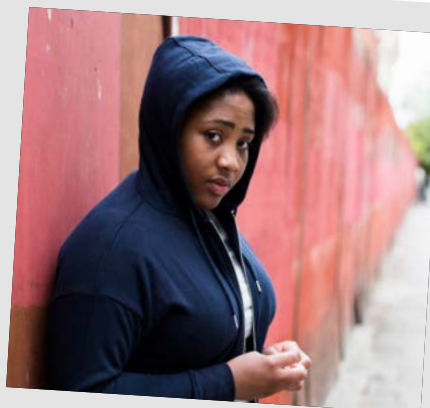
"As soon as I arrived at David and Mary's, I felt really comfortable. They took an interest in all my hobbies and really made an effort to make me part of their family. If it wasn't for their care and support, I wouldn't have thought about doing further education. I'm the woman I am today because of David and Mary."

Names have been changed to protect identities.

In Manchester and Wessex, our fostering services provide Treatment Foster Care Oregon-UK (TFCO-UK), formerly known as Multi-Dimensional Treatment Foster Care (MTFC), under licence. Our Manchester service is funded through social investment. TFCO-UK is a highly effective programme for challenging children and teenagers on the edge of custody or specialist residential care. They earn rewards, such as time out, trips, access to TV or mobile phone use, for positive behaviours.

**"YOUNG PEOPLE WHO HAVE EXPERIENCED
TRAUMA, NEED STABILITY AND ATTACHMENT."**

Action for Children fostering practitioner, Wales.



Manchester Fostering (TFCO-UK) For children at risk of residential care.

In 2015/16, six children joined the TFCO-UK programme in Manchester, which is funded by social investment. Results following evaluation against control groups show that:

100% stopped absconding.

100% were violation free and stopped offending.

86% attend school regularly.



Residential homes pioneering Residential Outcomes Now (RON).

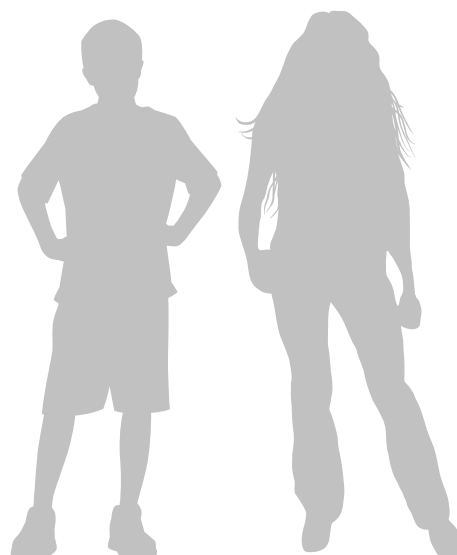
Building stable relationships for children in residential care.

Tan y Dre is one of three homes pioneering RON, our new approach to stabilising care by building positive and productive relationships. We have seen impressive results for the 19 children currently on the programme.

234% increase in having more stretching aspirations.

200% increase in their positive, productive relationships.

146% increase in being positive about their future.



We measure the level of improvement disabled children experience. With our support they have:

Increased their participation in leisure activities by **143%**

Increased their practical life skills by **136%**

Improved their communication skills by **136%**

Improved their social skills and friendships by **91%**

Increased their ability to look after themselves by **78%**



2015/16 HIGHLIGHTS ACROSS THE UK.

4. HELPING DISABLED CHILDREN.

We are one of the largest providers of services for disabled children and their families. Much of what we do across the UK involves short breaks in local communities at specialist children's homes or with foster families. These services give families the chance to take a break from full-time care, often invaluable in keeping these families together, whilst giving their child the specialist care and attention they need to get the very best out of life.

To evidence the effectiveness of our services, in the past year we have developed and rolled out our unique Outcomes Arrow measurement tool. This not only maps improvements made, but helps with understanding the significance of each developmental or behavioural change.

We also provide longer-term residential care services for disabled children and, in both Glasgow and Northumberland, we're piloting innovative services that combine a mix of community outreach with residential short breaks.

Another innovation being piloted in Derbyshire this year is the Branching Out service, which works with personal budgets to deliver tailored local services for disabled children that actively put the child at the centre. Early results are very promising, which is good news as this type of service is expected to increase as Government policy and local funding move towards greater personalisation.

When Nic joined Pastens, when he was seven, his behaviour was extremely challenging due to his disabilities, with him often jumping on furniture and breaking things. Exhausted and at breaking point, his mum and dad had been finding it increasingly difficult to keep Nic safe at home. By working with staff at Pastens, they developed a support plan with milestones in place to address the main issues.

Nic is now developing well. He seeks interaction with his peers and his warm, loving nature has resurfaced. His parents are also rebuilding their relationship with Nic, away from the constant fear and worry of feeling unable to cope.

Pastens in Surrey provides residential care for young people with profound and multiple disabilities. Names have been changed to protect identities.

“NIC IS MORE SOCIABLE NOW, AND WANTS TO DO MORE THINGS HIMSELF. WHAT'S MORE, WE'RE HAPPY TO LET HIM TRY, AND SUPPORT HIM UNTIL HE CAN DO THE THINGS HE WANTS TO DO.”

Action for Children residential care practitioner, Pastens, Surrey.

SPEAKING OUT FEARLESSLY.

Our services help the children and young people who walk through their doors today, but we are also committed to improving the laws and decisions that shape their futures.

We are always politically neutral, but cannot remain silent while children remain disadvantaged. When we speak out, we do so based upon evidence and without political bias.

We listen to the experiences of children and families, the evidence from professionals and the expertise of our staff. This means our work with politicians and other decision-makers is founded on a robust analysis of what children need. Our Beyond the Building briefing series drew on our experiences as a major provider of children's centres to shape the emerging political debate about their future.

Where we believe it will help children more effectively, we work in partnership to campaign for change. As co-chair of the Alliance of Children in Care and Care Leavers, we are pressing the Government to improve the quality of care, with a renewed focus on children's wellbeing and mental health. In particular, we want the care system to assist recovery from abuse and neglect. More than 42,000 children in care in England have been abused or neglected,¹ and more than 17,000 have a diagnosable mental health disorder but are not receiving support.²

Some of the changes we made for children and young people in 2015/16:

Tax credits for families with children

As part of the End Child Poverty coalition, we called for child tax credits to be protected in the 2015 Autumn Budget. Proposals a few months earlier were expected to cost families an average of £1,300 a year from 2016.

These cuts to tax credits would have pushed around 200,000 children into poverty.³ The Chancellor eventually announced he was dropping the proposals.

Children's life chances start in the early years

At the moment, one in three children reach primary school not ready to learn.⁴ We made the case that improving children's development up to age five enhances their future health, education, earnings and relationships. The Prime Minister eventually announced plans for a Life Chances Strategy in 2016/17, which recognised the need for better support for parents. We will build on this and press for a commitment to increase the number of disadvantaged children ready for school, through improved development from birth to five.

Keeping income part of how we measure child poverty

Also working as part of the End Child Poverty Coalition, we were involved in the Money Matters campaign. It opposed plans to remove income from the way the Government measures child poverty. Our supporters were amazing. They tweeted, they wrote to their MPs, and they emailed members of the House of Lords. Politicians listened. The Government has now introduced a duty to publish annual statistics on household income and child poverty.

Improving young people's money skills

Our Fair Deal campaign made sure that, for the first time, the UK Financial Capability Strategy addresses the needs of disadvantaged young people, such as care leavers. The strategy maps out how governments, charities, regulators and business will help them manage money and handle periods of financial difficulty. **71,240 young people (16 and over) are 'vulnerable', based on the number of children in need, and could benefit from this strategy.**⁵

Thanks to Fair Deal, the Welsh Government is also now committed to helping the most vulnerable young people. Their new Financial Inclusion strategy recognises that youth workers are uniquely placed to offer direct support during teachable moments and through trusted relationships. It has also agreed to help care leavers when they need assistance and explore different ways to provide them with financial education.

Young people at greatest risk of financial exclusion

Children in care

93,434

Children in care
in the UK (2014/15).⁶



Young carers

290,369

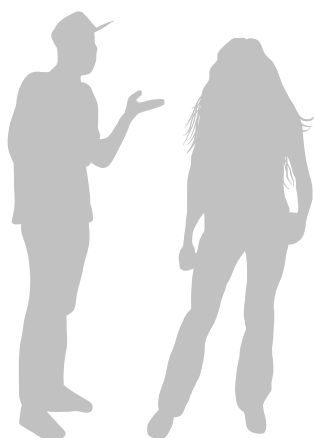
Young carers in the UK
aged 16 to 24.⁷



Homeless young people

25% of people accepted as
homeless in England are single
and under 24.⁸

29% of people accepted as
homeless in Scotland are single
and under 25.⁹



Young parents living in poverty

370,000

or 54% of young parents aged
19 to 24 live in poverty. 20,000
young parents aged under 19
live in poverty.¹⁰



Disabled young people

Around 11% of 16 to 24 year olds
have a long-term illness or disability
in the UK (2014) and 33% of disabled
14 to 24 year olds live in poverty.¹²

Children's Services Co-operation Bill, Northern Ireland

We successfully lobbied the Northern Ireland Assembly to pass the Children's Services Co-operation Bill, which places a statutory duty on government departments to co-operate in the planning, commissioning and delivery of children's services. **There are just under 24,000 children in need in Northern Ireland who should benefit from a more integrated response from professionals.**¹³

Tackling child neglect early

We have delivered the final stage of the Welsh Neglect Project, in partnership with NSPCC. It made recommendations for the Welsh Government and created tools to help local government and agencies understand and tackle neglect better in their areas. Other UK governments are already interested in the results.

As Co-Chairs of the National Multi Agency Child Neglect Group, we launched new policy guidance: 'Be Professionally Curious!' aims to support the police and other professionals in spotting signs of neglect early.

(See page 72 for references).

2016/17 STRATEGIC OBJECTIVES.

Our forward focus will continue to deliver against objectives set out in our 2014/17 business plan:

- **Improving costs and efficiency**
- **Improving income generation**
- **Improving processes**
- **Improving performance**

If 2015/16 was a tough year, 2016/17 will bring a whole new range of challenges as local authority budgets are reduced once again, whereas the level of local need shows no sign of decreasing.

Whilst we have successfully implemented our new strategy over the past year, we must continue to review our performance and identify opportunities to improve. Our priority is to focus our skills and resources on activities that keep children safe and make a permanent change in their lives for the better. With this in mind, we will be concentrating on three vital areas:

- 1. Improving our productivity in terms of expertise, people, money and time.** Working with existing resources, everything we do has to contribute to changing children's lives for the better. We need to squeeze every drop of impact out of all our activities – from the front-line to the back office. This means understanding customers better, involving children more, and prioritising high-impact activities.
- 2. Improving our ability to raise charitable donations.** We are stepping up our plans to develop additional income streams. This will cover our approach to voluntary charitable donations as well as pursuing commercial opportunities that are complimentary to, and entirely consistent with, our charitable purpose and core activity of delivering life-changing children's services.
- 3. Improving our engagement with staff and volunteers.** We will actively involve people as we evolve our strategy and develop our plans, so that we are all working towards one very clear objective – to permanently change the lives of disadvantaged children for the better. These plans will be set out to ensure we have absolute clarity around delivering tangible and measurable ways that demonstrate our impact.



DELIVERING A POSITIVE IMPACT.

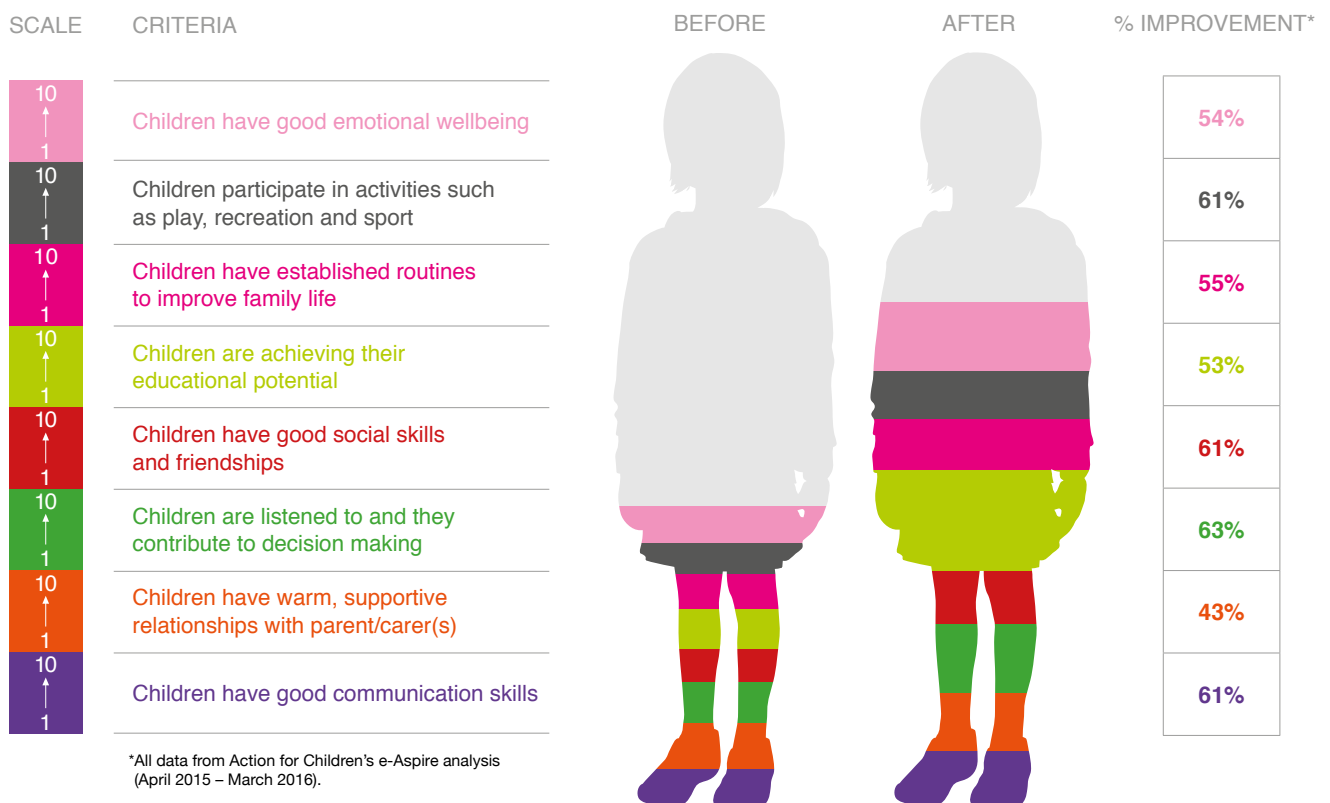
WHERE THERE IS AN URGENT NEED ► **WE PROVIDE THE APPROPRIATE SERVICE** ► **TO EFFECT A POSITIVE AND PERMANENT DIFFERENCE**

In 2015, we upgraded our unique e-Aspire system to enable front-line staff to report on just over 40,000 targeted cases more effectively and with greater transparency. Data reporting has been simplified to clearly illustrate where we started and the results achieved following intervention. Here is an example of the approach for emotional wellbeing.

"Demonstrating measurable impact that positively and permanently improves a disadvantaged child's life is at the heart of who we are and what we do."

**David Derbyshire, Action for Children
Director of Practice Improvement**

70% of all children improve their emotional wellbeing. On average we make a **54%** improvement when working with an individual child.*



GOVERNANCE, STRUCTURE AND MANAGEMENT.

Our Charitable Objectives.

The promotion of the upbringing and care of children and young people in need, from all backgrounds, cultures and faiths or none, in particular by:

- Promoting their health
- Promoting better care and safeguarding them
- Promoting their education and establishment in life
- Providing assistance to them, their families and carers

We are satisfied that the services we deliver meet our charitable objectives and the public benefit requirement as defined in section 17 of the Charities Act 2011.

The Board of Trustees.

The Action for Children Board of Trustees formally meets six times each year and is responsible for setting strategy and overseeing performance. The Board currently comprises 14 trustees who bring considerable experience and expertise from their business and professional activities. The Board reviews its own and the Chair's performance regularly.

The Board has delegated responsibility for specific areas of activity to a number of committees that regularly report to the Board. These committees have agreed terms of reference and include specialist co-opted members in addition to trustees. The Board has further delegated the day-to-day running of the organisation to the Chief Executive and the Executive Leadership Team. These delegations are detailed in Action for Children's Scheme of Delegation.

Trustees.

Trustees and committee members are appointed for the skills and experience that they bring to the organisation and we involve children from our services in their selection which aims to attract a wide range of suitable candidates. Once appointed for a three year term, trustees and committee members undertake an induction programme to ensure they understand their role as a trustee under charity law and as a director under company law.

Our close historic links with the Methodist Church are reflected in our constitution, which provides for the Church to nominate a trustee, and we value the knowledge, expertise and passion that Methodist representation brings to the charity.

Whilst trustees mainly concentrate on the overall running of the charity, they will often visit services, meet staff and see what is happening on the ground. This keeps them in touch with the excellent work being done.

All our trustees give their time voluntarily and receive no benefits from the charity. They do what they do because they identify strongly with the aims and objectives of the charity and they want to help make a difference.

Any expenses reclaimed from the charity are set out in our financial statements.

Committees.

Finance Committee: oversees all the financial aspects of the charity and advises the Board on the most appropriate financial strategy.

Operations Committee: oversees and monitors performance across the UK, with a particular emphasis on service delivery and new business acquisition.

Fundraising, Communications, Campaigns Committee: oversees the development of our voluntary income generation, communications, public policy and campaigns activity.

Audit Committee: ensures that we meet our statutory accounting obligations and maintain an effective system of internal control and risk management.

The three Nation Committees: oversee the delivery of our strategic objectives in Northern Ireland, Scotland and Wales through the provision of high-quality children's services; and the committees provide a strong connection to the different local areas within which we operate.

People Committee: oversees the strategic management of the people within the organisation.

Charity Investment Sub-group: advises the Finance Committee on investment strategy and planning, and makes recommendations regarding the appointment and performance of external investment managers.

Executive Leadership Team.

The Executive Leadership Team comprises the Chief Executive and his managing directors, who are responsible for the overall day-to-day management of the charity. They work in partnership with the Board of Trustees in supporting the development of strategy and managing the work of the charity.





Ethical framework.

At Action for Children, we have a very clear framework for helping us to consider any ethical issues that might arise when receiving donations, working with suppliers or partners, investing in funds, or appointing trustees, staff and ambassadors.

In addition to fully complying with legal and sector standards we will not work with any organisations:

- That compromise our values
- That conflict with principles and policies that undermine our services to children
- That undermine our commitment to safeguarding
- That undermine our commitment to diversity
- That operate in markets known to damage children and families
- That treat the environment in an unsustainable way
- Whose actions breach the UN rights of the child. Where organisations work in countries that do not subscribe to the UN rights of the child, our work with them will require them to honour that code in all such work.

Modern Slavery Act.

Action for Children has a zero-tolerance approach to modern slavery. We are committed to:

- Acting ethically and with integrity in all our business dealings and relationships.
- Implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business, or in any of our supply chains.
- Ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015.

We expect the same high standards from all our contractors, suppliers and other business partners and, as part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children. We expect that our suppliers hold their own suppliers to the same high standards.

In order to achieve this, Action for Children has:

- Prepared an anti-slavery and anti-human-trafficking policy and process, to be rolled out to all staff across our organisation, which implements reporting and prevention mechanisms.
- Prepared template clauses addressing this issue and ensuing prevention of breaches of the Modern Slavery Act by our suppliers. This is to be included in supplier contracts through our procurement process.

These will maintain our proactive approach to the prevention of slavery in the UK.

“THE TRAINING I RECEIVED FOR MY VOLUNTEER ROLE WAS FIRST CLASS. IT ENABLED ME TO DO WHAT I NEED TO DO CONFIDENTLY, AND IT SHOWS FROM THE FEEDBACK I RECEIVE FROM THOSE I HAVE HELPED.”

Volunteer survey 2016.

Volunteers.

We have 2,000 volunteers working with our staff throughout the UK. They give their time, energy and enthusiasm because they share our drive to support the thousands of babies, children, teenagers and young adults who are disadvantaged in the UK. Sometimes previous service users themselves, they play an important role in encouraging participation in our services, helping out at play sessions and often connecting with hard-to-reach families. In return they build new skills, gain added confidence and, in some cases, secure employment as a result.

In 2015/16 we commenced a major evaluation of how we attract, retain and support our volunteers – reviewing our policies and processes to establish best practice across the charity. We have also commenced a programme of further training improvements, to both enhance the appeal of volunteering for Action for Children and increase the effectiveness of our volunteers.

Fundraising.

Action for Children takes a very strong approach to ensuring our fundraising practices are fully compliant with all regulations and are carried out in an ethical way that does not offend or alienate public support. We do not cold-call members of the public and we have never sold our data to any other organisations or charities.

We are a member of the Institute of Fundraising and adhere to its Code of Conduct. We are also a member of the Fundraising Standards Board (FRSB) and the Public Fundraising Regulatory Association (PFRA) and adhere to all regulation and guidance issued by both bodies.

The review of regulation, begun in 2015, has created a new Fundraising Regulator. We are monitoring the evolution of this new body, which is not fully formed, and remain alert to new forms of regulation including the creation of a Fundraising Preference Service (FPS). We are engaged in dialogue with other charities and, through the NCVO, in shaping the form of the new preference service. We have a firm intention to ensure that our membership of any and all new regulatory bodies and adherence to any new or revised codes of conduct will be at the forefront of industry best practice.

We have fundraising policies that relate to each income stream and that guide how we work with our donors and partners. These are due for further review in 2016, once the new regulatory frameworks are clear. This will ensure that we continue adhering to best practice. Revised policies will be sent to our Fundraising, Communications and Campaigns Trustee Committee for endorsement.

We ensure that all of our suppliers and agencies are fully signed up to all the appropriate regulatory bodies, and we review all of their policies as part of our procurement due-diligence process. We are also actively engaged with and participate in the training that agency fundraisers undertake. Any complaints that we receive, including any that relate to vulnerable people, are raised with the agency immediately and can result in individual fundraisers being suspended, while concerns are investigated and further training implemented.

We produce a monthly report on complaints resulting from our fundraising that is sent to the FRSB who monitor the industry. An annual report is sent to the Audit Committee. In the last year we have had 42 complaints in total, some resulting from a dislike of the fundraising method and some from incorrect administration, for example, a donor's name or address being incorrectly recorded.

Reward policy.

In March 2016, the Board agreed a set of strategic reward objectives that will provide a framework within which to develop our reward policy and practice. Two of these strategic objectives are worthy of specific note:

- Action for Children has committed to being a living wage employer and implemented a living wage policy, with effect from November 2015, at £7.85 per hour. We are committed to achieving a living wage policy of £9 per hour by 2019 / 20.
- Our Chief Executive's salary will be no more than a multiple of 10 times the median full-time-equivalent salary within our lowest job level.

The project to design a fair, transparent and financially sustainable pay policy has started and will report its recommendations to the Board during 2016 / 17. A key element of this project will be to engage with employees, including our recognised trades unions and our new Employee Engagement Forums.

Pay for executive and senior positions is determined through benchmarking across the not-for-profit sector, and relevant labour market information and relativities within Action for Children. A copy of the full policy is available on request.

Equality and diversity.

Action for Children's four-year equality scheme was launched in November 2015 and sets five clear objectives for promoting equality and diversity and working inclusively for all staff and volunteers at every level of the organisation:

1. Every manager will ensure that we provide an inclusive working environment that respects and values the diversity of our employees.
2. We will improve the diversity of our workforce and strive towards the most senior levels within the organisation reflecting the broadest possible diversity.
3. By 2019, we will be recognised as the benchmark children's charity for equality and diversity, and an employer of choice for employees and volunteers within the sector.
4. Children, young people, parents and stakeholders will understand our commitment to equality and diversity and the benefits that working inclusively can bring.
5. We will pro-actively involve children and young people in the design and delivery of our work.

Our inclusion achievements include an award-winning LGBT staff network, Celebrate, and a recently established Christian Faith staff network. All members of staff are also invited to become inclusion champions and help raise awareness of equality, diversity and inclusion within their service or workplace.

MANAGEMENT OF RISK.

Management of risk.

The Board of Trustees is committed to ensuring that the long-term health of Action for Children is maintained through an effective risk management framework. Strategic decisions are consequently taken in the context of risk exposure arising from the charity's operations, and the resources available to manage this.

Our risk-management framework helps to ensure that we identify and manage key risks which could affect our ability to deliver our strategic objectives and achieve our charitable aims. This reduces uncertainty and allows the charity to be innovative and to manage change effectively.

Management of risk is embedded into our day-to-day business activities and we have well-established processes and policies to handle this. All employees have a role to play in reducing risk, through our internal control framework.

Accountability.

The Board of Trustees has overall responsibility for establishing an effective system of internal control, including processes for the identification and management of risk. This is independently reviewed through our assurance framework, which includes oversight by the Audit Committee and Internal Audit.

An internal audit of the risk management function was conducted in 2015 and this was awarded a 'moderate' assurance rating, meaning that appropriate procedures and controls are in place to mitigate the key risks. This review has led to further developments of the risk management framework, which have been endorsed by the Audit Committee.

Risks are recorded in a risk register and are assessed in terms of impact and likelihood, under one of the following classifications:

Strategic risks

These risks are overseen by the Board. In turn the Executive Leadership Team take direct responsibility for the risks, to ensure the level of risk is managed so as not to threaten delivery of the charity's strategic objectives.

Operational risks

These risks concern the day-to-day activity which must be managed in order for the charity to operate effectively and compliantly. They are managed across the wider organisation by the appropriate risk owner.

The following table summarises the primary risks currently facing the charity, why they are significant and the main mitigation strategies.

Principal risks and uncertainties.

From the strategic risk register.

Risk	Impact on the charity	Mitigation strategy
The charity may not achieve budgeted income levels; have insufficient margin to cover its operating costs, and fail to deliver value for money.	The charity will be less financially sustainable. The charity will have less resource to spend on services. There will be less ability to invest in the future.	A series of clear and focused programmes to address principal risks are underway to deliver the Strategic Plan “Unlocking the Potential” developed in 2015. A refreshed strategy will be approved in 2016, to mitigate the increasing pressures within the charity’s operating environment.
We may not maximise delivery of our mission.	We will reduce our capacity to increase support to children, young people and families.	The refreshed strategy will focus on enhancing the charity’s capability to deliver. Analytic tools have been developed to assess the reach, impact and outcomes of services enabling the charity to recommend evidence-based interventions.
Public trust in the charitable sector may continue to decline.	Reduced ability to raise income to support our work with children and families. Support for the charity is not optimised.	A new brand proposition has been agreed. Brand and communication strategies are now in development to set out the charity’s values and purpose.
The charity may not maintain a culture whereby everyone in the organisation is working with a sense of shared purpose towards the same goals.	The charity may not be able to achieve its objectives or deliver its operations effectively. The charity may not engage its workforce.	The “Human Resources and Business Enabling” Programme is agreed and underway and will deliver organisational development. An Engagement Strategy is in development. Employee Engagement Forums have been set up to increase consultation.
Our safeguarding processes fail.	A child may be harmed. The charity may suffer significant reputational damage and lose public support.	Strong and well-established safeguarding controls are in place and are subject to regular internal and external scrutiny.
Pension liabilities may increase and deficit contributions may become unsustainable.	Funds available for investment in charitable activities are reduced.	A long-term strategy and investment risk budget have been established specifically to manage the pension deficit and these are subject to regular review by the Pension Fund Trustee Board.

OUR FINANCES.

Financial review.

The most important measure of our financial performance is how well it has supported our work and services with children. Looking at both 2015/16 and our resilience to carry on in the future, we have continued to improve our financial performance, to achieve more for the vulnerable children we support. However, the key achievement of a small operational surplus for the second successive year was against a background of reducing income.

Economic conditions continue to be difficult and we have responded to that environment, continuing to improve our financial strength. There were good savings in the cost of delivering and supporting our services to enable us to continue and develop our work for vulnerable children and young people. We have targeted reserves to invest in fundraising, develop our brand and ensure our infrastructure is resilient in supporting and safely engaging with young people and staff.

The table on the right summarises the results reported in the statement of financial activities (SOFA).

We have highlighted in previous years the continuing pressure on local authorities' funds and consequent reduction in our income. That has continued to be the case in 2015/16. Funding was down for our Children's Centres and Family Support services, and particularly for Fostering services, part of Children in Care. By looking at effective ways of working, and controlling overheads, we were able to provide all our services to children and young people with lower support costs, helping achieve our operational surplus.

	2015/16	2014/15
	£m	£m
Income from donations and legacies	18.1	16.7
Investment income	0.9	0.8
Income from charitable activities	141.3	147.2
Total income	160.3	164.7
Expenditure on raising funds	(6.9)	(6.6)
Expenditure on charitable activities	(148.8)	(153.2)
Pension finance charge	(1.4)	(1.9)
Total expenditure	(157.1)	(161.7)
Net income for the year	3.2	3.0
Gain on disposal of fixed assets *1	0.5	8.1
(Loss)/gain on investment valuation *2	(0.4)	2.3
Actuarial gain/(loss) on pension liability	29.0	(7.4)
Net movements in funds	32.3	6.0

Notes:

*1 In the SOFA included in total income.

*2 In the SOFA included in net income.

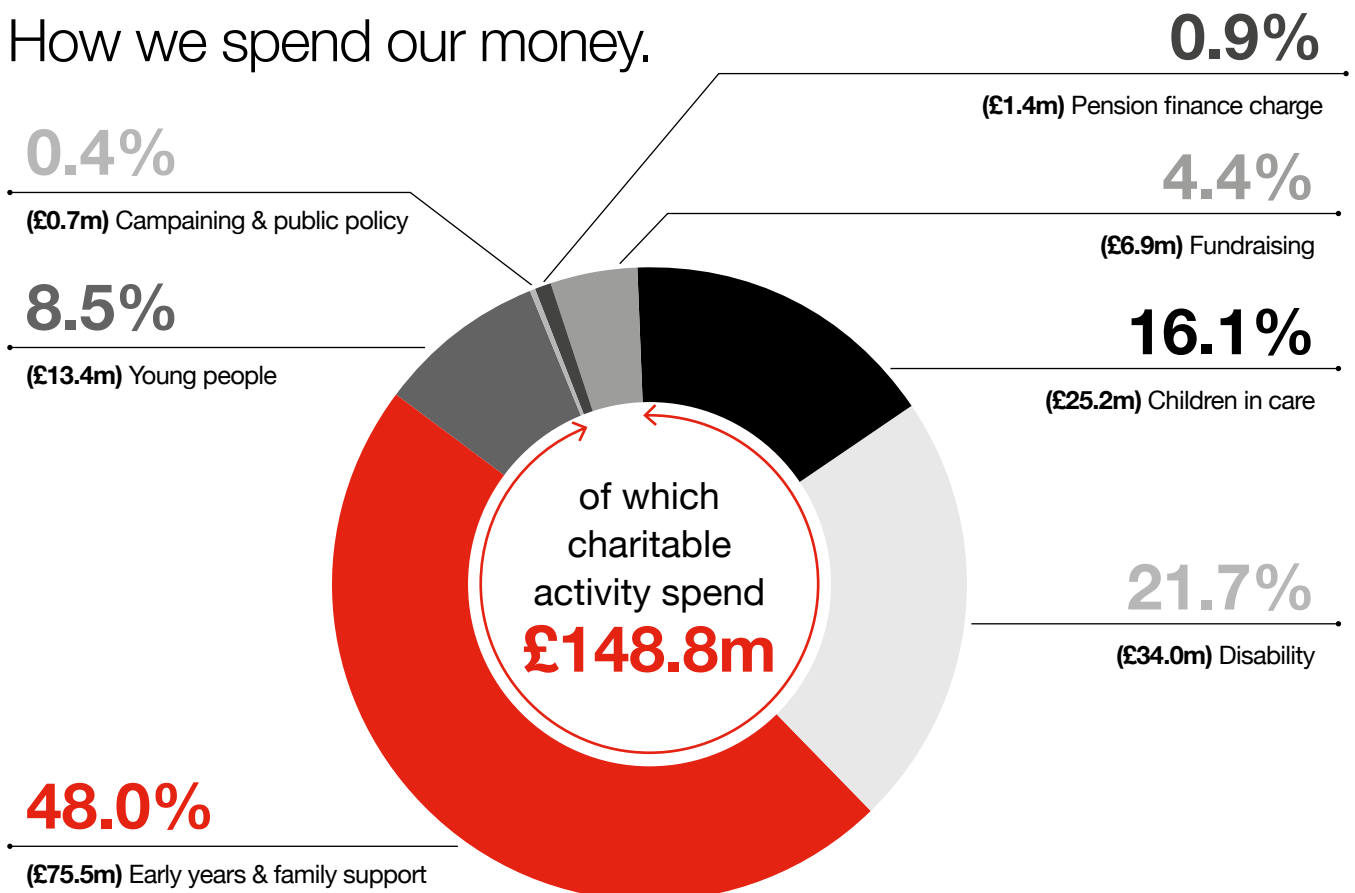
The amazing work of our supporters and volunteers helps provide the donations, gifts and legacies to support our work. 2015/16 was a good year for legacy income, up £1.6m to £5.5m, and income from donations and gifts kept at the level from the previous year.

To create the environment where voluntary income can

grow, to support our charitable activities, it was agreed to make investment in fundraising and brand awareness. That strategic investment started in December 2014, and has continued through 2015/16. However, the income takes time to come through, and as the investment shows in the cost of fundraising, the cost of raising donations has increased from last year.

Although there has been success in controlling overheads, investment is still needed in areas of our infrastructure. We have invested in information services, where our operating system was obsolete, but with the direction of ensuring wider and easier access for all our staff, particularly those working remotely with young people and families. The cost of this strategic investment has been financed from property sold when it was no longer needed. The investment will continue in 2016/17, utilising the funds in reserves, held as notice deposits in the balance sheet.

How we spend our money.



Financial review (continued).

Like many organisations that provide pension benefits to their staff, Action for Children has a historic pension deficit. The line in the SOFA for actuarial gain/(loss) on pension liability is very stark, with a huge change over the last two years, which shows how volatile the actuarial measure is. The £29m gain in 2015/16 is an accounting movement and does not provide the charity with additional funds. It reduces the pension liability, and whilst the balance sheet total increases, there is no benefit to the general fund of the charity. The section below covers this in more detail.

All companies, including charities, have had to adopt a new Financial Reporting Standard, FRS 102. The standard has been adopted by charities under a new Statement of Recommended Practice (SORP), which directs revised disclosure and layout. Where there has been a change in numbers and presentation, the comparative figures for 2014/15 have also been restated.

Pensions.

Pension funds are valued in different ways for different purposes. A triennial valuation is carried out to establish an appropriate funding level, and uses prescribed financial assumptions that are different from the assumptions that must be used for including pensions in the financial statements of the sponsoring employer. These accounting disclosure requirements are governed by the Financial Reporting Standard, FRS 102.

At 31 March 2016, on the ongoing valuation basis used for the triennial valuation, the deficit was £95m, a funding level of 84%. The FRS 102 position shown in these financial statements is a deficit of £13m, a funding level of 98%. The FRS 102 valuation has also fluctuated considerably year on year. The deficit at 31 March 2015 was £48m. The value of assets in the Pension Fund is consistent across whichever valuation is used; the variance is in the valuation of the pension benefit liabilities. The FRS valuation uses lower

inflation and higher interest/discount rate assumptions than the triennial valuation, and both of these differences lead to a lower calculation of pension liabilities.

Neither figure is right or wrong, but this disparity is not helpful in measuring and understanding the liability of the Pension Fund to Action for Children. However, it is the ongoing valuation basis, with a deficit of £95m that is used in agreeing contribution levels and the recovery plan with the Pension Fund. Although movements in the FRS 102 valuation show in the statement of financial activities and feed through to the balance sheet total, they do not change the level of the general fund. It is the general fund that is directly linked to the reserves policy and important in assessing the charity's ability to manage its future operations, including payment of the deficit contributions.

Whilst the settlement of pension liabilities is a very long-term process, with costs spread over many years, the funding level is volatile. Valuations are snapshots on one day and are sensitive to changes in financial market factors. The actuary provides a regular report on the funding position of the Pension Fund and this is closely monitored by the Pension Fund and charity.

We have continued to make the agreed pension recovery payments in accordance with the 20-year recovery plan agreed between the charity and the Pension Fund trustee directors in 2009, and are encouraged that despite market volatilities, we are ahead of the agreed recovery plan funding position. Supporting this has been the continued implementation of the agreed investment strategy which has resulted in a lower risk asset portfolio, but one which still retains a reasonable potential for growth.

Group financial statements.

In addition to the main charity, the group consolidated financial statements include two other charities that share common trustees and management.

The unincorporated trust National Children's Home (charity number 215301) continues to hold permanent endowments and receive legacies bequeathed to the old charity. This charity now only administers the permanent endowments of Action for Children and all income is given to Action for Children to spend in accordance with its objectives.

The Nicholas Galperin Trust (for charitable purposes) (charity number 210618) operates for the relief of young people under the age of 25 who are in need, hardship or distress. During the year, grants of £90,000 were made to Action for Children to support services.

Three wholly owned subsidiary companies, registered in England and Wales, support the work of the charity:

Action for Children Services Limited (company number 2332388) is a subsidiary for primary purpose trading in the provision of welfare and educational services. The company faces the same challenges as the charity, and with its services largely in early years & family support saw turnover fall in 2015/16, as reflected in the performance of the Action for Children group described in this annual report. The company made a profit of £2,444,000 in the year, which has been transferred to Action for Children under Gift Aid.

Action for Children Trading Limited (company number 3776025) is a subsidiary for fundraising and trading activities. Turnover was down for the year with the fluctuation of events and sponsorship arrangements. The company made a profit of £137,000 in the year, which has been transferred to Action for Children under Gift Aid.

Action for Children Developments Limited (company number 6842765), a company limited by guarantee, facilitates enterprise and property developments in support

of the charity's objectives. The company started trading during the year, initially at a modest level, and made a profit of £3,000, which has been transferred to Action for Children under Gift Aid.

A further three wholly owned subsidiary companies were incorporated during the year, to reflect the reach of Action for Children throughout the UK. In the immediate term it is not intended that they trade:

Action for Children (Northern Ireland) Ltd (company number NI638222) registered in Northern Ireland

Action for Children (Scotland) Ltd (company number SC526474) registered in Scotland

Action for Children (Wales) Ltd (company number 10011497) registered in England and Wales



Charity funds.

Trust and charity law requires that the funds of charities are presented in the following categories:

Restricted funds represent legacies, donations and other income that can only be used for particular purposes. Where these funds are held on trust to be retained for the benefit of the charity as a capital fund, they are classified as endowment funds. These funds provide scholarships and income for general purposes. At 31 March 2016, the endowment funds were £8.3m and the specific-purpose funds £4.7m.

Unrestricted, designated funds currently comprise the capital fund, which is the amount invested in tangible fixed assets used in the charity's operational work, net of financing. The amount of the designated funds was £30.1m at 31 March 2016.

The revaluation reserve is the amount by which investment market values exceed their historic cost. This is required by company law. This amounted to £10.3m at 31 March 2016.

The general fund comprises the remainder of the unrestricted funds necessary to fund the operations and provide protection against risks to the charity. The use of the general funds is determined by the reserves policy. The general fund amounted to £27.0m at 31 March 2016.

The pension reserve represents the difference between the fair values of pension assets and liabilities. This amounted to a deficit of £12.6m at 31 March 2016.

Reserves policy and forward financial forecast.

As a charity, Action for Children has limited ability to seek external funding, other than through the sources set out in the accounts. The charity's reserves therefore reflect the capital necessary to safely and consistently carry on its activities through periods of uncertainty.

The finance committee reviews annually the reserves policy and the level of general reserves, which are shown in the financial statements as the general fund and revaluation reserve. This review is approved by the Board. A risk-appraisal approach, applying likelihoods to a range of future costs, potential liabilities and risks is used to assess the amount of general reserves required in addition to the core requirement for working capital. This is linked to the latest business and financial plan. Risks include the loss of income from partner agencies and voluntary donations, and changes to pension costs. Reserves are also held to support the development of more services to children, young people and their families.

The trustees aim to ensure that the general reserves are sufficient to avoid any fluctuations threatening the financial stability of Action for Children, and to allow operations to be sustained while income and expenditure are rebalanced. Having regard to the charity's strategic plans, and economic and market conditions, the trustees judge that reserves between £25m and £35m are required.

The trustees believe that the charity has sufficient reserves on current projections to meet future requirements. During the last year general reserves decreased in line with planned investment, and at 31 March 2016 were £37.2m. The current business and financial plan sets out expenditure proposals to support Action for Children's vision and strategic objectives. As a result of these plans, reserves are projected to return to the £25m to £35m range.

The Action for Children financial plan and reserves policy take into account the requirement to meet Pension Fund contribution costs. The accounting disclosure required for pension liabilities is included in the balance sheet, detailed in note 6 to the financial statements and, on the prescribed basis of calculation, shows a liability of £12.6m. As noted on page 54 and earlier in this section, the actuarial deficit on an on-going basis is larger. However, as the Pension Fund valuation is based on a current estimate of long-term

liabilities over the remaining lives of members and, as the planned cash flow for the next five years has been allowed for, no further adjustment to the reserves policy for pension costs is considered appropriate or necessary.

The trustees have considered the financial plans for the budget year of 2016/17 and the following year, which cover a period of 12 months from the signing of these financial statements. The plans are built on a robust foundation of contract income, recognising the trend of reducing income, alongside a realistic net fundraising target, and continuing control of costs. Where there are any residual risks, there is the capacity to manage such exposures as may arise through flexing the cost base as well as planning, monitoring and managing cash flows accordingly. Although the general economic climate remains uncertain the trustees believe that the charity is well placed to continue its operations appropriately.

Elsewhere in this report we set out the charity's risk management approach as well as the key risks faced. In addition the pension deficit recovery plan is on line with the target funding level agreed with the Pension Fund trustees in 2009, despite the volatility of market changes since that date.

Taking all of the above into account, the trustees have a reasonable expectation that the charity has adequate resources to continue operating for the foreseeable future. Accordingly, they believe that the going concern basis remains the appropriate basis on which to prepare the annual report and financial statements.



Investments.

The larger part of the charity's investments are managed by the Central Finance Board (CFB) of the Methodist Church. The CFB has a social, environmental and ethical investment policy that is consistent with the aims, objectives and ethical policy of the charity. The ethical work of the CFB is based on a robust approach involving research, company meetings and networking over a wide range of issues. Its implementation involves exclusion of companies deemed inappropriate as investments, as well as constructive engagement with those where such a policy is felt likely to lead to positive change. The CFB produces original research on themes such as the environment, climate change and human rights. The CFB works closely with other church-based organisations in order to maximise the influence that such bodies have over the companies they invest in. The CFB's ethical investment policy precludes investment in companies whose principal purpose is involvement with alcohol, tobacco, pornography and armaments, or in companies that use child labour.

Action for Children's own ethical framework ensures there is a clear and consistent approach to all matters where we have some control and that impact on the wellbeing and life chances of children. This affects all areas of our work and actions including policy, fundraising and procurement. It also covers investments and supports the approach adopted by the CFB.

The CFB is signed up to and compliant with the Financial Reporting Council's UK Stewardship Code, and sets out on its website how it applies the principles of the Code.

Investments are principally held by Action for Children to provide the reserves it needs to manage future developments, risks and uncertainties. A key objective is to maintain an asset allocation model that matches the timing of potential liabilities within reserves to appropriate classes of investment assets. The investment policy and statement of investment principles is set in the light of this, and was reviewed and updated during the year. Investment decisions and performance are discussed and reviewed by a sub-group of the finance committee, which includes three expert members.

The CFB fund performance is measured against a benchmark relevant to the investments they manage. Performance for the year was 0.6% below the benchmark, with the main General Fund returning -2.4%. The performance was affected by a combination of the returns of individual CFB funds, and the asset allocation positions taken by the CFB. The Overseas Equities fund was behind the benchmark after a number of years strong performance. Performance is reviewed and discussed with the CFB by the charity's investment group on a regular basis, which also looks at external benchmarking. The independent ARC indices have comparable returns of -2.0% for 'Steady Growth' and -3.2% for 'Equity Risk'.

Stock markets generally fell during 2015/16, but the valuation gain on the charity's investment properties offset the fall, so the loss was limited to £0.4m for the year (2015 gain of £2.2m). Investment income was consistent year on year at £0.9m.

STATEMENT OF TRUSTEES' RESPONSIBILITIES.

The trustees (who are also directors of Action for Children for the purposes of company law) are responsible for preparing the Trustees' Annual Report (incorporating Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles set out in the Charities SORP (FRS 102)
- Make judgments and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the articles of association. The trustees are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- So far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Report (incorporating the Strategic Report) was approved and signed on behalf of the trustees on 14 July 2016.

John O'Brien
Chair

INDEPENDENT AUDITOR'S REPORT

to the members and trustees of Action for Children.

We have audited the financial statements of Action for Children for the year ended 31 March 2016 which comprise the consolidated and parent charitable company statements of financial activities (incorporating the income and expenditure account), the group and parent charitable company balance sheets, the consolidated and parent charitable company cash flow statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under 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 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 and its members and 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 Trustees' Responsibilities Statement set out on page 35, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (including the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- proper and adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Carol Rudge

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

London

14th July 2016

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



ACTION FOR CHILDREN FINANCIAL STATEMENTS.

for the year ended 31 March 2016.



Consolidated statement of financial activities.

(incorporating the income and expenditure account)

	Notes	Unrestricted funds	Restricted funds		Total funds 2016	Unrestricted funds	Restricted funds		Total funds 2015
			Specific purpose	Endowment			Specific purpose	Endowment	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments	3								
<i>Income from donations and legacies</i>		13,532	4,556	-	18,088	11,753	4,943	-	16,696
<i>Investment income</i>		816	77	-	893	765	68	-	833
<i>Income from charitable activities</i>									
Children in care		23,592	-	-	23,592	26,419	-	-	26,419
Disability		33,394	-	-	33,394	34,044	-	-	34,044
Early years & family support		72,095	515	-	72,610	73,995	537	-	74,532
Young people		11,167	607	-	11,774	11,771	335	-	12,106
Campaigning & public policy		1	-	-	1	65	-	-	65
		140,249	1,122	-	141,371	146,294	872	-	147,166
<i>Other income</i>									
Net gain on disposal of fixed assets		532	-	-	532	8,131	-	-	8,131
Total income and endowments		155,129	5,755	-	160,884	166,943	5,883	-	172,826
Expenditure	4,5								
<i>Expenditure on raising funds</i>									
Donations and legacies		6,822	37	-	6,859	6,556	-	-	6,556
Investment management costs		37	-	-	37	33	-	-	33
		6,859	37	-	6,896	6,589	-	-	6,589
<i>Expenditure on charitable activities</i>									
Children in care		25,192	41	-	25,233	26,495	40	-	26,535
Disability		33,852	205	-	34,057	33,781	435	-	34,216
Early years & family support		72,680	2,807	-	75,487	74,540	3,887	-	78,427
Young people		11,664	1,737	-	13,401	12,103	1,205	-	13,308
Campaigning & public policy		653	-	-	653	698	-	-	698
		144,041	4,790	-	148,831	147,617	5,567	-	153,184
<i>Other expenditure</i>									
Pension finance charge	6	1,417	-	-	1,417	1,895	-	-	1,895
Total Expenditure		152,317	4,827	-	157,144	156,101	5,567	-	161,668
Net (loss)/gain on investments	8	214	-	(636)	(422)	1,791	-	467	2,258
Net income for the year before transfers		3,026	928	(636)	3,318	12,633	316	467	13,416
Transfers between funds	14	83	(83)	-	-	(40)	40	-	-
Net income for the year before other recognised gains and losses		3,109	845	(636)	3,318	12,593	356	467	13,416
<i>Other recognised gains/(losses)</i>									
Actuarial gain/(loss) on pension liability	6	28,970	-	-	28,970	(7,360)	-	-	(7,360)
Net movement in funds		32,079	845	(636)	32,288	5,233	356	467	6,056
Funds brought forward	13	22,697	3,902	8,936	35,535	17,464	3,546	8,469	29,479
Funds carried forward	13,14	54,776	4,747	8,300	67,823	22,697	3,902	8,936	35,535

All activities derive from continuing operations. The surplus for the year, including realised and unrealised losses of £422,000, for Companies Act purposes was £3,954,000 (2015 surplus of £12,949,000, including realised and unrealised gains of £2,258,000).

Charity statement of financial activities.

(incorporating the income and expenditure account)

	Notes	Unrestricted funds	Restricted funds		Total funds 2016	Unrestricted funds	Restricted funds		Total funds 2015
			Specific purpose	Endowment			Specific purpose	Endowment	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments	3								
<i>Income from donations and legacies</i>		16,147	4,556	-	20,703	14,494	4,943	-	19,437
<i>Investment income</i>		597	-	-	597	575	-	-	575
<i>Income from charitable activities</i>									
Children in care		24,955	-	-	24,955	27,596	-	-	27,596
Disability		32,857	-	-	32,857	33,542	-	-	33,542
Early years & family support		69,368	515	-	69,883	71,697	537	-	72,234
Young people		10,714	607	-	11,321	10,972	335	-	11,307
Campaigning & public policy		1	-	-	1	65	-	-	65
		137,902	1,122	-	139,024	143,872	872	-	144,744
<i>Other income</i>									
Net gain on disposal of fixed assets		532	-	-	532	8,131	-	-	8,131
Total income and endowments		155,171	5,678	-	160,849	167,072	5,815	-	172,887
Expenditure	4,5								
<i>Expenditure on raising funds</i>									
Donations and legacies		6,809	37	-	6,846	6,560	-	-	6,560
Investment management costs		37	-	-	37	33	-	-	33
		6,846	37	-	6,883	6,593	-	-	6,593
<i>Expenditure on charitable activities</i>									
Children in care		25,190	41	-	25,231	26,148	40	-	26,188
Disability		33,841	205	-	34,046	33,858	435	-	34,293
Early years & family support		72,686	2,807	-	75,493	74,863	3,887	-	78,750
Young people		11,735	1,660	-	13,395	12,161	1,137	-	13,298
Campaigning & public policy		653	-	-	653	698	-	-	698
		144,105	4,713	-	148,818	147,728	5,499	-	153,227
<i>Other expenditure</i>									
Pension finance charge	6	1,417	-	-	1,417	1,895	-	-	1,895
Total Expenditure		152,368	4,750	-	157,118	156,216	5,499	-	161,715
Net gain on investments	8	229	-	-	229	1,778	-	-	1,778
Net income for the year before transfers		3,032	928	-	3,960	12,634	316	-	12,950
Transfers between funds	15	83	(83)	-	-	(40)	40	-	-
Net income for the year before other recognised gains and losses		3,115	845	-	3,960	12,594	356	-	12,950
Other recognised gains/(losses)									
Actuarial gain/(loss) on pension liability	6	28,970	-	-	28,970	(7,360)	-	-	(7,360)
Net movement in funds		32,085	845	-	32,930	5,234	356	-	5,590
Funds brought forward	13	22,464	3,902	-	26,366	17,230	3,546	-	20,776
Funds carried forward	13,15	54,549	4,747	-	59,296	22,464	3,902	-	26,366

All activities derive from continuing operations. The surplus for the year, including realised and unrealised gains of £229,000, for Companies Act purposes was £3,960,000 (2015 surplus of £12,950,000, including realised and unrealised gains of £1,778,000).

Balance sheet.

	Notes	Group		Charity	
		2016	2015	2016	2015
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	7	30,391	32,167	30,391	32,167
Investments	8	31,433	32,076	22,934	22,926
		61,824	64,243	53,325	55,093
Current assets					
Debtors	9	23,627	20,961	22,071	18,708
Notice deposits		16,287	23,905	16,282	23,904
Cash		319	425	-	-
		40,233	45,291	38,353	42,612
Creditors: amounts falling due within one year	10	(19,383)	(23,225)	(17,531)	(20,565)
Net current assets		20,850	22,066	20,822	22,047
Total assets less current liabilities		82,674	86,309	74,147	77,140
Provisions for liabilities	11	(2,275)	(2,331)	(2,275)	(2,331)
Net assets excluding pension liability		80,399	83,978	71,872	74,809
Pension liability	6	(12,576)	(48,443)	(12,576)	(48,443)
Net assets including pension liability		67,823	35,535	59,296	26,366
Funds					
<i>Restricted funds:</i>					
Endowments		8,300	8,936	-	-
Specific purpose		4,747	3,902	4,747	3,902
Total restricted funds		13,047	12,838	4,747	3,902
<i>Unrestricted funds:</i>					
Designated funds		30,112	31,652	30,112	31,652
General fund		26,976	28,463	26,749	28,230
Revaluation reserve		10,264	11,025	10,264	11,025
Total general fund and revaluation reserve		37,240	39,488	37,013	39,255
Pension reserve	6	(12,576)	(48,443)	(12,576)	(48,443)
Total unrestricted funds		54,776	22,697	54,549	22,464
Total funds	12-16	67,823	35,535	59,296	26,366

These accounts were approved by the Board on 14th July 2016 and signed on its behalf.

Cash flow statement.

Notes	Group		Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Net cash outflow from operating activities (below)	(8,454)	(1,761)	(8,741)	(251)
Cash flows from investing activities				
Interest received	3	101	85	105
Dividends received	3	659	379	344
Rental income from investment properties	3	133	133	126
Proceeds of sale of tangible fixed assets		915	915	11,331
Purchase of tangible fixed assets	7	(1,299)	(1,299)	(4,199)
Proceeds of sale of investments	8	1,809	1,809	1,708
Purchase of investments	8	(1,588)	(1,588)	(1,708)
Net cash provided by investing activities	730	7,977	434	7,707
Change in cash and cash equivalents in the year	(7,724)	6,216	(8,307)	7,456
Cash and cash equivalents at 1 April 2015	24,330	18,114	23,609	16,153
Cash and cash equivalents at 31 March 2016	16,606	24,330	15,302	23,609

Reconciliation of net expenditure to net cash outflow from operating activities.

Net income for the year (as per the statement of financial activities)		3,318	13,416	3,960	12,950
Adjustments for:					
Depreciation charges	7	2,692	2,790	2,692	2,790
Net losses/(gains) on investment assets	8	422	(2,258)	(229)	(1,778)
Investment income	3	(893)	(833)	(597)	(575)
Net gains on disposal of tangible fixed assets		(532)	(8,131)	(532)	(8,131)
Pension current service and administration cost	6	1,045	993	1,045	993
Pension finance charge	6	1,417	1,895	1,417	1,895
Pension employer contributions	6	(9,359)	(10,719)	(9,359)	(10,719)
(Increase) in debtors		(2,666)	(1,959)	(3,363)	(1,100)
(Decrease)/increase in creditors		(3,842)	3,095	(3,719)	3,474
(Decrease) in provision for liabilities	11	(56)	(50)	(56)	(50)
Net cash outflow from operating activities		(8,454)	(1,761)	(8,741)	(251)

Analysis of cash and cash equivalents.

	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Cash in hand	319	425	-	-
Bank overdraft	-	-	(980)	(295)
Notice deposits (less than 3 months)	16,287	23,905	16,282	23,904
Total cash and cash equivalents	16,606	24,330	15,302	23,609

NOTES TO THE FINANCIAL STATEMENTS.

1. Basis of preparation.

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the 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 Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

This is the first year in which the financial statements have been prepared under FRS 102. Changes to any financial results arising from the transition to FRS 102 are shown in note 13 to the financial statements.

All amounts are shown in pounds sterling.

Going concern

After reviewing the group's forecasts and projections through to 31 March 2018, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

2. Accounting policies.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102 SORP), Financial Reporting Standard 102 and the Companies Act 2006.

The particular accounting policies adopted by the Board are described below:

Basis of consolidation

The results of subsidiaries are consolidated on a line by line basis and acquisitions are included at fair value at the date acquired. The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its wholly owned subsidiaries, Action for Children Services Limited and Action for Children Trading Limited. Based on the nature of the trusts, which have Action for Children as the sole trustee and share management arrangements and common control with Action for Children, two associated charities, National Children's Home and Nicholas Galperin Trust are also treated as subsidiaries and consolidated in the group accounts.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income, there is a high degree of probability of receipt of the income and the amount can be quantified with reasonable accuracy. Entitlement, for legacies, is the earlier of the charity being notified of an impending distribution and the legacy being received.

Incoming resources from charitable activities, including capital grants, are included in the SOFA when they are receivable. The full amount of capital grants is taken to the SOFA when receivable. Where cash is received in respect of contractual work to be undertaken in the next financial year, if there is agreement from the funding body, this is treated as deferred income. Where such agreement has not been obtained it is included in other creditors.

Donations and gifts received at offices and projects during the year are recorded gross, or at estimated value, except that the sale proceeds from gifts donated for resale are included, at their sale price, when they are sold. All other incoming resources are reported gross of fees and expenditure whether raised by the charity or its agents, except for small fundraising events, not under the direct control of Action for Children, where funds are remitted and recorded net of direct expenses.

No amounts are included in the financial statements for services donated by volunteers.

Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing Action for Children to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and is classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they are allocated to activities on a basis consistent with the use of resources.

The costs of generating funds include fundraising and publicity costs, trading costs and investment management costs. Fundraising and publicity comprises the salaries of staff and other direct and indirect costs, which include appropriate allocations of central support costs.

Resources expended on charitable activities include the operating expenses of social work together with the costs of informing and educating the public about the work, and the costs of other supporting services, management and administration essential to the professional and competent execution of the work. Where arrangements exist for the delivery of work by partner organisations, the cost of this is included within the relevant activity. Where central services support both direct charitable work and fundraising, allocations of their costs are made on a head count basis which reflects the use made of those services.

Governance costs

Governance costs represent the salaries, direct expenditure and overhead costs incurred by the corporate resources department as well as internal and external audit costs. The corporate resources department is involved in the compliance with the constitutional and statutory requirements of operating a charitable company.

Significant accounting estimates and judgements: retirement benefits

Preparation of the financial statements requires management to make significant estimates and judgements in respect of retirement benefits.

Action for Children contributes to a variety of pension arrangements on behalf of staff. Most benefits are provided by the Action for Children Pension Fund, which has a number of sections, including defined benefit and defined contribution elements.

The costs of providing defined benefit pensions are treated in accordance with FRS102. The following elements are charged to the SOFA: the service cost of pension provision relating to the period, together with the costs of any benefits relating to past service (allocated to staff costs); the pension finance cost, which is a charge equal to the increase in the

present value of the pension fund's liabilities at the previous year end, less a credit equivalent to the pension fund's long-term expected return on assets; and the actuarial gain or loss on the pension fund's assets and liabilities (allocated to other recognised gains and losses). The difference between the market value of the assets of the pension fund and the present value of accrued pension liabilities is shown as an asset or liability on the balance sheet.

The pension fund assets are included at fair value, which for the investments held is taken as the bid price at the balance sheet date. Fair value for the pension fund liabilities is calculated by the actuary using the projected unit method, with actuarial assumptions based on market discount rates and price indices advised at the balance sheet date.

Pension costs for the defined contribution part of the Fund are charged to the accounts on an accruals basis in the period in which they occur.

Action for Children also contributes to the teachers', local government and NHS pension schemes in respect of a number of its employees. All such costs are included within the SOFA on an accruals basis as incurred.

Leases

Rentals under operating leases are charged to the SOFA over the term of the lease on a straight line basis.

Value Added Tax

As part of Action for Children's activities is classified as exempt or non-business activities for the purposes of VAT, Action for Children is unable to reclaim all the VAT that it suffers on its operating costs.

Expenditure in these financial statements is therefore shown inclusive of VAT paid and not reclaimable.

Funds

General funds are unrestricted funds which are available for use, at the discretion of the Board, in furtherance of the general objectives of the charity and which have not been designated for particular purposes.

The revaluation reserve comprises the difference between the historic cost of fixed asset investments and the revalued amount included in the balance sheet.

Designated funds comprise unrestricted funds that have been set aside by the Board for particular purposes. The aim and use of each designated fund are set out in the annual report of the Board and the notes to the financial statements. The Board periodically reviews the levels of designated funds to ensure that they are adequate to support the purposes for which they were set up, and any surplus or deficit is transferred to or from general funds.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, or which have been raised by the charity for particular purposes. The costs of administering such funds are charged against the specific fund.

Endowment funds represent those assets that must be held permanently by the charity, and are invested to produce income to meet expenditure, either as directed by the endowment or for general purposes.

Tangible fixed assets

Tangible assets are recorded at cost or, in cases where tangible assets have been donated to Action for Children or acquired through a merger, at open market valuation at the time of the donation or merger. Assets in the course of construction are transferred to the relevant category of asset and depreciated when practical completion is achieved. The threshold for capitalisation is £1,000.

Depreciation is charged on the following basis: In the case of freehold buildings the acquisition cost of buildings, together with any adaptation costs that add value to the property, is capitalised and depreciated over the estimated useful life of the property. No depreciation is provided on freehold land.

For the purposes of depreciation, 999 year leasehold buildings are treated as if they were freehold buildings. Capital expenditure on other leasehold buildings will normally be regarded as a depreciating cost and as such is written off over the estimated useful life (see below).

Other tangible assets are depreciated on a straight line basis over their useful lives which are estimated to be:

Assets in the course of construction	no depreciation
Freehold buildings	50 years
Leasehold buildings	10 years or lease period if shorter
Equipment	4 years
Computer software	4 years
Computer software (major)	5 years
Furniture and fittings	5 years
Motor vehicles	4-6 years

When the currently expected useful life of individual assets is considered to be less than these periods, shorter periods are used.

Where capital grants have been received from the Sure Start Unit to purchase or build properties, those properties are treated as fixed assets of the charity and depreciated in line with the policy set out above.

A provision has been set up to reflect the liability to transfer these properties to local authorities, or repay the capital grant, in line with the conditions of the Children Act 2004. Further details are included in notes 7 and 11.

Investments

Action for Children holds investments both in order to generate income for the support of charitable activities over a long-term period and to provide assets to meet the needs of reserves, identified in the reserves policy. Investments are stated at current market value on the balance sheet date unless there is evidence of a different fair value.

Investment properties are revalued at the end of each year on the basis of open market value. The valuations have been prepared by external firms of chartered surveyors.

Gains or losses arising during the year are disclosed in the consolidated statement of financial activities within other recognised gains and losses in the year and in note 8.

Cash equivalents

Cash equivalents are represented by cash balances held on a short term basis.

Debtors

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

Creditors and provisions

Creditors and provisions are recognised where the charity 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.

3. Income and endowments.

Incoming resources from charitable activities are analysed across the main activities of Action for Children on the face of the statement of financial activities. This income is mostly derived from work with local authorities, health trusts and central government sources, providing services to children, young people and their families.

Donations and legacies

	Group		Charity	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Donations	12,631	12,846	15,246	15,587
Legacies	5,457	3,850	5,457	3,850
	18,088	16,696	20,703	19,437

Specific purpose receipts included above are £4,304,000 for donations (2015: £4,858,000) and £252,000 for legacies (2015: £85,000).

Subsidiaries and associated charities

Action for Children Services Limited, Action for Children Trading Limited and Action for Children Developments Limited are wholly owned trading subsidiaries of Action for Children, the charity. They are engaged in delivering on behalf of the charity welfare and educational services, fundraising enterprise and development opportunities respectively. All profits are gift aided to the charity. National Children's Home (NCH), the unincorporated charity, and Nicholas Galperin Trust are associated charities that share common trustees and management.

A summary of the results for the year ended 31 March 2016 is given below:

	Trading subsidiaries			Associated charities		Total 2016	Total 2015
	Services	Trading	Develop- ments	NCH	Nicholas Galperin		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	30,658	154	4	-	-	30,816	31,889
Cost of sales	(28,216)	(11)	-	-	-	(28,227)	(29,046)
Gross profit	2,442	143	4	-	-	2,589	2,843
Charitable activities	-	-	-	(178)	(92)	(270)	(259)
Administration costs	(11)	(2)	(1)	-	(1)	(15)	(16)
Surplus/(deficit) on ordinary activities before investment income	2,431	141	3	(178)	(93)	2,304	2,568
Investment income	13	3	-	178	102	296	257
Net (losses)/gains on investment assets	-	-	-	(414)	(237)	(651)	479
Surplus/(deficit) on ordinary activities before Gift Aid	2,444	144	3	(414)	(228)	1,949	3,304

3. Income and endowments (continued).

The net assets of the subsidiaries and associated charities are set out below:

	Trading subsidiaries			Associated charities		Total 2016	Total 2015
	Services	Trading	Developments	NCH	Nicholas Galperin		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	-	-	-	5,403	3,096	8,499	9,150
Current assets	7,489	647	1	44	30	8,211	6,800
Creditors	(7,489)	(647)	(1)	(44)	(2)	(8,183)	(6,781)
Net assets	-	-	-	5,403	3,124	8,527	9,169

Investment and other income

	Group		Charity	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Unlisted equities	-	2	-	2
CFB funds - UK	558	489	278	242
CFB funds - Overseas	101	100	101	100
Interest income	101	116	85	105
Income from securities	760	707	464	449
Rental income from investment properties	133	126	133	126
	893	833	597	575

4. Expenditure.

Group	2016			2015		
	Direct costs	Support costs	Total	Direct costs	Support costs	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds						
Donations	6,420	267	6,687	6,159	291	6,450
Legacies	165	7	172	99	7	106
	6,585	274	6,859	6,258	298	6,556
Investment management costs	37	-	37	33	-	33
	6,622	274	6,896	6,291	298	6,589
Expenditure on charitable activities						
Children in care	23,802	1,431	25,233	25,092	1,443	26,535
Disability	29,650	4,407	34,057	30,160	4,056	34,216
Early years & family support	66,202	9,285	75,487	68,561	9,866	78,427
Young people	12,035	1,366	13,401	12,048	1,260	13,308
Campaigning & public policy	636	17	653	665	33	698
	132,325	16,506	148,831	136,526	16,658	153,184
Other expenditure						
Pension finance charge	1,417	-	1,417	1,895	-	1,895
Total expenditure	140,364	16,780	157,144	144,712	16,956	161,668

Charity	2016			2015		
	Direct costs	Support costs	Total	Direct costs	Support costs	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds						
Donations	6,410	264	6,674	6,163	290	6,453
Legacies	165	7	172	100	7	107
	6,575	271	6,846	6,263	297	6,560
Investment management costs	37	-	37	33	-	33
	6,612	271	6,883	6,296	297	6,593
Expenditure on charitable activities						
Children in care	23,801	1,430	25,231	24,746	1,442	26,188
Disability	29,642	4,404	34,046	30,241	4,052	34,293
Early years & family support	66,215	9,278	75,493	68,893	9,857	78,750
Young people	12,030	1,365	13,395	12,040	1,258	13,298
Campaigning & public policy	636	17	653	665	33	698
	132,324	16,494	148,818	136,585	16,642	153,227
Other expenditure						
Pension finance charge	1,417	-	1,417	1,895	-	1,895
Total expenditure	140,353	16,765	157,118	144,776	16,939	161,715

4. Expenditure (continued).

Support costs allocation

	Group		Charity	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Expenditure on raising funds				
Donations	267	291	264	290
Legacies	7	7	7	7
	274	298	271	297
Investment management costs	-	-	-	-
	274	298	271	297
Expenditure on charitable activities				
Children in care	1,431	1,443	1,430	1,442
Disability	4,407	4,056	4,404	4,052
Early years & family support	9,285	9,866	9,278	9,857
Young people	1,366	1,260	1,365	1,258
Campaigning & public policy	17	33	17	33
	16,506	16,658	16,494	16,642
Other expenditure				
Pension finance charge	-	-	-	-
Total support costs	16,780	16,956	16,765	16,939

Support costs comprise HR, training, strategy, premises, finance, IT and governance costs to the organisation. All support costs are allocated on the basis of the number of employees across the different activities. Support costs were previously allocated on the basis of either the number of employees or numbers of projects, departments or business units across the different activities but a review of these costs has concluded that the new allocation basis better reflects the actual cost of these activities. Some costs which were previously treated as support costs have also now been identified as being directly attributable to those activities. An additional activity of campaigning and public policy has also been identified with costs shown separately.

4. Expenditure (continued).

Trustee costs

9 trustees were reimbursed travel expenses totalling £8,000 (2015 9 recipients of £5,000). Trustees are not entitled to and did not receive any remuneration.

	2016 £'000	2015 £'000
Fees payable to the auditor of Action for Children		
In respect of the charity audit	103	82
In respect of subsidiary and associated trust audits	15	15
	118	97
In respect of audit-related assurance services for certificates for project partners	57	44
In respect of tax and other advice	60	23
	235	164
Value added tax		
As stated in the accounting policy, Action for Children is unable to reclaim all the value added tax which it suffers on its purchases of goods and services. During the year the cost of irrecoverable value added tax amounted to:	4,094	4,259
Rentals under operating leases		
Plant and machinery	16	25
Land and buildings	2,562	2,389
	2,578	2,414
Depreciation	2,692	2,790
Governance costs		
Wages, salaries and related costs	278	175
Internal and external audit fees	225	158
Legal fees	24	123
Other costs	150	43
	677	499

Governance costs are included within support costs.

5. Employees' emoluments.

Staff costs comprise:

	2016	2015
	£'000	£'000
Wages and salaries	86,005	88,399
Redundancy costs	638	732
Ex gratia costs	286	473
Temporary staff costs	7,541	7,396
Social security costs	6,917	7,124
Action for Children Pension Fund - defined benefit current service cost	220	157
Action for Children Pension Fund - defined contribution cost	3,377	3,483
Teachers', Local Government Pension Schemes and NHS Pension Fund contributions	843	820
	105,827	108,584

Redundancy costs represent amounts due to employees in accordance with UK legislation regarding redundancy payments. At 31 March 2016 the amount due but not paid was £213,000 (2015: £182,000).

Ex gratia payments represent amounts paid to employees when made redundant. Such payments are made at the discretion of senior management and are non contractual.

Other than the Action for Children Pension Fund, the charity participates in a number of defined benefit schemes, where the accounting treatment is as for defined contribution plans. The Teachers Pension Scheme and the NHS Pension Fund are unfunded schemes. Liabilities in addition to ongoing contributions potentially arise with redundancy or early retirement. But that is a risk controlled by the charity, and provision is made for the full liability if the occurrence arises. The charity also has admitted body status in various Local Government Pension Schemes (LGPS), which may potentially carry a risk to the charity. Action for Children ensures that potential risks outside its control are passed back to the relevant local authority in line with the Department for Communities and Local Government guidance dated December 2009, "*Admitted body status provisions in the Local Government Pension Scheme when services are transferred from a local authority or other scheme employer*", and the local authority retains the actuarial, mortality, inflation, regulatory changes, discount rate and investment return risks.

The average number of employees during the year was:

	2016	2015
	No.	No.
Fundraising	132	121
Charitable activities	4,807	4,979
Support services	204	263
	5,143	5,363
Number of full time equivalents at year end	3,088	3,478

5. Employees' emoluments (continued).

The number of staff whose emoluments fell within each of the following bands was:

	2016	2015
£60,001 to £70,000	26	25
£70,001 to £80,000	6	10
£80,001 to £90,000	6	7
£90,001 to £100,000	1	-
£110,001 to £120,000	2	1
£120,001 to £130,000	2	2
£150,001 to £160,000	1	1

Of the staff listed above, 40 were accruing benefits under the Action for Children Pension Fund defined contribution section (2015 42). The amount of contribution paid in respect of these staff to the scheme was £114,000 (2015 £211,000).

The total emoluments paid in 2015/16 and the current annual salaries of key management personnel are shown below. In the bandings above, where these staff are also included, the required definition of emoluments is total gross pay plus any benefits in kind. The analysis below also includes employer pension and national insurance contributions and termination payments.

As shown in note 4, trustees are not entitled to and do not receive any remuneration.

	Total emoluments 2015/16 ⁽ⁱⁱⁱ⁾	Current annual salary	Contribution to pension scheme
	£	£	%
Chief Executive Officer - Sir Tony Hawkhead	172,698	150,000	7%
Managing Director Operations - Jan Leightley	145,859	120,000	7%
Acting Managing Director Operations - Carol Iddon ⁽ⁱ⁾	61,634	105,000	5%
Managing Director Commercial and Shared Services - Charles Scott	142,956	121,700	5%
Managing Director Fundraising, Communications and Policy - Sherine Krause (to 30 June 2015) ⁽ⁱⁱ⁾	133,640	120,000	5%
Managing Director People and Organisation - Graham Charsley	141,647	120,000	7%

(i) Carol Iddon was appointed on an acting basis from another role within Action for Children, to cover for Jan Leightley during a period of illness absence. The total emoluments in the table above relate to the payments made since 28 September 2015.

(ii) A consultant, Sally Nicholls, was appointed as Interim Managing Director Fundraising, Communications and Policy from 3 August 2015 to 8 April 2016. She was paid £10,000 per month excluding VAT, and the cost to Action for Children for 2015/16 was £92,680.

(iii) The total cost of key management personnel for 2015/16 was £891,114.

6. Pensions.

Action for Children provides pension benefits mainly through the Action for Children Pension Fund. The assets of the Pension Fund are held in a separate trustee administered fund.

Current staff are members of the defined contribution section of the Pension Fund, into which new employees are auto-enrolled.

Until 30 April 2010 benefits were provided to employees through a number of defined benefit sections and a hybrid scheme combining career average revalued earnings and defined contribution arrangements. On 1 May 2010, following a review of benefits and consultation with members of the Pension Fund, staff of Action for Children and Unions, all sections of the Pension Fund were closed, with one exception, for both new and existing members. Staff who transfer to Action for Children under Fair Deal TUPE arrangements are eligible to join a defined benefit section of the Pension Fund comparable to the local government pension scheme. A new defined contribution section was created for all other staff.

The Pension Fund is subject to triennial valuations by an independent actuary. The last valuation as at 31 March 2015 showed a deficit of £94m, a funding level of 84%, comparing the market value of the assets of the Pension Fund to the estimated value of liabilities to members. In conjunction with the actuarial valuation a recovery plan and schedule of contributions was agreed with the trustees of the Pension Fund. The actuarial estimate is that the Pension Fund assets and liabilities will be balanced by 2029.

Action for Children is paying deficit contributions of £7.5m per annum. The previous recovery plan was accepted by the Pensions Regulator, and although there has been not yet been confirmation on the current plan, there are no elements that are expected to be challenged. The recovery plan is underpinned by a Memorandum of Understanding to regularly communicate and share information between the employer and the Pension Fund, and supported by a charge in favour of the Pension Fund over assets of £40m owned by Action for Children in the event of default. The Memorandum of Understanding includes agreement that up to 50% of the receipt from some property sales, less any investment in property, is paid to the Pension Fund.

Action for Children pays a 2% contribution for all active members into the defined benefit section to cover death in service and to meet the administration costs of the Pension Fund.

Contribution rates for the Fair Deal TUPE section range from 5.5% to 8.5% for the employee and are 20.7%, rising to 34.9% with the latest valuation, for the employer.

The total employer contribution to the defined benefits section of the Action for Children Pension Fund for the year was £9,359,000 (2015 £10,719,000).

Contributions for the defined contribution section are variable with the following matching rates:

Employee	3%	4%	5%	6%	7%	above 7%
Employer	5%	5%	5%	6%	7%	7%

Membership of the Pension Fund at 31 March 2016 was:

	2016	2015
Active members - defined benefit section	37	41
Active members - defined contribution section	2,830	2,693
	2,867	2,734
Deferred members	4,869	4,695
Pensioner members	2,321	2,232
	10,057	9,661

6. Pensions (continued).

Pension funds are valued in different ways for different purposes. The triennial valuation noted above is carried out to establish an appropriate funding level, and uses prescribed financial assumptions that are different from the assumptions that must be used under the Financial Reporting Standard, FRS 102 valuation detailed below, which is carried out for accounting disclosure purposes. The FRS 102 valuation uses lower inflation and higher interest/discount rate assumptions than the triennial valuation, and both of these differences lead to a lower calculation of pension liabilities.

At 31 March 2016, on the ongoing valuation basis used for the triennial valuation, the deficit was £95m, a funding level of 84%. The FRS 102 position shown below is a deficit of £13m, a funding level of 98%.

Neither figure is right or wrong, but this disparity is not helpful in measuring and understanding the liability of the Pension Fund to Action for Children. However, it is the ongoing valuation basis that is used in agreeing contribution levels and the recovery plan. Although movements in the FRS 102 valuation show in the statement of financial activities and feed through to the balance sheet total, they do not change the level of the general fund. It is the general fund that is directly linked to the reserves policy and important in assessing the charity's ability to manage its future operations. The deficit contributions are reflected in the charity's business plans and the assessment of the charity's reserves policy.

Whilst the settlement of pension liabilities is a very long-term process, with costs spread over many years, the funding level is volatile. Valuations are snapshots on one day and are sensitive to changes in financial market factors. The actuary provides a regular report on the funding position of the Pension Fund and this is closely monitored by the Pension Fund and charity.

FRS 102 valuation

These financial statements have been prepared in line with the requirements of FRS 102, which has replaced the accounting and reporting requirements of FRS 17. The comparative numbers have been restated in line with the revised requirements of FRS 102: The expected return on assets is set equal to the discount rate, whereas previously the rate allowed for an additional return in line with the actual assets held. The administration costs element of the current service cost charge to resources expended is now shown separately. The net gain or loss on transfers out of the Fund is now shown as an actuarial gain or loss rather than a charge to resources expended.

The FRS 102 valuation is only in respect of the defined benefit sections of the Action for Children Pension Fund and the following analysis only covers that element of the Pension Fund. The principal FRS 102 actuarial assumptions determined by financial markets and demographic conditions are shown below. A later table shows the sensitivity of the liability to these assumptions.

Financial assumptions

	2016	2015
Inflation - RPI	3.05% pa	3.05% pa
Inflation - CPI	2.05% pa	2.05% pa
Rate of increase in salaries	3.55% pa	3.55% pa
Rate of increase in pensions in payment	3.05% pa	3.05% pa
Rate of increase in deferred pensions	2.15% pa	2.15% pa
Discount rate	3.40% pa	3.20% pa

Demographic assumptions

	2016		2015	
Average life expectancy in years:	Males	Females	Males	Females
Member currently aged 60	87.0	89.8	88.1	90.7
Member currently aged 40, aged 60 in 2036	90.1	92.5	90.7	93.1

6. Pensions (continued).

Action for Children Pension Fund subscribes to ClubVita (a subsidiary of Hymans Robertson), which provides demographic and longevity analysis based on pooled experience from occupational pension schemes. The mortality assumption derived for the Fund is calculated with reference to key characteristics of each individual member within the Fund that are known to affect life expectancy. It considers and takes into account each members affluence, lifestyle, age, gender and retirement type. The future improvements in longevity are assumed to be in line with the core assumptions of the 2014 CMI model with a long term improvement rate of 1.5% pa for males and females.

Balance sheet position

	2016		2015	
	Value	Asset allocation	Value	Asset allocation
	£'000	%	£'000	%
Equities	133,837	27	111,192	22
Corporate debt	95,315	19	124,475	24
Liability driven investment fixed interest	94,529	19	48,625	10
Government fixed interest	81,568	16	114,044	22
Property	50,911	10	36,246	7
Diversified growth funds	42,507	8	56,395	11
Net current assets	4,491	1	17,814	4
Total fair value of assets	503,158	100	508,791	100
Actuarial value of liabilities	(515,734)		(557,234)	
Deficit recognised in the balance sheet	(12,576)		(48,443)	

Analysis of amounts charged to the statement of financial activities

	2016	2015
	£'000	£'000
Current service cost	(220)	(157)
Administration costs	(825)	(836)
Charged to total expenditure	(1,045)	(993)
Interest income on the Pension Fund assets	16,159	18,700
Interest cost on the Pension Fund liabilities	(17,576)	(20,595)
Pension finance charge	(1,417)	(1,895)
Actual return on assets excluding amounts included in net interest	(14,167)	57,264
Actuarial gain/(loss) on liabilities	43,137	(64,624)
Total recognised actuarial gain/(loss)	28,970	(7,360)

6. Pensions (continued).

Reconciliation of the fair value of the Pension Fund assets and liabilities

	Assets	Liabilities	Fund	Assets	Liabilities	Fund
	2016	2016	2016	2015	2015	2015
	£'000	£'000	£'000	£'000	£'000	£'000
Assets/(liabilities) at the start of the year	508,791	(557,234)	(48,443)	436,962	(485,876)	(48,914)
Interest income/(cost)	16,159	(17,576)	(1,417)	18,700	(20,595)	(1,895)
Current service cost	-	(220)	(220)	-	(157)	(157)
Administration costs	-	(825)	(825)	-	(836)	(836)
Contributions by members	41	(41)	-	44	(44)	-
Contributions by the employer	9,359	-	9,359	10,719	-	10,719
Actuarial gain/(loss)	(14,167)	43,137	28,970	57,264	(64,624)	(7,360)
Benefits and expenses paid	(17,025)	17,025	-	(14,898)	14,898	-
Assets/(liabilities) at the end of the year	503,158	(515,734)	(12,576)	508,791	(557,234)	(48,443)

The estimated Action for Children contributions to the defined benefit sections of the Pension Fund for the year to 31 March 2017 are £8,850,000.

Sensitivity of the Pension Fund liabilities

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

Assumption	Change in assumption	Impact on Pension Fund liabilities %	Impact on Pension Fund liabilities £m
Discount rate	+/- 0.1%	-/+ 2.0%	-/+ £10.0m
Rate of inflation	+/- 0.1%	+/- 1.6%	+/- £8.0m
Rate of salary growth	+/- 0.1%	+/- 0.2%	+/- £1.0m
Life expectancy	+/- 1 year	+/- 3.0%	+/- £15.0m

7. Tangible fixed assets.

Group and Charity	Assets in the course of construction	Freehold land and buildings	Leasehold buildings	Computers and equipment	Furniture and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2015	383	37,717	6,965	18,941	3,408	3,052	70,466
Additions	327	519	-	46	80	327	1,299
Transfers	(228)	477	(477)	228	-	-	-
Disposals	-	(657)	-	(840)	(19)	(570)	(2,086)
At 31 March 2016	482	38,056	6,488	18,375	3,469	2,809	69,679
Depreciation							
At 1 April 2015	-	12,387	5,299	15,317	3,321	1,975	38,299
Charges for year	-	503	373	1,318	50	448	2,692
Transfers	-	477	(477)	-	-	-	-
Disposals	-	(314)	-	(840)	(19)	(530)	(1,703)
At 31 March 2016	-	13,053	5,195	15,795	3,352	1,893	39,288
Net book value:							
At 31 March 2016	482	25,003	1,293	2,580	117	916	30,391
At 31 March 2015	383	25,330	1,666	3,624	87	1,077	32,167

Assets in the course of construction comprise incomplete building, major refurbishment and capital project work, and are not depreciated.

The cost of land, which is not depreciated, was £7,527,000 (2015 £7,512,000).

Freehold and leasehold buildings include properties funded by the Sure Start Unit with a net book value of £279,000 (2015 £515,000). To reflect changes introduced through the Children Act 2004, Action for Children is transferring these properties to local authorities. The assets will transfer out of Action for Children's ownership and balance sheet, matched by a release of the provision included in the balance sheet, referred to in note 11.

Of the total cost or valuation of leasehold buildings £1,359,000 (2015 £5,241,000) relates to leases due to expire within 50 years or less.

It is not considered that any assets have suffered permanent impairment to their value.

Capital commitments for contracts placed in respect of capital expenditure less amounts incurred to 31 March 2016 amounted to £nil (2015 £nil).

Commitments to operating lease payments were:

	Land and buildings	Plant and equipment	2016	2015
	£'000	£'000	£'000	£'000
Within one year	130	-	130	159
Between one and five years	1,075	-	1,075	1,813
After five years	8,525	-	8,525	9,316
	9,730	-	9,730	11,288

8. Investments.

Value at 31 March		Group		Charity	
		2016	2015	2016	2015
		£'000	£'000	£'000	£'000
Securities					
Units in funds managed by the Central Finance Board of the Methodist Church:	Action for Children share of funds				
CFB UK equity fund	1.7%	6,019	6,884	6,019	6,884
CFB overseas fund	3.8%	6,175	6,786	6,175	6,786
CFB gilt fund	1.0%	343	114	343	114
CFB corporate bond fund	0.5%	529	417	529	417
CFB short fixed interest fund	8.3%	1,039	601	1,039	601
CFB managed fund	17.7%	8,499	9,150	-	-
CFB inflation linked	1.0%	407	121	407	121
CFB deposit fund	0.4%	1,337	1,012	1,337	1,012
		24,348	25,085	15,849	15,935
Unlisted equities		5	5	5	5
		24,353	25,090	15,854	15,940
Investments in subsidiaries		-	-	-	-
		24,353	25,090	15,854	15,940
Investment properties		7,080	6,986	7,080	6,986
Total investments		31,433	32,076	22,934	22,926

All investments are held in the UK.

Investments are valued at current market value. Unlisted investments are valued at cost or, if donated to Action for Children, at valuation at the time of donation. Investments in subsidiaries are valued at the higher of cost and estimated value at the time of acquisition less any diminution in value. Investment properties are valued at the end of each year on the basis of open market value by external firms of chartered surveyors.

The historical cost or earliest known valuations of investments held at 31 March 2016 were:

Securities £17,449,000 (2015 £17,987,000)

Investment properties £192,000 (2015 £222,000)

Investment gains and losses

	Group		Charity	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Securities				
Market value at 1 April	25,090	23,061	15,940	14,379
Acquisitions during the year	1,588	1,708	1,588	1,708
Sale proceeds of disposals during the year	(990)	(1,720)	(990)	(1,708)
Net investment (losses)/gains in SOFA - realised	(26)	168	(26)	168
Net investment (losses)/gains in SOFA - unrealised	(1,309)	1,873	(658)	1,393
Market value at 31 March	24,353	25,090	15,854	15,940
Investment properties				
Market value at 1 April	6,986	6,769	6,986	6,769
Sale proceeds of disposals during the year	(819)	-	(819)	-
Net investment gains in SOFA - realised	224	-	224	-
Net investment gains in SOFA - unrealised	689	217	689	217
Market value at 31 March	7,080	6,986	7,080	6,986

8. Investments (continued).

Investments in subsidiaries

- (i) Action for Children Services Limited is a wholly owned company registered in England and Wales handling the primary purpose trading activities of Action for Children. The investment comprises shares at a cost of £100 (2015 £100).
- (ii) Action for Children Trading Limited is a wholly owned company registered in England and Wales handling fundraising trading activities of Action for Children. The investment comprises shares at a cost of £100 (2015 £100).
- (iii) Action for Children Developments Limited is a wholly owned company registered in England and Wales handling new developmental activities of Action for Children. It is limited by guarantee.
- (iv) Action for Children (Scotland) Limited is a wholly owned company registered in Scotland. The investment comprises one share at a cost of £1 (2015 £nil) and it has not traded.
- (v) Action for Children (Wales) Limited is a wholly owned company registered in England and Wales. The investment comprises one share at a cost of £1 (2015 £nil) and it has not traded.
- (vi) Action for Children (Northern Ireland) Limited is a wholly owned company registered in Northern Ireland. The investment comprises one share at a cost of £1 and was made after the balance sheet date. It has not traded.

9. Debtors.

	Group		Charity	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Amounts falling due after more than one year				
Other	74	98	-	-
Amounts falling due within one year				
Trade receivables	16,366	13,882	10,478	9,210
Prepayments	876	1,511	876	1,511
Accrued income	5,882	5,007	5,481	4,205
Amounts owed by subsidiary undertakings	-	-	4,632	3,096
Other	429	463	604	686
	23,553	20,863	22,071	18,708
	23,627	20,961	22,071	18,708

10. Creditors: amounts falling due within one year.

	Group		Charity	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank overdraft	-	-	980	295
Trade payables	3,056	4,114	3,055	4,112
Tax and Social Security	2,962	3,127	1,784	2,014
Other creditors	3,828	4,057	3,277	3,699
Accruals	5,069	6,157	5,054	6,144
Deferred income	4,468	5,770	3,381	4,301
	19,383	23,225	17,531	20,565

11. Provisions for liabilities.

Group and Charity	Fixed asset capital grants	Onerous leases	Lease dilapidations	Redundancies	Total
	£'000	£'000	£'000	£'000	£'000
At 1 April	515	882	606	328	2,331
Additional provision in the year	-	-	312	352	664
Provision utilised	(236)	(108)	(48)	(328)	(720)
At 31 March	279	774	870	352	2,275

Fixed asset capital grants of £279,000 represent the net book value of Sure Start properties that have been funded by capital grants (2015 £515,000). As also described in note 7, to reflect changes introduced through the Children Act 2004, Action for Children is transferring these properties to local authorities. These changes have resulted in the capital grant being shown as a liability. The balance is being depreciated and is released against the transfer of the properties and is not anticipated to incur any cash flow.

12. Analysis of group net assets between funds.

Fund balances at 31 March 2016 are represented by:	Restricted		Unrestricted			Group balance sheet total
	Endowment funds	Specific purpose funds	Designated funds	General fund and revaluation reserve	Pension reserve	
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	30,391	-	-	30,391
Investments	8,300	-	-	23,133	-	31,433
Debtors	43	-	-	23,584	-	23,627
Cash and short term deposits	-	4,747	-	11,859	-	16,606
Other liabilities and provisions	(43)	-	(279)	(21,336)	-	(21,658)
Pension liability	-	-	-	-	(12,576)	(12,576)
Total funds	8,300	4,747	30,112	37,240	(12,576)	67,823

Further analysis of the funds and movements during the year are given in note 14. The purposes of the main funds are noted below.

Endowment funds are monies received which must be retained as a capital fund for the benefit of the charity. The Annual Income fund provides income for general purposes. The Nicholas Galperin Trust operates for the relief of young persons under the age of 25 who are in need, hardship or distress. St Leonard's Convalescent Home Trust provides the advantages of a temporary home to children who require the benefit of sea air.

Specific purpose funds represent legacies, donations and other income that can only be used for particular purposes.

Designated funds are part of the charity's unrestricted funds that are earmarked by the trustees for a particular purpose and currently comprises the capital fund. The capital fund is the amount invested in fixed assets used in the charity's operational work, net of capital grants and associated financing. The transfers out of designated funds reflect the net amounts released to the general fund in the current year. For the capital fund this is principally depreciation, offset by new purchases, and the release of the provision for capital grants.

The revaluation reserve represents the difference between the historic costs of investment fixed assets and the revalued amount included in the balance sheet, excluding investments that are part of endowment funds.

The FRS 102 valuation detailed in note 6 gives rise to an asset or liability being recognised by the charity. The recognition of the pension asset or liability results in the creation of a pension reserve, as included above.

14. Group statement of fund movements.

	Note	Brought forward	Income	Expenditure	Transfers	Gains and losses	Carried forward
		£'000	£'000	£'000	£'000	£'000	£'000
Annual Income fund		2,537	-	-	-	(181)	2,356
Lincoln City & County Home		76	-	-	-	(5)	71
Nicholas Galperin Trust		3,119	-	-	-	(222)	2,897
Scholarship fund		368	-	-	-	(26)	342
Sheila Mildred Gage		13	-	-	-	(1)	12
Sidney Charles Salter		311	-	-	-	(22)	289
St Leonard's Convalescent Home		2,512	-	-	-	(179)	2,333
Endowment funds		8,936	-	-	-	(636)	8,300
Balfour Beatty (Play Equipment)		114	-	-	-	-	114
Bank of Scotland Foundation		-	10	(2)	-	-	8
Barclaycard		187	350	(261)	5	-	281
Barclays	16	227	-	(228)	1	-	-
Big Lottery Fund	16	348	1,526	(1,484)	11	-	401
Byte Nite Board		262	209	(182)	17	-	306
Chevron (Energy for Learning)		23	-	-	-	-	23
Dell (Inspire IT)		125	204	(208)	-	-	121
Fedex (Delivering Change)		115	37	(35)	-	-	117
Football Association		75	-	-	(50)	-	25
Fujitsu (Digital Case)		-	270	(10)	-	-	260
GAP (EP)		-	77	(45)	-	-	32
Go Play Foundation (Two of a Kind)		10	-	(13)	12	-	9
HBOS Foundation (Housing Matters)		24	-	-	-	-	24
Health & Social Care Board (Waterside Surestart)		-	515	(515)	-	-	-
Herbal Life (Healthy Lifestyles)		23	10	(6)	-	-	27
Home Sense		244	174	(61)	(1)	-	356
Inspiring Scotland (Roots of Empathy)		-	2	(2)	-	-	-
Legacies		-	252	(37)	85	-	300
Les Hutchison (Silverton Short Breaks)		23	32	(26)	-	-	29
Morrisons Foundation		-	50	-	-	-	50
My Action for Children		141	(3)	(27)	2	-	113
Nestle		25	-	(6)	-	-	19
Northern Ireland Housing Executive	16	-	607	(493)	-	-	114
Northern Rock Foundation		2	-	(1)	-	-	1
Stavros Niarchos Foundation (Wigan FIP)		32	55	(36)	-	-	51
St Leonard's Convalescent Home		-	77	(77)	-	-	-
STV (Hunter Young Carers)		22	-	(22)	-	-	-
Vodafone (Digital Voices)		6	-	(6)	-	-	-
Wolfson Foundation (Gilmerton Road)		-	50	20	(70)	-	-
Other projects under £50,000		1,874	1,251	(1,064)	(95)	-	1,966
Specific purpose funds		3,902	5,755	(4,827)	(83)	-	4,747

14. Group statement of fund movements (continued).

	Note	Brought forward	Income	Expenditure	Transfers	Gains and losses	Carried forward
		£'000	£'000	£'000	£'000	£'000	£'000
Capital fund		31,652	-	-	(1,540)	-	30,112
Designated funds		31,652	-	-	(1,540)	-	30,112
General fund		28,463	155,129	(159,214)	1,623	975	26,976
Revaluation reserve		11,025	-	-	-	(761)	10,264
General fund and revaluation reserve		39,488	155,129	(159,214)	1,623	214	37,240
Pension reserve	6	(48,443)	-	6,897	-	28,970	(12,576)
Total - unrestricted		22,697	155,129	(152,317)	83	29,184	54,776
Total funds		35,535	160,884	(157,144)	-	28,548	67,823

15. Charity statement of fund movements.

	Note	Brought forward	Income	Expenditure	Transfers	Gains and losses	Carried forward
		£'000	£'000	£'000	£'000	£'000	£'000
Balfour Beatty (Play Equipment)		114	-	-	-	-	114
Bank of Scotland Foundation		-	10	(2)	-	-	8
Barclaycard		187	350	(261)	5	-	281
Barclays	16	227	-	(228)	1	-	-
Big Lottery Fund	16	348	1,526	(1,484)	11	-	401
Byte Nite Board		262	209	(182)	17	-	306
Chevron (Energy for Learning)		23	-	-	-	-	23
Dell (Inspire IT)		125	204	(208)	-	-	121
Fedex (Delivering Change)		115	37	(35)	-	-	117
Football Association		75	-	-	(50)	-	25
Fujitsu (Digital Case)		-	270	(10)	-	-	260
GAP (EP)		-	77	(45)	-	-	32
Go Play Foundation (Two of a Kind)		10	-	(13)	12	-	9
HBOS Foundation (Housing Matters)		24	-	-	-	-	24
Health & Social Care Board (Waterside Surestart)		-	515	(515)	-	-	-
Herbal Life (Healthy Lifestyles)		23	10	(6)	-	-	27
Home Sense		244	174	(61)	(1)	-	356
Inspiring Scotland (Roots of Empathy)		-	2	(2)	-	-	-
Legacies		-	252	(37)	85	-	300
Les Hutchison (Silverton Short Breaks)		23	32	(26)	-	-	29
Morrisons Foundation		-	50	-	-	-	50
My Action for Children		141	(3)	(27)	2	-	113
Nestle		25	-	(6)	-	-	19
Northern Ireland Housing Executive	16	-	607	(493)	-	-	114
Northern Rock Foundation		2	-	(1)	-	-	1
Stavros Niarchos Foundation (Wigan FIP)		32	55	(36)	-	-	51
STV (Hunter Young Carers)		22	-	(22)	-	-	-
Vodafone (Digital Voices)		6	-	(6)	-	-	-
Wolfson Foundation (Gilmerton Road)		-	50	20	(70)	-	-
Other projects under £50,000		1,874	1,251	(1,064)	(95)	-	1,966
Specific purpose funds		3,902	5,678	(4,750)	(83)	-	4,747
Capital fund		31,652	-	-	(1,540)	-	30,112
Designated funds		31,652	-	-	(1,540)	-	30,112
General fund		28,230	155,171	(159,265)	1,623	990	26,749
Revaluation reserve		11,025	-	-	-	(761)	10,264
General fund and revaluation reserve		39,255	155,171	(159,265)	1,623	229	37,013
Pension reserve	6	(48,443)	-	6,897	-	28,970	(12,576)
Total - unrestricted		22,464	155,171	(152,368)	83	29,199	54,549
Total funds		26,366	160,849	(157,118)	-	29,199	59,296

16. Group and Charity statement of fund movements, further detail.

Funds received from the following trusts and organisations have been granted towards expenditure on the following projects:

	Brought forward	Incoming resources	Outgoing resources	Transfers	Carried forward
	£'000	£'000	£'000	£'000	£'000
Barclays					
2012-13	18	-	(20)	2	-
Braunstone Sure Start	1	-	(1)	-	-
Skills for Success	208	-	(207)	(1)	-
	227	-	(228)	1	-
Big Lottery Fund					
Denbighshire Bridge	21	146	(152)	-	15
Ebbw Fach	1	30	(32)	1	-
Family Support Volunteers	-	115	(114)	-	1
Functional Family Therapy	-	159	(157)	-	2
Gael og Digitalising Future Generations	-	6	-	-	6
Improving Family Futures Bridgend	77	205	(177)	-	105
Little Steps Big Steps	35	223	(230)	-	28
Monmouthshire Parent Network	9	35	(42)	-	2
Moray Care Farming	24	112	(67)	-	69
Roots of Empathy (England & Wales)	70	74	(91)	-	53
Scottish Border	-	53	(29)	-	24
Silverton Short Breaks (Awards For All)	-	-	2	-	2
Skills For Living (The Hub)	20	167	(190)	3	-
Uplands Outdoor Play Area	10	-	(9)	-	1
Upper Nithsdale Family Service	1	-	(1)	-	-
Young Adult Carers Voice	-	43	(50)	7	-
Young Fathers' Network (Clackmannanshire & Perth)	57	158	(145)	-	70
Young Fathers' Network (Devon)	23	-	-	-	23
	348	1,526	(1,484)	11	401
Northern Ireland Housing Executive					
Northern Ireland Regional Supported Lodgings	-	151	(37)	-	114
Rossorry Grove Supported Accommodation	-	125	(125)	-	-
Sperrin & Lakeland Floating Support	-	331	(331)	-	-
	-	607	(493)	-	114

17. Taxation.

Action for Children, as a charity, is exempt from taxation of income and gains falling within Section 478 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent they are applied to its charitable objects. No tax charge arises in any of the subsidiary entities included in the group accounts due to their policy of gifting all taxable profits to Action for Children each year. No deferred tax has been provided for subsidiaries as it is considered that they will be able to pay the appropriate gift aid when required.

18. Contingent liabilities.

Certain grants received in respect of property alterations and improvements and equipment attach conditions whereby amounts could be repayable in the event of the relevant property or equipment being sold or ceasing to be used for the stated purpose. At 31 March 2016 these grants amounted to £551,000 (2015 £551,000). This relates to property and equipment where the conditions of the grant continued to be fulfilled.

Action for Children has agreed a recovery plan with the Action for Children Pension Fund for clearing the pension fund deficit. To support the recovery plan, on 7 March 2011 a security agreement was signed creating a first legal charge to Action for Children Pension Fund of £32m over freehold properties and of £8m over CFB investment units. The charge becomes enforceable in the event of default, including Action for Children becoming insolvent, ceasing business or failing to pay contributions in line with the schedule of contributions or Pensions Regulator direction.

19. Related parties.

All transactions with subsidiaries, associated charities and trustees are disclosed in the financial statements. Further details can be found in notes 3, 4 and 9.



Legal and administrative details.

Our legal status.

Action for Children is a charitable company limited by guarantee and registered with the Charity Commission under registration number 1097940 and with the Office for the Scottish Charity Regulator under number SC038092. Our company number is 4764232.

Bankers

HSBC Bank plc

The Peak
333 Vauxhall Bridge Road
London SW1V 1EJ

External Auditors

Grant Thornton UK LLP

Grant Thornton House
Melton Street
London
NW1 2EP

Internal Auditors

BDO LLP

55 Baker Street
London
W1U 7EU

Investment Managers

Central Finance Board of the Methodist Church

9 Bonhill Street
London
EC2A 4PE

Registered Office

Action for Children

3 The Boulevard
Ascot Road
Watford
WD18 8AG

Telephone: 0300 123 2112

Principal Solicitors

Capsticks

1 St George's Rd
London
SW19 4DR

Blake Morgan

6 New St Square
London
EC4A 3AT

Douglas Jones Mercer

16 Axis Court Mallard Way
Swansea Vale
Swansea
SA7 0AJ

Cleaver Fulton Rankin

50 Bedford Street
Belfast
County Antrim
BT2 7FW

Edwards and Co

28 Hill Street,
Belfast,
BT1 2LA

Morton Fraser

145 St Vincent St,
Glasgow
G2 5JF

Burness Paull

120 Bothwell St,
Glasgow
G2 7JL

Officers and advisors.

Board.

Trustees

Chair

John O'Brien

Vice Chair

Heather Schroeder

Joe Barrell

Les Clifford

Richard Cryer (from 15 July 2015)

Helena Feltham (to 29 July 2015)

Helen Gallagher (from 26 January 2016)

Stanley Goudie CBE

Tracy Griffin (from 15 July 2015)

Catherine Guthrie

The Reverend John Howard

Keith Ingham (to 17 March 2016)

Dr Daleep Mukarji OBE (Methodist Church appointee)

Markus Ruetimann (from 15 July 2015)

Paul Snell CBE

Yvette Stanley (from 15 July 2015)

Executive Leadership Team

Chief Executive

Sir Tony Hawkhead

Managing Director Operations

Jan Leightley

Acting Managing Director Operations

Carol Iddon (from 28 September 2015)

Managing Director Commercial and Shared Services

Charles Scott

Interim Managing Director Fundraising, Communications and Policy

Sally Nichols (from 3 August 2015 to 8 April 2016)

Managing Director Fundraising, Communications and Policy

Sherine Krause (to 30 June 2015)

Managing Director People and Organisation

Graham Charsley

Principal committees of Action for Children.

Finance Committee

Les Clifford (Chair)
Richard Cryer
(from 16 September 2015)
Stephen Musgrave
John O'Brien
Christopher Sexton

Audit Committee

Paul Snell (Chair)
Stanley Goudie CBE
Alan Pateman-Jones
Markus Ruetimann
(from 16 September 2015)

Fundraising, Communications and Campaigns Committee

Joe Barrell (Chair)
Tracy Griffin (from 16 September 2015)
Flora Martin
Kerry Mosconi
John O'Brien
Fiona Thorne

Operations Committee

Heather Schroeder (Chair)
Stanley Goudie CBE
Robert Green CBE
Catherine Guthrie
The Reverend John Howard
Keith Ingham (to 17 March 2016)
Dr Daleep Mukarji OBE
(to 16 September 2015)
John O'Brien
Yvette Stanley
(from 16 September 2015)

Northern Ireland Committee

Stanley Goudie CBE (Chair)
Brian Dorman
Patricia Gordon
The Reverend Samuel McGuffin
John O'Brien

Scotland Committee

Catherine Guthrie (Chair)
Shona Cotterill
Peter Mills (from 5 November 2015)
John O'Brien
Paul Renz
Lesleyann Russell
Mary Smith

Wales Committee

Paul Bulpin
Keith Ingham (Chair to 17 March 2016)
Freda Lewis (from 5 November 2015)
Debbie Morgan
John O'Brien
Derek Walker (to 18 June 2015)
Mary Williams
Iona Wyn (from 17 March 2016)

Remuneration Committee

(Activities taken on by People Committee)

John O'Brien
(Chair to 16 September 2015)
Les Clifford (to 16 September 2015)
Helena Feltham
(to 16 September 2015)
Heather Schroeder
(to 16 September 2015)

Nominations Committee

(Activities taken on by People Committee)

John O'Brien
(Chair to 16 September 2015)
Heather Schroeder
(to 16 September 2015)

People Committee

Daleep Mukarji
(Chair from 16 September 2015)
Sharon Cunningham
(from 17 March 2016)
Helena Feltham
(from 16 September 2015 to 9 March 2016)
Helen Gallagher
(from 26 January 2016)
Jo Larbie (from 17 March 2016)
Heather Schroeder
(from 16 September 2015)

Charity Investment Sub-group

Christopher Sexton (Chair)
Peter Davies
Pryesh Emrith

THANKS TO YOU.

We are immensely grateful to everyone who has supported the charity and taken action for children over the past year. Every pound given really does help us to reach out and help children who need us the most.

Your commitment and energy have made a real difference. Unfortunately, we cannot list everyone but our thanks go out to all, and to the following supporters:

Our Patron

Her Majesty The Queen

Lord McConnell
of Glenscorrodale
Sir Trevor McDonald OBE

Our Ambassadors

Jenny Agutter OBE
Baroness Armstrong
of Hill Top OBE
James Bennet MBE
Bill Bottrill
Michael Buerk
Gordon Bullock
Lavinia Carey OBE
Ken Deeks MBE
Gordon Edington CBE
Richard Farleigh
Shirley Anne Field
Jessica Hynes
Diane Keen
Martha Kearney
Emily Maitlis

Matthew Lewis
Dermot Murnaghan
Lynda Myles-Till MBE
Mary Nightingale
Fay Presto
Angela Rippon OBE
Lady Henrietta St. George
Nerys Hughes
Neville Shulman CBE
Alastair Stewart OBE
Sister Eluned Williams MBE
Diane Louise Jordan
Sian Lloyd
Paul Renney
Kevin Whatley
Baroness Richardson
of Calow OBE

Our Supporters

Aberdeen Asset
Management
The Alice Ellen Cooper
Dean Charitable Foundation
R H Amar & Co Limited
Richard Armitage
Balgay Children's Society
Catherine Balmond
Bank of Scotland
Foundation
Barclays
BBC Children in Need
BGC Group
Sir Michael Bibby
Big Lottery Fund
Rosaleen Blair
Helen Boaden
Board Intelligence
Briar Hall
Brite Dental
Kim Buckland MBE
Byte Night 2015 Boards
(National Chairs: James
Bennet MBE, Ken Deeks
MBE. Regional Chairs:
Alastair Brown, Huw Brown,
Dr Alistair Forbes, Mike
Gibbons, Paul Hanna, Sally
Hanson, Rhona Hutchon,
Charles le Strange Meakin,
Andrew McManus, Jenny
Mairs, Jennifer O'Connell,

Damian Pettit, Mike Rebeiro,
Richard Redman, David
Roots, and all the 2015 Byte
Night Vice Chairs, Board
Members and sleepers)
Caterpillar Foundation
Cawston Press
CEO Sleepout 2016
Committee: (Chair: Mike
Tobin OBE, Members:
Manny Pinon, Nia Williams,
and all the 2016 CEO
Sleepout sleepers)
Chapman Charitable Trust
Cheshire Community
Foundation
Children's Aid Committee
Childwick Trust
The Clickety Chicks
Committee
Marisa Clifford
Co-operative (Newhouse
Composite Distribution
Centre)
Copeland Community Fund
Dell Corporation Limited
The Derby Support Group
DHL Corporation
Brigitte Dowsett
The Dundee Appeal
Committee
ELB Securities
Epsom Methodist Church
Book Fair Committee

FedEx	The Isabella Memorial Trust	Recycling Solutions Ltd, Middleton	Valero Energy Ltd
Sir John Fisher Foundation	The Joester Loria Group	Anne Richards CBE	Lyn Walley
Forteviot Charitable Trust	Anton Jurgens Charitable Trust	Rocket Licensing Limited	Tim Watts
Foster Wood Foundation	Jenny Knott	Sainsbury's, Swansea	Wider Plan
Hugh Fraser Foundation	The Lakes Appeal Committee, Windermere	Salem Methodist Church, Nelson, Caerphilly	Willmott Dixon Group Limited
Friends of Stepping Stones	Lloyds TSB Foundation For Scotland	Saunderson House	Nick Winder
Fujitsu	London and Quadrant Housing Trust	Schuh Trust	Wolfson Foundation
Gannochy Trust	The Loughton Support Group	ShareGift	The Woman of Influence Board
Gap Inc.	Morgan Stanley	Spifox	The World of Eric Carle
Gatwick Airport Community Trust	Nestlé UK	The Sports Dinner Committee	The Worthing Support Group
The Gleneagles Golf Day Committee	Never Mind the Business Committees; Glasgow, Belfast and Aberdeen	The Spring Ladies Lunch 2016 Committee (Members: Elizabeth Hammond, Vanessa Hoddle, Lynda Myles Till MBE, Ciara Stewart, Elizabeth Thompson, Jo Tye)	The Yes Chef Committee
Daisy Goodwin (Chair: Women Taking Action)	Northwood Charitable Trust	The Stavros Niarchos Foundation	Youth and Philanthropy Initiative
Green Hall Foundation	Norton Rose Fulbright	Lady Henrietta St George	Thank you to everyone who has participated in or organised the many challenges, events and activities around the UK raising valuable funds by generally having fun.
Guidant Group	Notting Hill Methodist Church	Strangward Charitable Trust	We were founded by Thomas Bowman Stephenson over 146 years ago and continue to extend our thanks and appreciation for the commitment and support we receive from our many supporters in the Methodist Church throughout the UK.
Peter Harrison Foundation	Paternoster Square Management	STV Children's Appeal	
Charles Hayward Foundation	PG Paper	Terra Firma	
Herbalife and the Herbalife Family Foundation	Pilkington Charities Fund	Turner & Townsend	
HomeSense	Pines and Needles	Ultimate News Quiz 2016 Committee (Chairs: Baroness Anne Jenkin, Martha Kearney and Chris Shaw, and all the 2016 Committee Members)	
The Horsham Support Group	Dr Christine and Mr Alan Piper	Madhavi Vadhera	
Howat Foundation	Porcelanosa		
Thomas Howell's Education Fund	Puffin Books		
Neil Humphries and The Big Match Volunteer Committee	Michelle Quest		
Les and Virginia Hutchison			
Ingram Micro			

FIND OUT MORE AND GET INVOLVED.

Visit our website.

To find out more about the work we do across the UK, and how you can support us visit actionforchildren.org.uk

Ask us questions or tell us what you think.

If you have a question or a comment about our work, get in touch. Call our supporter services team on 0300 123 2112

Or you can find us on Twitter or Facebook:



[actnforchildren](https://twitter.com/actionforchildren)



[actionforchildren](https://www.facebook.com/actionforchildren)



[actionforchildrenUK](https://www.youtube.com/actionforchildrenUK)

How you can help.

There are many different ways individuals can get involved with fundraising or volunteering. We're also always on the lookout for corporate partners and companies to sponsor events. Just visit our website to find out more.

actionforchildren.org.uk/get-involved

Legacies go a long way to ensuring we can maintain the level of services we offer across the UK. If you can find room in your will for Action for Children, your legacy will live on in the life of a vulnerable child for years to come.

actionforchildren.org.uk/legacy

Make a donation.

Regular donations help us reach out to more children who urgently need our support. You really can help children achieve their potential.

actionforchildren.org.uk/donate

Action for Children
3 The Boulevard
Ascot Road
Watford
WD18 8AG

0300 123 2112

Endnotes for pages 16 and 17:

1. *Statistical First Release 34*, Department for Education (October 2015).
2. *Achieving emotional wellbeing for looked after children: a whole system approach*, NSPCC Impact and Evidence series (2015).
3. *A poverty of information*, Resolution Foundation (October 2015).
4. *Early Years Foundation Stage Profile 2015*, Department for Education (2015).
5. *Characteristics of Children in Need: 2014 to 2015*, Department for Education.
6. Statistical returns from England, Wales, Northern Ireland and Scotland (2015).
7. *Young Adult Carers in the UK: Experiences, Needs and Services for Carers aged 16-24*, Princess Royal Trust for Carers (2008).
8. *Homeless households in priority need accepted by local authorities, by age of applicant, Table 781*, Department for Communities & Local Government (2014).
9. *Homelessness in Scotland 2014: getting behind the statistics*, Shelter Scotland (2015).
10. *Poverty among young people in the UK*, New Policy Institute (2015).
11. *Measuring National Well-being: Young People's Well-being*, Office of National Statistics (2014).
12. *Poverty among young people in the UK*, New Policy Institute (2015).
13. *Children's Social Care Statistics for Northern Ireland 2014/15*, Department of Health, Social Services & Public Safety.



Action for Children

3 The Boulevard
Ascot Road
Watford
WD18 8AG

 **actnforchildren**

 **actionforchildren**

 **actionforchildrenUK**

actionforchildren.org.uk

Action for Children registered charity nos. 1097940/SC038092
Company no. 4764232. Produced by Action for Children 06/2016 15/16 0481

