

*Action for
Children*

Finding the way through

**Action for Children
Annual Report 2021/22**

There for Natalia in an

emergency

Natalia is one of the 30% of working parents on Universal Credit who told us she skips meals to make ends meet. Natalia lives with her one-year-old daughter, Chloe, in Norfolk. Chloe is a happy toddler, unaware of the sacrifices her mum makes each day to keep her warm and fed. Natalia and Chloe moved out after Natalia's relationship with Chloe's father ended in March 2020. Action for Children helped them find emergency accommodation.

After several months, Natalia's support worker, Kirsty, helped them find a permanent home. They furnished it with white goods and furniture thanks to a grant from Action for Children's Emergency Fund. With maternity pay from her job reduced and moving in costs racking up, Natalia soon found herself struggling to afford the basic essentials.

"Living on so little makes budgeting really difficult. I'm still using a food bank every week to make sure Chloe has enough to eat. I often go without food to make sure she has enough. During the winter I only turned on the heating in the living room and wrapped Chloe and me up in more clothes."

Kirsty supported Natalia and showed her what she's entitled to, such as free childcare. **"She showed me how to apply and helped me follow up with the right people,"** said Natalia.

Every day, we're dedicated to doing all we can to ensure children are warm, safe and fed. Unfortunately, so many families like Natalia's are struggling to afford even the basics. That's why we need everyone to take action for children.

Natalia and Chloe

.....

All the stories about children, young people and their families in this report are real. However, some of the images or names may have been changed to protect people's identities.

Safe and happy childhood



Action for Children protects and supports children and young people, providing practical and emotional care and support, ensuring their voices are heard, and campaigning to bring lasting improvements to their lives.

Contents

4	Welcome from Sarika	33	Governance
5	Hello from Melanie	36	Looking after the environment
6	About Action for Children	37	Trustees' duties
7	The services we're delivering	40	Managing risk in challenging times
8	Strategic report	43	Finances
9	We said, we did	50	Independent auditor's report
12	Best start in life	54	Financial statements
14	Safe and stable homes	81	Legal and administration details
17	Mental health and a chance to thrive	83	Our thanks
19	Safeguarding	86	Get involved
21	Influencing policy and campaigning for children		
24	Fundraising and raising awareness		
29	Our amazing people		
31	Our new strategy		

We'll do whatever it takes

to keep children safe and happy

As we emerge from the shadow of the pandemic, we are learning to live with Covid. Action for Children has tackled many challenges over the last two years, and the external environment continues to change rapidly. As we move forward we'll continue to listen and respond to the changing needs of the children, young people and families we support.

We want to build on our historic foundations and plan for the future. Our new strategy sets out our roadmap to 2025. This ambitious plan balances growth in a number of areas alongside long-term financial sustainability. The strategy concentrates on four core pillars – family support, children in care, disabled children, and mental health and wellbeing – with seven goals to help deliver them. The aim is clear – to help more vulnerable children at a time when many more children and their families are under increasing pressure.

Our staff and volunteers at our services support children and families every day, but we want to do more. In the coming year, an Independent Review of Children's Social Care will report its findings for Northern Ireland, and the government in Westminster will be taking forward the findings of Josh MacAlister's recent review in England. Meanwhile, the Scottish government will continue to implement 'The Promise', resulting from Scotland's Independent Care Review

which was published in February 2020. We will continue to use the expertise from our services and policy activity to influence this important work.

This work will be against a backdrop of living standards falling to historic lows and an unprecedented cost of living crisis fuelled by soaring inflation and years of real terms cuts to benefits that are supposed to meet basic living needs. I'm proud that our services have helped over 26,000 children and their families with crisis grants since the start of the pandemic – and that we have used the findings from this work to call for better targeted help for children. We will continue to be a passionate voice to change the lives of vulnerable children.

Action for Children is like a family and one of our biggest strengths is our colleagues. We want to be the employer of choice with a diverse and committed workforce. We have made huge progress in the last 12 months in our aim to become an actively anti-racist organisation, and our diversity and inclusion strategy remains a priority.

Welcome from Sarika
Welcome



The working environment is evolving, bringing with it challenges in recruitment and retention. This means having a fantastic working culture is incredibly important.

We have continued to expand our board of trustees with three new additions in the past year, all with impressive skill sets. I am pleased that we have a strong and experienced Board that will direct and guide Action for Children.

A strengthened board alongside an engaged workforce, who have shown loyalty and passion during testing times, is a solid base on which to deliver our new strategy. At its heart lies our ambition to secure a safe and happy future for children in the UK, which is where Action for Children started more than 150 years ago.

DocuSigned by:

Sarika Patel
332134C21ECF4CE...

Sarika Patel,
Chair, Board of Trustees

Our staff have **risen to every challenge**

Hello from Melanie
Hello



For our services and frontline staff, many of the pandemic restrictions they had been operating under have been eased, but the ongoing effects of Covid – severe social, health and financial challenges – are still being felt by children and families. Keeping our services going through the crisis means we are very much aware of the impact of the pandemic on young people, beyond the damage that lockdown and self-isolation has already done.

The past 18 months have tested our staff and they have risen to the challenges. Many of the services we moved online during the pandemic, to ensure a lifeline for families who needed it, have now returned face to face. But recruitment and retention has now become an issue that we, alongside the rest of the social care sector, are grappling with. It's one of the reasons we are passionate about creating a working culture where everyone feels valued and included.

We continue to operate in an unpredictable environment, despite a gradual opening of the economy across the four nations. Like many charities, we are adjusting after a transformation programme which helped put us on a more stable financial footing, which will enable targeted growth in the future.

We have begun to expand our residential care offering with the opening of new children's homes in the North East of

England. We've developed a children and young persons' participation strategy – 'Nothing About Me, Without Me' – to listen to the views of young people. We've delivered more mental health support to children and young people across all four nations at a time when it was sorely needed. And we continued to provide vital short break services as well as increasing the reach of our award-winning digital service Parent Talk.

Our policy report to launch our Star in Every Child campaign highlighted that millions of children in the UK don't have the chance to shine and that parents and grandparents believe childhoods are getting worse. Our early years policy report highlighted that parents need support to give their children the best start in life. And our high-profile poverty campaign helped secure a six-month extension to the £20-a-week increase to Universal Credit and a £2 billion a year relief package when it was withdrawn in

October 2021. Throughout the year, we engaged with Josh MacAlister's landmark review of children's social care in England which called for early intervention, rather than waiting for children to be harmed.

Over the last 12 months, the determination of our staff and volunteers to help vulnerable children and their families hasn't faltered. We know that while the pandemic's full legacy for children is still emerging, the challenges for children, young people and their families will be greater than ever but, by working together, we will play our part in giving children the brighter futures they deserve.

DocuSigned by:

Melanie Armstrong

FF4866AF615347C...

Melanie Armstrong
Chief Executive

About Action for Children

More than 150 years of experience has given us a unique insight into the issues facing children, young people and families. We've used that understanding to develop our new strategy, with the ambition to help even more children have safe and happy childhoods. Read more on [page 31](#).

Last year, we helped

671,275

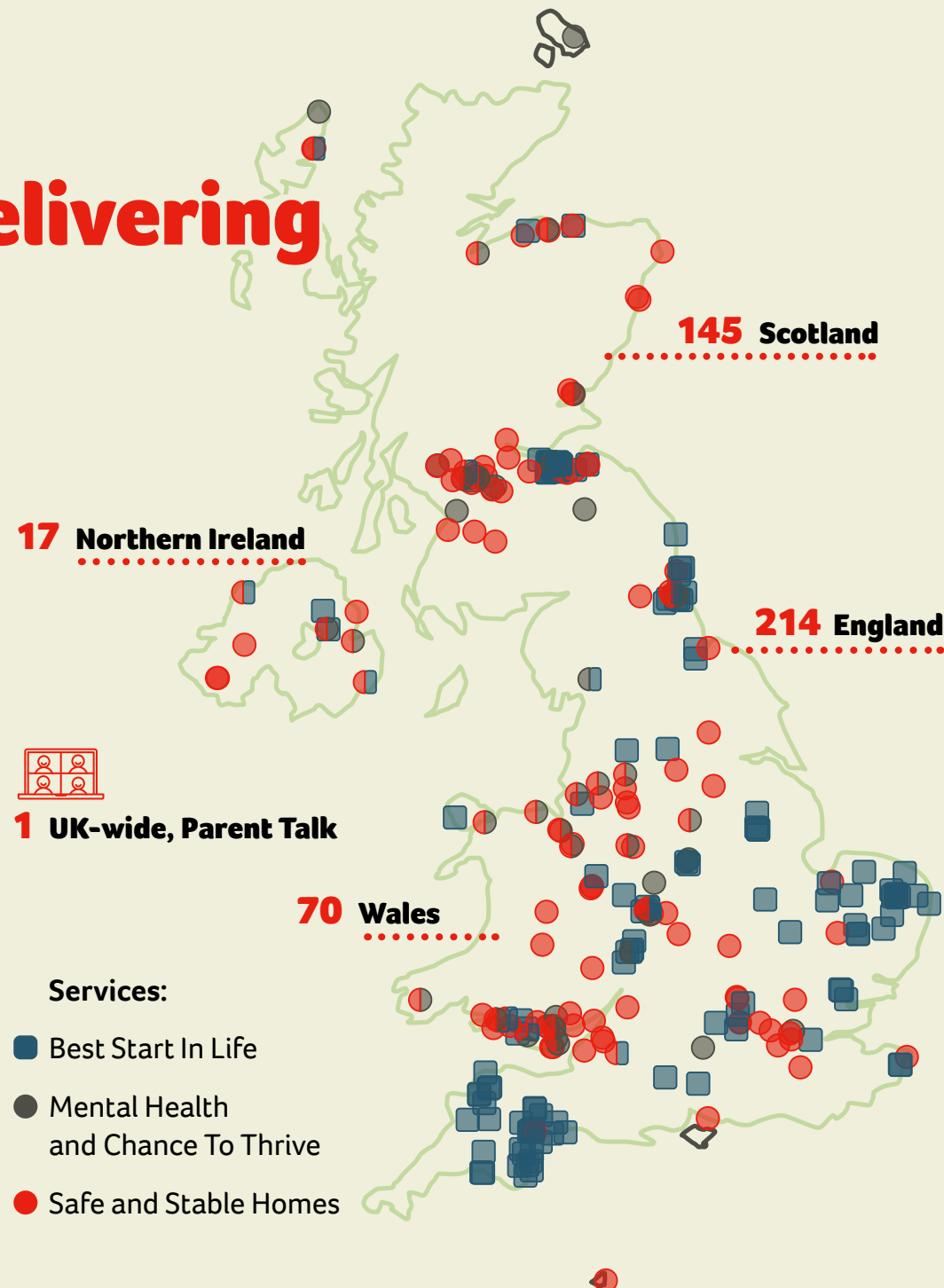


children, young people and families in services across the UK, in schools and online.

The services we're delivering

We deliver **447** services in local communities across the UK, in schools and online. Our work includes placements for children and young people in care, emergency grants, practical parenting advice, and much more.

78 Children's centres and family hubs	16 Adoption and fostering
80 Spring nurseries and out-of-school clubs	67 Services for disabled children and young people
12 Young carers services	11 Children's homes
55 Support for young people	6 Children's rights and Independent Visitors
78 Family support	1 Residential school
42 Mental health support	1 Parent Talk



Strategic report



We said, we did

We helped



children, young people and families in services across the UK, in schools and online.

How we measure reach and impact

We record the outcomes of children and young people (or their parents/carers) who use our services. We monitor and record at regular intervals or when they don't need our support anymore, and we collect evidence of improvements in their lives. Using all the available data we have for each outcome we arrive at the percentages in this report. We also record the number of children, young people, parents and carers who use our services to measure reach.



that's **66,390** more than the year before, thanks to our dedicated and passionate staff, volunteers, supporters and partner organisations.

Here are some of the highlights of our three overarching goals for 2021/22 which helped us reach 671,275 children, young people and families. We said we'd:

1. Make children and young people safer and happier



- We helped **505,183** children and their families to make sure that children have the **best start in life**.
- **72%** of young children who use our children's centres and family hubs improved their development - including readiness for school, speech and language development.
- Parent Talk, which supported **469,900** families, won a Family Support Award.



- We helped **54,216** children, young people and families to live in **safe, stable and loving homes**.
- We opened a new residential home – part of a bigger expansion plan of care homes for vulnerable children.
- **82%** of the children and young people in our residential care have improved social skills and friendships.



- We supported **111,876** children, young people and families with their **mental health and wellbeing**.
- **79%** of students say The Blues Programme has improved their confidence. 96% would recommend Blues to a friend (read more about The Blues Programme on [page 17](#)).
- Young people say it best: "**It's okay to have anxiety. We just have to tune into it and work with it rather than against it.**"

2. Build support so that we can continue to fund our work and influence change for children

- Our supporters helped to raise **£16.2 million** against a target of £14.9 million.
- Together we **campaigned** on child poverty, early help, parenting through the pandemic and more, ensuring a media spotlight on our detailed, evidence-based reports.
- Our policy and media work helped secure a six-month extension to the £20-a-week increase to Universal Credit, and a **£2 billion a year** relief package when it was withdrawn by the UK government in October 2021. A lifeline for vulnerable families.

3. Develop a sustainable, effective and inclusive organisation

- We have a **100%** green tariff for electricity, and our Green Action Network has grown to nearly 100 members across all nations.
- We developed a new strategy which will help us reach more children, young people and families over the next three years. After receiving our support, **86%** of children and young people say they are better able to share their views and contribute to the decisions that affect their lives.
- Great **progress** has been made with our diversity and inclusion strategy and anti-racism action plan. We became a Disability Confident Employer and hit our target for reducing the gender pay gap one year early.



1. Making children and young people safer and happier

Best Start in Life

Our 2021/22 goal was to make sure children get the right support in the early years of their lives. Last year we achieved this through early intervention services that give young children the best possible start. By helping more families through family hubs, children's centres and Parent Talk, and expanding our childcare services with more out-of-school places.

We said, we did

Early intervention

Our services make sure families get support when they need it. Like our Early Childhood and Families Service in Norfolk which helps with everything from understanding child behaviour and domestic abuse to infant massage. In the last year staff have also supported families with food parcels and activity packs through our Emergency Fund.

We helped

505,183

children and their families to make sure that children have the best start in life. **79,868 more** than the previous year.



“

I just want to thank one of your employees... I honestly believe this individual saved my life. Working with her has helped me see what was happening to us as a family and now being able to change things and for me to be able to see that life is worth fighting for.”

Parent who attends Early Childhood and Families Service in Norfolk.

Parent Talk

We've continued to grow Parent Talk, our award-winning digital service, reaching more families. And the complexity of family needs has increased too. The most common queries from parents were about their child's behaviour and wellbeing. Including self-harming and suicidal thoughts alongside anxiety, lack of confidence, depression, and low self-esteem. Parent Talk has been a vital lifeline for families in this context. **469,900** parents and carers got information and guidance when they needed it from our Parent Talk service (**27,653 more** than the previous year). Our experienced parenting coaches supported 8,989 parents last year through 1:1 conversations. Although this is slightly less than the previous year, our parenting coaches have been able to support a high number of parents despite having reduced capacity due to limited funding. We're working to source funding to support this vital service. 26% of queries to the 1:1 chat were from parents concerned

about their child's additional needs (including suspected special educational needs, confirmed SEND, ADHD, school support and sensory processing).

The themes of our 1:1 conversations were:



- Children's mental health and emotional wellbeing (includes anxiety, self-harm and suicidal thoughts) - **51%** of queries
- Challenging behaviour (includes aggression, child-to-adult violence, boundaries and routines) - **34%** of queries
- Parent Wellbeing (includes parental exhaustion) - **26%** of queries

Note: the total adds up to 111% as some families have multiple needs and discuss more than one theme in a single conversation.

“

the service that has done the most to support whole families to help their children lead healthy, happy and fulfilling lives safe from harm”

Children & Young People Now, the only dedicated magazine for professionals working with children, young people and families, on awarding Parent Talk the Family Support Award in 2021

The war in Ukraine has put a media spotlight on those fleeing war and violence, and the harrowing journeys many families take to find safety. We support families fleeing their home countries to make a new life in the UK. One service in Newcastle supports families through community hubs, providing a resettlement pack of household items and helping children and families connect and enjoy food and play. Another service in Aberdeen helps children and families integrate into the local community, providing day-to-day support and advocacy to help with the trauma many have experienced.

Children's centres, family hubs and community-based support

Large numbers of parents are struggling to access early years services (read more on page 21). Our 78 children centres, family hubs and community-based support helped almost 103,000 children and their families last year.

Sure Start Ballymena and Little Steps services in Northern Ireland have continued to help families with parenting, nutrition, additional needs and development through music. And our new Derry/Londonderry Waterside Sure Start service unveiled a new sensory space which combines a range of stimuli including lights, colours, sounds, and soft play objects. In Newcastle, we delivered thousands of activities packs and online sessions when families couldn't attend sessions in the children centres. And in Plymouth, we launched a new

dads' support group thanks to investment from Action for Children's Dragons' Den - an initiative to fund innovative ideas which could improve the lives of children and families. This included antenatal sessions and Real Man workshops which promote positive and meaningful relationships for men with both their children and partners.

68% of parents who use our children's centres and family hubs are more confident and can better support and manage their child's behaviour.

72% of young children improved their development - including readiness for school, speech and language development.

We also supported families to maximise their income through benefits and financial support, budgeting and reducing debt. 65% now have improved money management skills.

Nurseries and out-of-school clubs

We're one of the biggest providers of early years support for children and their families. Our 80 nurseries and out-of-school clubs across the UK provide continuity of care and early years education, delivering support for social and emotional development at this critical stage in children's lives.

Last year we took on four more out-of-school clubs, adding more than 150 places. Across our Spring nurseries, we supported 5,295 children and our Spring Oscar out-of-school clubs gave 3,355 children somewhere safe and fun to spend time. Parent satisfaction at our Spring nurseries was 95%, and 92% for our Spring Oscars out-of-school clubs. Despite a tough year with pandemic

restrictions, a national recruitment crisis across the early years sector and considerable rises in costs, we still saw a financial contribution of almost £100,000 towards our charitable work.



All of our nurseries and out-of-school clubs are rated **Good or Outstanding**

Helping Emily build strong relationships

Emily was referred to our Blueprints programme by her health visitor. Living in a rural village with a young baby throughout the pandemic left her feeling isolated. Although she had a fantastic bond with her baby, she suffered with depression and regular panic attacks – all of which increased during the lockdowns.

Fortnightly home visits gave Emily regular opportunities to discuss her mental health. She also joined our Buggy Buddies support group which helped her confidence.

Emily says: **"Over the past six months I went from having regular anxiety attacks and being afraid to go outside, to going on long walks and having more fun days out with the kids. It's given me the courage to confide in friends and family I trust which has also built up our relationships. Kathryn (from Blueprints) is there to help in any way she can."**

Safe and stable homes

Our 2021/22 goal was to intervene early to help families stay together. We said we'd increase investment to provide safe and loving homes for children and young people with complex needs. And that we'd find secure foster and adoptive homes for children and young people who can't live with their birth families. Last year we opened a new residential home, expanded our capacity at Headlands School, saw growth in some of our fostering services, and an increase in youth housing support.

We said, we did

Intervening early to prevent family breakdown

We conducted independent reviews of four services in Scotland and four in England. The research highlighted the strength of our relationship-based practice, and ability to deliver high quality, intensive

.....
We helped

54,216

children, young people and families to live in a **safe, stable and loving home**.



support to help prevent family breakdown. Our Norfolk and Bristol Separated Parents Information Programme moved online during the pandemic to keep helping families protect the wellbeing of their children during separation, and to engage in the court process during the pandemic. In Scotland, we continued to deliver Family Functional Therapy, an evidence-based programme aimed at preventing admission to care and custody. It's proven to achieve positive outcomes for young people aged 11 to 18 presenting behavioural or emotional problems. The programme has been so successful we're now delivering it for nine Local Authority areas across Scotland.

Growing our residential homes

We have 11 homes across England, Scotland, Wales and Northern Ireland. They provide high quality residential care for children and young people who have suffered trauma, or experienced complex difficulties in their childhood. We're seeing a growth in demand for quality care, so we've progressed with plans to open new homes for children.

In the north east of England, we achieved our goal of opening our newest modern home. We're planning to open two more homes in this area and we're looking for the right premises for a third.

Our two homes in Wales received Excellent inspectorate reports for outcomes for children. We use the HOMES model – a pioneering framework to support children and young people

in residential care. Before arriving with us, young people have often experienced many forms of abuse and neglect. They have moved homes many times too. The HOMES model allows us to meet children's mental and emotional needs using the latest, most effective approaches.

82%

of the children and young people in our residential care have improved social skills and friendships.



Providing supported living

We also provide a range of support to young people who are at risk of homelessness including due to family breakdown and escaping abusive situations. Our supported living services help them move towards stability and provide somewhere to stay and a support package. Last year we operated three more youth housing services than the year before – two were in Scotland.

.....
We helped

845

young people who needed a safe home environment including managing a tenancy and reducing the risk of homelessness.



Increasing learning opportunities

Headlands, our residential school in South Wales, supported 94 children and young people aged 7 to 19 who have difficulty learning as a result of early trauma, complex emotional and social issues and autism spectrum conditions last year. This year we're excited to have increased our Key Stage 2 capacity to support more pupils with skills and knowledge through thematic learning. We now have a new forest school and bike shop within the school – both great environments to learn practical skills.

Fostering Services

We work closely with local authorities in the UK to deliver fostering services. In Wales our service has grown consistently over the last six years and we now have 44 fostering families. Two of them are from North Wales where we recently developed relationships with new carers ready to provide loving homes. In Northern Ireland, we're proud to be able to offer stability to the 62% of the children in our foster care for the long term, with an average placement length of three years. Our service now includes input from psychotherapy and art therapy.

In England, our stability rates for children remaining with our fostering families has been at an all-time high this year with less than 2% of our children having to move in an unplanned way. We have also been able to support Local Authority kinship carers and other fostering families outside of Action for Children using our HOMES model. And in Scotland we have incrementally grown the numbers of foster families over the last year. Some of our carers have retired after lengthy periods of



fostering so we're keen to recruit foster families who can offer a loving home to siblings in 2022/23, in Scotland and across the rest of the UK.

Adoption

We specialise in finding families for children who can miss out on the chance to be adopted. They can be older children, brothers and sisters, children with complex needs as well as black and minority ethnic children. Last year we increased the number of children matched with a family as part of a sibling group. We matched 27 children and 22 of those were matched with their siblings.

72%

of children and young people have an increased feeling of safety thanks to our services which provide a **safe, stable and loving home**.



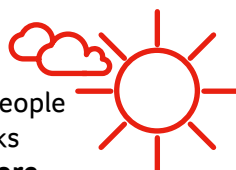
Short breaks services

We are the biggest not-for-profit provider of services for disabled children and young people outside of local authorities. Across Scotland, Wales and England when local authorities were shutting their short break services, we kept ours open to ensure continuity of care. Sometimes this meant seeing one child at a time. For children who couldn't attend because of health conditions, we used our Emergency Fund to support them at home, buying toys and equipment for families.

Cornwall SPACE has been supporting disabled children and young people for over 30 years. The service has adapted in response to the pandemic and now combines face-to-face with online short breaks, and the delivery of packs for families across Cornwall. SEND Northampton Community Short Breaks, Silverton Weekend Club and Rhondda Short Breaks, to name but a few, also support children to grow their confidence and skills.

8,063

disabled children and young people enjoyed one of our short breaks over the last year. **87% had more opportunities to participate in fun activities as a result.**



95%

of families using Hertfordshire and Ealing short breaks accessed our Emergency Fund to cover the cost of essentials. **Providing financial support for families has remained a priority.**



Rhys's star is shining

Rhys, 15, has lived in our Tan y Bryn residential home for two years. He went into care after experiencing neglect but his time at Tan y Bryn has provided the stable childhood he always longed for.

Rhys has received lots of encouragement and support from the staff at the home especially Dave who's had a big impact, forming a strong connection with Rhys from the beginning.

Now, Rhys is doing extremely well. He attends school full time, is a peer mentor for some of the other children and is part of the school council. Despite struggling himself, Rhys enjoys helping others.

"I've got my own issues, but it is quite good to know that I can help other people, like I got help before off other people. It's just quite nice to feel like they'll go home feeling less terrible."

Rhys is ambitious and is already thinking ahead: **"[I'll] hopefully be living by myself, [and] hopefully, further on in the future, owning my own restaurant."**

“

Before I was in Action for Children, I wasn't doing too well. Since coming here, they've helped me a lot. They're obviously really good at choosing staff to hire.

”



Mental health and a chance to thrive

Our 2021/22 goal was to have positive conversations about mental health and emotional wellbeing, and give children and young people the tools to build resilience following the pandemic. We said we'd support young carers so they have a happy childhoods.

Last year we were able to support more than 100,000 young people with their mental health and wellbeing. And our services have a long term positive impact. Funding for some services ended but we were able to offer the same level of support as the previous year by opening some new services and expanding the reach of others.

We said, we did

We helped

111,876

children and young people with their mental health and wellbeing last year.



Over the last 12 months we have seen a deepening mental health crisis. In our most recent staff survey, every Action for Children key worker who responded said they've seen signs of depression, isolation, anxiety or sadness among children and their parents/carers. And our 'Brighter Future Ahead?' report showed 42% of young people saw their own mental health as an issue compared with 29% two years ago. Against this backdrop, our mental health support services have been more important than ever.

Our mental health services

Our internationally acclaimed Blues Programme supports young people in secondary schools across the UK. It helps them identify negative thoughts, change their thinking patterns and enhance their coping skills. It's accredited by the Early Intervention Foundation for making a long-term positive impact on children, achieving the significantly high level of 4+. We delivered Blues to 1,732 young people last year.

79% of students say the Blues has improved their confidence. 76% feel comfortable talking about their mental health. 96% would recommend Blues to a friend.

In Derbyshire, we started delivering the Changing Lives Service which offers a Whole School Approach to mental health support including resilience workshops, additional support for SEND schools, worry management and much more. In just one year we've reached 50,652 children, parents and school staff.



We also supported 3,223 young people with our Emotional Health and Wellbeing service in Staffordshire, where we support at the earliest opportunity using evidenced based interventions, information, signposting and a robust digital self-help. Our young people said:

"It's helpful to reinforce some beliefs and that it's okay to have anxiety. We just have to tune into it and work with it rather than against it."

In Scotland, we're running several new emotional wellbeing services including Inverclyde and Glasgow Schools Counselling, Orkney Wellbeing Service and Emotional Wellbeing Workers in West Lothian and Western Isles. We have also secured contracts with South Lanarkshire Council and South Ayrshire Council to deliver The Blues Programme. And in Wales, we have been working with the charity arm of the Ospreys Rugby Region to develop Bouncing Back; a wellbeing programme for school children, based on Cognitive Behavioural Therapy (CBT).

This year, we've been able to offer our landmark mental health programme, The Guide, across all secondary schools in Wales, thanks to funding from the Welsh government. The Guide equips year 9 pupils with the language to talk about mental health so they can get more effective support.



Kirsty receiving a Young Shining Star Award

The Guide training has been delivered to 775 teachers, youth and community workers and other professionals, supporting the mental health of 6,000 students and many more children and young people across Wales.

Young carers

A young carer is someone under 18 who looks after a family member who is ill, disabled, battling addiction, or has a mental health condition. There could be up to 800,000 young carers in the UK. Many are unaware they are one. And we know young carers are often reluctant to ask for help. Kirsty, 16, cares for her brother who has an autism diagnosis.

Kirsty explained: **“One of my main roles is to help him calm down after he’s had an emotional outburst, whether that be by finding his weighted blanket or just putting on his favourite comedian to allow him to focus on something new.”**

But Kirsty isn't alone. She's receiving valuable support from our Young Adult Carers and Young Carers service, which helps more than 300 young carers in the Southern, South-Eastern and Belfast Trust areas. With this support she manages to juggle her caring responsibilities, her education, work and social life.

Last year, for Carers Week, we produced a video in partnership with the Health Department and Northern Ireland Health Minister Robin Swann. And formed a new Young Carers Inclusion Group to increase recognition for young carers across Northern Ireland.

A new service for young carers

Last year we supported 5,774 young carers like Kirsty in services across the UK. This year we also launched Sidekick: a confidential text service for young carers aged 13 to 18. Young people can text at any time, about anything. They will receive an answer from a qualified support worker within 24 hours. Sidekick was developed with young carers from across Action for Children and beyond and is funded by the Charities Aid Foundation (CAF).

A chance to thrive

As well as helping young people in times of crisis, we're there to help them reach their potential. Our award-winning Serious Organised Crime Early Intervention Service supports young people who could be at risk of exploitation or coercion. Our staff use one-to-one and family support alongside peer mentors with lived experience to act as positive role models and steer them away from what could be a life of crime. The flagship project started in Glasgow but has now been rolled out to four more areas across the UK.

60%

of the young people we worked with at this service were diverted from involvement in serious organised crime.



Safeguarding

In our annual safeguarding review, we found that the needs of children and families were greater than ever before. There was more poor mental health and substance misuse among adolescents, and domestic abuse and neglect in families. We also found that our services continued to work very closely with public sector services and our role in safeguarding children had risen as a result of continued public spending pressures on statutory bodies. But, despite increasing challenges as a result of recruitment difficulties, staff vacancies and the impact of Covid on sickness levels, our services maintained a high level of quality in safeguarding children at risk. We hit our target of 92% of audited case files with evidence of recent supervision and management oversight.

We said, we did

Ensuring the safety of children and their families is always our priority.



We restructured our safeguarding service to increase the availability of specialist staff. This ensures children and young people are safeguarded when serious concerns arise.

There has been very positive feedback about the open culture promoted in safeguarding children. It means we have ongoing discussions, support and challenge for staff undertaking direct work with children, young people and families.



2. Building support so that we can continue to fund our work and influence change for children

Influencing policy and campaigning for children

Our 2021/22 goal was to campaign for lasting change for children by talking to the government about the challenges children face, including those caused by the pandemic. We said we'd raise awareness of the need to take action and make sure children are high on the political agenda. This year we focused on critical issues including child poverty, early help and the Care Reviews. And we developed a new participation strategy to give young people a voice.

We said, we did

Our priorities

To help us reach more children, we focus on the areas where we can have the greatest impact. This year, our three priorities were:

- **Early help:** Making the case for a greater emphasis on early intervention through the Independent Review of Children's Social Care.
- **Early years:** Advocating for all family hubs to include parenting support services – particularly for parents of young children.
- **Child poverty:** Highlighting the impact of high levels of poverty on children.

Early help

Too little, too late

Early help reduces the number of children that become looked after, that become 'in need', and can generate a range of positive social, health and educational outcomes. Early help, typically coordinated by local authority children's services, is not a statutory service. Therefore, local authorities have no legal obligation to collect and report data on their early help provision. It's difficult to demonstrate the impact of early help and make a compelling case for further investment without data on the types of services provided. Which is why we submitted a Freedom of Information request to collect five years of data on early help provision covering the period from 2015/16 to 2019/20.

Our 'Too little, too late' report found not enough early help is happening, there is significant variation between local authorities, and over 60,000 opportunities to provide early help are missed every year. Our recommendations to the government aim to address this.

296

times Action for Children was mentioned in Parliament (exceeding our target of 70) last year.



Early years

Beyond Reach

September 2021 saw us release our Beyond Reach report, collecting the experiences of those accessing early years services. The vast majority of parents relied on several different services. But too many found those services hard to access and lived with the constant worry of what that meant for their child's development. We made it clear to the government it had a huge opportunity to improve support for the youngest children and their families.

Care Reviews

It is rare that children and families in care reach the top of the political priorities list. One child we spoke to told us this was the first time they'd ever heard about the government talking about people in care. By working with children and young people with lived experience of the care system, we've been able to share their experience for the care reviews taking place in the UK.

In England, we made recommendations to the Independent Review of Children's Social Care. We recommended renewed and coordinated energy for early intervention – so we stop waiting for children to be harmed before they are offered help. That we broaden our ambitions from protecting vulnerable children, to supporting the whole family, so children are given the best chance of growing up in a safe and loving environment with those that they are closest to. Time after time, children have told us that this is what they want most. Our hope is that this Review can be the starting pistol for a new era of social care.

In Scotland, the Independent Care Review was published in 2020. The findings of its Promise Report set out a vision for Scotland's care system including investing in prevention and enabling children and families to thrive. In the last year we've implemented changes to 'keep the promise' beginning with the recruitment of a Promise Coordinator. We developed a Promise Plan, focusing on our recruitment practices, foster care services and use of language, and set up a co-production group with young people with experience of Scotland's care system.

The Care Review is just beginning in Northern Ireland, and we will be contributing to it in 2022/23.



Child poverty

We were a prominent voice in the campaign calling for the extension of the £20-a-week increase to Universal Credit which ministers withdrew in October 2021. Our analysis of the impact this and other benefit cuts would have on hairdressers, care workers and shop workers was widely publicised and mentioned in Parliament to both the Prime Minister and the Chancellor. The rescue package the government put in place to Universal Credit as a result of the campaign amounted to £2 billion a year.

Our wider research

Alongside our influencing priorities, we also conduct research to help us better understand the challenges children and families face providing the foundations for our future policy work.

Brighter Future Ahead?

Every generation of children should have a brighter future than the last, but our landmark study found that most parents and grandparents think childhoods are getting worse – and a third of children agree. One key finding was that mental health is now a much bigger worry for children than it was in 2019. Our research helped launch our Star in Every Child campaign which helped to spotlight these challenges via 570 pieces of media coverage.

Parenting through the pandemic

We said we'd make government aware of the challenges families face as a result of the pandemic. In October 2021 we released our 'Parenting through the pandemic' report which found more than four in five have struggled

with a symptom of parental burnout. And one in seven parents who needed support in the last 12 months told us they never got it. We called on the government to commit to funding an expansion of online parenting support services to give more parents the help they need.

Working together for children and young people

We work with charities, local authorities and other partners to achieve the best outcomes for children and young people. These are a just a few examples of our collaborative work.

We continued to campaign with fellow charities in Wales, and worked with the Welsh government, to make the physical punishment of children illegal. As of 21 March 2022, it became illegal to punish a child using physical force. Now it's finally in law, it offers children more protection.

We also played an important role in making sure the Adoption and Children Bill made it into law in Northern Ireland. The legislation will improve support for children and families in need, children in care and those who have left care.

We've been working in partnership with Barnardo's and The Prince's Trust in Scotland as part of the Young Person's Consortium. The consortium provides a collective voice to ensure youth employability is part of government strategy at both UK and Scotland levels.

Our Patron, HRH The Duchess of Cambridge, visiting a Primary School in Inverclyde

Giving young people a voice

Participation means that children and young people have every opportunity to take part, be heard and see real change as a result of what they've told us – like with the Care Reviews.

Our new participation strategy

To achieve our goal of providing more opportunities for young people to share their views on things that affect them, we've been working on a new children and young persons' participation strategy – 'Nothing About Me, Without Me'. It sets out how we can discuss the experiences of young people. For example, we'll grow our national Young Ambassador Network, help children and young people to influence decisions by our senior staff

and trustees, find more opportunities for youth-led activism and involvement in service design, and recruit Staff Participation Champions who will make sure participation is part of their services. We also want to work together with young people to deliver an annual event to celebrate their achievements. All this activity will help us make sure children and young people really are driving our work forward.

86%

of children and young people said after getting our support they were better able to share their views and contribute to the decisions that affect their lives.



Fundraising and raising awareness

Our 2021/22 goal was to inspire even more people to support our work for children, young people and families. And develop innovative ways to engage supporters both online and in real life.

Thanks to the incredible passion and generosity of our supporters – through gifts in wills, individual gifts, trusts and foundations, statutory funders, and our partners – we exceeded our fundraising target. We raised £16.2 million against a target of £14.9 million.

We said, we did

Our target was to bring in an ambitious £10.8million in unrestricted income and £4.1million in restricted funding. We achieved £9.9million unrestricted and £6.3million restricted funding, thanks to donors who were able to respond so generously.

Digital fundraising

Fundraising amid uncertainty inspired us to do things differently. We've focused more on digital fundraising and events, cutting costs where necessary, and on delivering the best value and efficiency that we could. In July, we challenged people to boycott their bed and spend the night in unusual places. Thanks to the incredible organisation of our Boycott your Bed

boards we raised over £250,000. We also launched our first ever Facebook fundraising event, challenging people to walk 62 Miles in March 2022. And we offered our supporters a suite of digital products to get involved with including: Giant Wiggle Yoga, 30 Days Your Way, Horrible Histories Whodunnit, and The Very Hungry Caterpillar Growing Challenge. Our teams have spotted potential for fundraising growth within these events and creating new products which complement our existing digital fundraising portfolio.

Getting back out there

We've kept close relationships with our supporters through online events and webinars, but nothing can replace the experience of returning to hosting live events again. One in-person event that returned was the Ultimate News Quiz, thanks to help from our passionate committee. Back for its 15th year, the event raised over £200,000, thanks in part to the generous sponsorship of The Premier League. Grayson Perry, Richard Osman, Charlene White, Emily Maitlis and Jon Sopel were among the famous faces taking part. Alongside teams from BBC, ITV, Good Morning Britain, Netflix, Google and Amazon.

In December, we invited our celebrity supporters, philanthropists, trusts and foundations, ambassadors and partners to a celebration event at London's Fortnum & Mason to say thank you for all their continued support and generosity. Over 60 supporters joined us to hear speeches from our Chair and Senior Leadership colleagues, and enjoy a performance from our wonderful Young Carers Aloud choir.

The 33rd Spring Ladies Lunch took place in March at the Grosvenor House Hotel. Since it began in 1988, with the help of our dedicated Spring Ladies Lunch committee, this event has raised over £1.1 million for Action for Children. Guests were treated to a delicious lunch, an exclusive fashion show, and an inspirational speech from one of our senior children's services managers, Danielle, raising £100,000.



Ultimate News Quiz 2022



Cosmo the mascot and team enjoying the Kiltwalk.

In Scotland, Action for Children celebrated its biggest-ever Kiltwalk with over 150 walkers taking part in the annual charity event, with staff teams from HSBC, Morton Fraser, Edrington, McLaughlin and Harvey and Channel Bakers participating. Our Woman of Influence Awards also returned. The prestigious awards ceremony recognises remarkable Scottish women who are role models for the children, young people, and families Action for Children supports. To date, the event has raised over £1.4 million to support the charity's work in Scotland. Thank you to all our volunteer Event Committees and Boards that help to bring our fantastic events to life.

Support from the Methodist church

We are very grateful to our Methodist family for their support in the last year. Even though the pandemic made it harder for churches to fundraise, they still raised an amazing amount for us – £644,000. Leaders of Methodist churches, and the charities they're affiliated with, also launched a campaign to raise awareness of the benefits of legacy giving which will make a huge difference to children and families in years to come.

Secret Santa

For most of us the festive season is a happy time. But children all over the UK face a very different Christmas. Each year we ask people to become a Secret Santa and donate to make sure more children have the basics, like hot meals and proper winter clothes.

45,000 amazing and generous Secret Santas raised over £1 million during our flagship Secret Santa campaign. With new research into what it's like for children facing poverty at Christmas, we used the policy work and extensive media coverage we'd gained to propel our 2021 fundraising Secret Santa activities.

Philanthropy and Trusts

Major donors and philanthropists

Thank you to all our high value donors, many who choose to remain anonymous, whose generous unrestricted gifts have a transformational impact on the children and families we work with, including:

Nominet – Tech for Good

In 2021, we partnered with Nominet and Parent Zone to improve the digital safety of children in foster care. We spent a year researching and designing with foster carers. In March 2022, we started piloting Click Confidence, a series of online quizzes to help foster carers understand young people's digital world and how best to support them.

The National Lottery Community Fund

The National Lottery continues to fund vital services including the Serious Organised Crime Early Intervention Service which diverts young people away from a life of serious organised crime across the UK. Breaking the Cycle, our domestic abuse counselling service in Newcastle, and Young Adult Carers transitioning into adulthood in Northern Ireland.

Covid 19 Support Fund

A transformational gift from the Covid 19 Support Fund, created by the insurance and long-term savings industry, in January 2021 established our "Chance to Be a Child" programme, transforming the lives of young carers across the UK. Now in the second year of our partnership, we are ensuring more young carers get the practical and emotional support they need, can take part in fun and engaging activities with peers to provide a much-needed break from caring responsibilities and, importantly, empower them to develop the emotional resilience they need to thrive now and in the future.

Our corporate partners

We partnered with several fantastic organisations to help children, young people and families this year, including:



Registered charity no 281943

In 2021, we extended our partnership with **Iceland Foods Charitable Foundation** which continued to be the Lead Partner for our Secret Santa Christmas campaign. They donated £300,000 towards the Iceland Winter Fund, making every one of their employees a Secret Santa. Iceland's generous support helped over 2,000 families with basic food and fuel needs through the difficult winter months. We are delighted that Iceland will continue to work with us over the next year and has chosen Action for Children as their Lead Charity Partner in 2022.



We continued to run the Inspire IT programme with **Dell Technologies**. The partnership helps young people develop valuable digital skills so they can better access education and employment opportunities. The technology, provided by Dell, goes into homes and our services. By offering employability qualifications as well, we're closing the digital divide for some of the most disadvantaged children across the UK.



In 2021, **Turner & Townsend** has continued to support our Education Fund which covers the costs of essential educational resources for children and young people across the UK. Thank to their generous support, last year we provided 886 grants. On top of that, they also helped us set up our new residential home.



In 2021, we launched the 'CMC Markets Education and Enrichment Fund'. We provided 1,079 grants for children and young people in London, enabling them to take part in more activities. This has really helped reduce their isolation and associated anxiety. The London headquarters of **CMC Markets** has funded our London Independent Visitors Service Coordinator position. This role supports 28 volunteer mentors for young people in care.



Our partnership with **FirstGroup** ended in March 2022, having reached a total value of over £3.7 million. Throughout the partnership, FirstGroup has supported us through staff and customer fundraising, corporate donations and gift-in-kind advertising space, as well as volunteering and pro bono support. FirstGroup's support has focused on the mental health and wellbeing of children and young people and has recently provided more than 1,000 training opportunities for our frontline staff in how to support the complex mental health needs of young people.



We're thrilled to be launching our brand-new corporate partnership with **Giggling Squid**. The Thai restaurant group will take part in lots of fundraising activities, from marathons to boycotting their beds - all to raise vital funds to help vulnerable children and young people to thrive. We know that together, we can create a brighter future for children and young people across the UK.



Arcadis is one of our latest partners for 2022 and we're delighted to be launching a two-year partnership with them, with the aim of exceeding the £120k fundraising goal. The programmes they'll be funding for 2022 are Breaking the cycle, the Crisis Fund, and the redevelopment of the Birmingham Community Children's Centre outdoor play area.

Fundraising compliance

To help raise awareness of our work, over the last year we have engaged with supporters directly by email, post, telephone or SMS, along with additional advertising on social media and on outdoor public spaces. At times we used agencies to deliver fundraising activity (for example direct mail). All third parties and external agencies who act on our behalf are expected to maintain high fundraising standards. They must follow all applicable regulations, laws and the Fundraising Code of Practice.

We're a member of the Fundraising Regulator and follow its Code of Fundraising Practice and Fundraising Promise. We'll always be clear, open and honest when communicating with supporters. We respect their privacy and contact preferences. We're also registered with the Fundraising Preference Service. This year we will be reviewing our Vulnerable Persons Policy and Donations Acceptance Policy. We have also further developed guidance on specific areas of fundraising.

Dealing with complaints

We're committed to excellent customer service and welcome comments and feedback about the way we work. Every complaint is taken seriously and dealt with in line with our Fundraising Complaints Procedures. We try to resolve complaints as quickly and efficiently as possible, and in a personal, fair and confidential way. In 2021/22, we received 62 complaints about our fundraising processes. The majority (49) were linked to the way we acknowledge donations. Thanking supporters for the incredible things they do is hugely important.

We're working hard to ensure that all our gifts are acknowledged quickly and in a cost-effective way. The remaining complaints related to fundraising communications received by our supporters(5) and issues with banking processes (8).

Raising awareness

Raising awareness of the problems we tackle and the work we do is essential to our fundraising efforts, and policy and campaigns work. Through the media, we can make more people aware of what we do and how we want people – including the government – to take action.

Star in Every Child

This year we launched a brand new campaign, Star in Every Child. Poverty, abuse and neglect, and poor mental health rob too many children of the bright futures they deserve. Our campaign focuses on raising awareness of these issues.



Watch our Star in Every Child Film:

youtube.com/watch?v=HeEicuB_8mw

545 million

estimated opportunities to see, hear or read about our work for children, young people and families via media coverage we generated last year.



What 'Star' means to Caryl

"This campaign is all about children reaching their potential, regardless of who they are," explains Caryl Dyer, an Action for Children service coordinator in South Wales. **"I love the meaning behind that. It's the belief that's kept me going for the past 13 years."**

In our 'Star in Every Child' campaign film, Caryl shares the beliefs that drive her – and Action for Children staff, volunteers and supporters across the country. That no child should go hungry, without love or a safe and stable home. **"Unfortunately, there are lots of things that can stop a child's star from shining,"** says Caryl. **"Things like domestic abuse, substance abuse, poverty, or poor parental mental health and wellbeing. Action for Children has lots of services across the UK that can help families overcome these things and help their children's stars to shine."**



Caryl delivering a food parcel



3. Developing a sustainable, effective and inclusive organisation

Our amazing people

Our 2021/22 goal was to deliver our strategic workforce plan so that staff are fully equipped and supported. We're proud to have reached our target to reduce the gender pay gap, to have become a Disability Confident Leader and to have introduced an exciting new volunteering opportunity. And deliver our diversity and inclusion strategy, including our anti-racism plan, so that everyone feels welcome at Action for Children.

We said, we did

Over the last year, we've seen the quality and commitment of our staff and volunteers shine through. Excellent communication has been vital as different ways of working continued to mean lots of home and hybrid working. Our Covid response Silver Team held weekly meetings and monthly live Q&A sessions for all staff, supported by our internal communications team, to give specific information to teams, so they knew how any changes in our working practices applied to them.

Care of - and investment in - our staff have helped to build this great family of exceptional people. But, like any family, there have been tough times. Across the UK, it's been hard to compete in some areas of the

employment market, especially for essential frontline staff. Staff are working extra hours, covering sickness and vacancies. With the cost of living rising, recruiting and retaining the best staff is a key challenge for us like it is for many organisations in the current climate.

Investing in our people

We have increased pay in hard-to-recruit areas as well as increasing the pay of our lowest paid staff. We increased our allowance in residential services and aligned our lowest pay with the Real Living Wage Foundation rates from April 2022.

Our people policies emphasise the importance of retaining and attracting talented people. During 2021 we introduced our Management Competency Framework to enable leaders and managers to better support their own development as well as their teams. We provided a suite of learning and development programmes. Overall, staff completed around 23,000 e-learning modules. We also ran 680 live learning programmes for 6,866 staff. And 66 staff completed formal qualifications. We also trained more than 100 mental health first aiders and made more resources available, like mindfulness and counselling support, and promoted the wellbeing hub which covers topics such as debt relief and financial support.

We'll continue to develop our policies, practices and culture to improve our staff's working lives. Including by recognising their passion. Last year we held the first in-person awards ceremony for our staff in Scotland, for example.

We hold Investors in People accreditation and have achieved Disability Confident employer status this year.

We're Listening

This year we ran our staff survey - 'We're Listening'. The survey had an 83% engagement score - well above the Not-for-Profit benchmark. It helped us to understand what our people think about working at Action for Children and enables us to prioritise areas for further development. Chief People Officer, Mike Knight, said: "The overall scores for the charity are generally very encouraging, especially given the challenges we've all had to manage over the last two years in both our personal and work lives."

Diversity and Inclusion

In 2020, we launched our Diversity and Inclusion strategy with an ambition to become the UK's most inclusive charity. The work was created with input from all 11 of our staff networks, including our racial diversity network, disability network, LGBTQ+ network, homeworking network, Christian faith networks, and more. We want to further develop our culture so that all people are represented, and staff and volunteers feel supported to be themselves. It's our aim to be reflective of the working population by 2025. We've already made good progress towards our goals. In 2021, we launched an anti-racism action plan to help us tackle structural racism, racist practice, and non-inclusive behaviours. We also commissioned external reviews of five

specific policies to remove any structural racism and wider diversity and inclusion barriers. And reviewed our biggest campaign, Secret Santa.

We have become a Disability Confident Leader this year. We are making sure we can recruit, retain and develop disabled people who will help Action for Children succeed. This accreditation also means disabled people will see we understand the value diversity brings to Action for Children, helping us recruit a more diverse workforce. This year, we broke our own target for reducing our gender pay gap in the charity. In April 2021 it was 3.4%, down from 9.8% in 2017, beating our overall target of 4.9% and exceeding our goal of reducing the gap by 50% over a five-year period. We're committed to reducing it even further in the next few years. We also reported our ethnicity pay gap for the first time. At 0.6% median pay gap in favour of Black, Asian and minority ethnic staff, it's very positive.

And in Northern Ireland we achieved the Bronze Diversity Charter Mark. This acknowledges the passion and persistence of our colleagues. Members of the Inclusion Champion Network went on Inclusion Champion training, making their roles even more effective at ensuring inclusion at every level. In Scotland, we set up a diversity and inclusion working group to focus on the strategy and anti-racism action plan. And this year we were thrilled to achieve Investors in Young People Platinum status. We are one of only five organisations to achieve Platinum and had to show how we provided young staff with support and access to Mental Health and Financial Wellbeing, Fair Work Practices and Meta Skills.

Volunteers

Yet again, our volunteers have been incredible. Without them, we simply couldn't have supported as many people, raised as much awareness and money, and made as much progress with decision makers.

In the last year, 2,553 people chose to volunteer their time to help children, young people and families. This is a small drop from 2,875 volunteers last year. Continued restrictions over the past year have

meant that not all of our services and volunteer roles have been operating at full capacity. These brilliant people gave an estimated 84,500 hours of support.

We introduced some exciting new volunteering opportunities including a brand-new community based mental health intervention – Mindful Star. This was a new cross-team collaboration to develop an intervention for Children's Services while also supporting the new campaign for fundraising, policy and media, "A Star in Every Child".

Learning from each other

Mark is an Independent Visitor. An independent visitor is a trained volunteer who provides children and young people in care with friendship and support. Mark was matched with Sheraf from Afghanistan. Sheraf's parents sent him to the UK from Afghanistan to protect him. He was just 12 when he left. Mark explains, "An Independent Visitor becomes the consistent adult presence in their life. It's about listening, and also having fun."

Mark and Sheraf have spent countless hours together, mostly outdoors or doing something active. They've been to London Zoo, Go Ape, go karting, BMX at the Olympic track and even climbed the O2. **"We have been on a journey together and have taught each other a lot. We have a mutual respect and can discuss anything,"** said Mark. **"The story from**



Mark and Sheraf climbing the O2 arena

Afghanistan to England is not a nice one but Sheraf has shared it with me over the years."

This is why Mark's presence in Sheraf's life has been so crucial. Having Mark by his side also empowered Sheraf to advocate for himself. When Mark

describes the Sheraf he's come to know, he said: **"He seems happier and more confident... much more independent than when I first met him. The support from Action for Children is directly responsible for his change. The impact it has had on Sheraf is impossible to quantify. He is still the same amazing Sheraf that**

I met originally but an even better version of himself." Lots of children are still waiting for an Independent Visitor. To volunteer with us visit: actionforchildren.org.uk/support-us/volunteer-with-us/

We have evolved our strategy to help even more vulnerable children, young people and families.

More safe and happy childhoods:

Our strategy

Our vision

Our vision is that every child in the UK has a safe and happy childhood, and the foundations they need to thrive.

Our mission

We protect and support children and young people. We do this by providing practical and emotional care and support. We make sure their voices are heard. And we campaign to bring lasting improvements to their lives.

Our values

In everything we do we are: ambitious, passionate, inclusive, and collaborative.

Our strategic goals

Our seven goals will help us become stronger and more sustainable, so we can ensure more children are safe and happy. They are underpinned by our commitment to put the voice of children and young people at the heart of our work, and to embed our diversity and inclusion strategy.

Our four core service areas



Family support

Supporting families to make sure children and young people get the best start in life.



Children in care

Caring for children and young people to give them a safe, stable and loving home.



Disabled children

Supporting disabled children, young people and their families.



Mental health and wellbeing

Building children and young people's emotional resilience to help them overcome challenges.

We'll work collaboratively to achieve our 2022-25 priorities

What we'll do for children, young people and families



1 Grow our services to help more children and young people

We'll grow the number of children's homes and extend mental health provision, expand family support services and develop our disability services. We'll deliver targeted growth while building financial stability.



2 Increase the impact of our work with children and young people

We'll improve our services focusing on impact, quality and innovation gaining accreditation for high standards. And improve our ability to measure impact.



3 Influence policy decisions to improve the lives of children and young people.

We'll build our evidence base to influence public policy, and increase the impact of our activities. We'll integrate the voice of children and young people in our work.

How we'll achieve it:



4 Attract, develop and retain brilliant staff and volunteers

We'll become an inclusive and pro-actively anti-racist charity championing a culture that is positive and fair with a focus on wellbeing and opportunities for all. We'll build our reputation as a great place to work.



5 Inspire greater support for our vision and mission

We'll engage staff, supporters and networks to ensure everything we do drives awareness and creates more safe and happy childhoods.



6 Increase our financial contribution from fundraising, nurseries and childcare

We'll evolve our fundraising, grow our capabilities and scale up our campaigns. We'll increase our high quality nursery and childcare services.



7 Deliver best value for children and young people by improving our efficiency

We'll improve our systems and processes to reduce workload for staff and lower costs. We'll make best use of our property portfolio.

Governance

Governance

Our Board of Trustees is responsible for governance, overseeing our performance and providing strategic direction.

Under the guidance of our Chair, Sarika Patel, our trustees and CEO, we regularly review how we operate to make sure that we are best supporting children, young people and families.

We're committed to best practice and the highest standards of governance. We monitor our ways of working against each of the Charity Code of Governance's seven principles.

Our governance framework supports our strategic objectives to make sure that we achieve our aims. We're driven by our charitable purpose.

Our charitable purpose

Our purpose is set out in our articles of association (otherwise known as our charitable objects). It is:

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're satisfied that our services reflect our charitable purpose and the public benefit requirement, as set out in section 17 of the Charities Act 2011.

The Board of Trustees

The Board is made up of 10 trustees, listed on page 82. The Board meets six times a year and holds occasional ad-hoc meetings when necessary. Trustees visit services to get a better understanding of the work we're doing and the difference we make to children, young people and families. Although service access was restricted during the pandemic, some virtual visits were possible.

All of our trustees give their time voluntarily and receive no rewards or benefits from Action for Children. They get involved because they believe in what we do and want to make a real difference. Any expenses claimed by the trustees are set out in our financial statements.

The average attendance figure of current trustees in post this year was 93%.

Board effectiveness

Every trustee is appointed based on their skills and experience, both of which help us to achieve our strategic objectives. We try to attract a broad range of candidates. The appointment process is rigorous including interviews by young people from our services, due diligence checks and the involvement of the Board's Governance People and Remuneration Committee.

Once appointed for a three-year term, trustees and committee members go through an induction programme to make sure they understand their roles under charity and company law.

We have close links with the Methodist Church. These are reflected in our constitution, which means the Church can nominate a trustee. The knowledge, expertise and passion that our Methodist trustee brings is hugely important.

We are in the process of appointing more trustees which will enhance the Board's balance of skills and knowledge. We always seek to reflect diversity in trustee recruitment.

Every year the Board conducts a review of the skills of our trustees and a review of its own – and the Chair's – performance. A Board evaluation was carried out in September 2021. This included: an assessment of the role and composition of the Board; our strategy; performance management; management of the business; talent and succession; investments; stakeholder engagement; committees; risks; Board behaviours; culture; and diversity and inclusion.

Diversity

The Board believes that a balance of experience, skills, knowledge and backgrounds provides a variety of different perspectives and enhances decision-making. Each year, new trustee appointments are evaluated against the existing skills, knowledge and experience on the Board. The term 'diversity' includes the nine

protected characteristics of the Equality Act 2010, as well as different backgrounds, life experiences, career paths and diversity of thought.

The Board's Governance, People and Remuneration Committee pays particular attention to diversity.

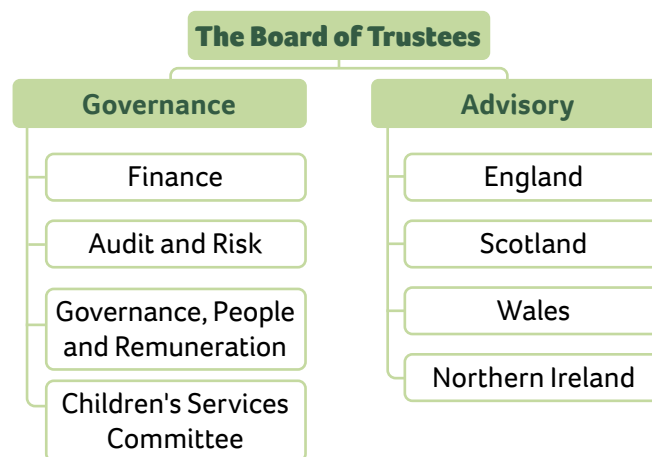
Board members received training on inclusive leadership in October 2021. We have a strategy on Diversity and Inclusion rolled out across the organisation.

Diversity was also considered as part of the annual board evaluation process in September 2021. The Board has a dedicated Trustee Champion for diversity and inclusion.

We're working hard to create a fully inclusive culture. Our Diversity and Inclusion strategy addresses the recommendations of the Code and articulates our ambitions for the future. This includes becoming an anti-racist organisation. We worked with our staff networks on the development of the strategy and play a crucial role in monitoring its implementation. You can read more on page 29.

We believe in being transparent. We publish the charity's progress, including shared learning, where appropriate.

Governance framework



Board committees

The Board has standing committees that report on specific issues. Each committee has agreed terms of reference and includes specialist co-opted members, as well as trustees. The Board delegates the day-to-day running of Action for Children to the Chief Executive and Executive Leadership Team. The Board also delegates some areas of its work to sub-committees.

Finance

Oversees our finances and maintains the short- and long-term viability of Action for Children. The Committee also advises the Board on appropriate

financial strategy. The investment sub-committee informs its oversight of investments.

Audit and Risk Committee

Makes sure we meet our statutory accounting obligations and have effective systems of internal control, audit function and risk management.

Governance, People and Remuneration

Supports the effective running of the organisation, ensuring standards of excellence and taking a leading role on people policy and remuneration.

Children's Services Committee

Oversees and develops the quality, reach and performance of Children's Services. The Committee is focused on improving outcomes for children and young people.

The National Advisory Committees

The National Advisory Committees were set up last year, replacing our Nation Committees. Their role is to guide what we do in each nation and offer advice to the Board of Trustees. They also help us to build deep and long-lasting connections in each of the nations we work in.

How we organise our work

We have four directorates, each led by a member of the Executive Leadership Team:

- Children's Services.
- Fundraising, Communications and Policy.
- People.
- Corporate Shared Services.

The Executive Leadership Team works closely with the Board of Trustees to support our vision, mission and values, and to achieve our objectives.

Looking after the environment

Green Action Network

Over the last 12 months, our Green Action Network has grown to nearly 100 members across all nations and directorates. The Network is run by staff who are passionate about sustainability and ensure it's considered in everything we do. The group aims to change Action for Children's policies to make them more sustainable and are looking to create a Green Action Policy. One of the ways the group encourages everybody to be greener is through talks. We've had talks about the impact being vegan can have on the environment, urging staff to take part in Veganuary this year, and how much more environmentally friendly sustainable fashion is. We have several upcoming talks including one on green finance and banking. The group also share links, talks, and advice on our network page.

Saving energy

We are now compliant with the Energy Savings Opportunity Scheme (ESOS) and we have a 100% green tariff for electricity. Our waste management and recycling suppliers are helping to get the most from recycling and reduce our emissions. And because we know we can all play our part, we ensure our suppliers are taking their own measures to protect the environment.

We don't operate a consistent portfolio of properties, so our emissions can increase and

Here are our consumption and emission figures for the last year:

Energy type	Consumption 2021/22	Emissions 2021/22	Consumption 2020/21	Emissions 2020/21
Gas	8,703,075 KWh	1,594.06 tonnes CO2e	8,200,863 KWh	1,507.89 tonnes CO2e
Electricity	2,586,682 KWh	597.78 tonnes CO2e	2,133,200 KWh	540.13 tonnes CO2e
Fleet	61,253.99 Litres	150.81 tonnes CO2e	42,497.85 litres	106.33 tonnes CO2e
Total emissions		2,342.65 tonnes CO2e		2,154.35 tonnes CO2e
Emissions offset by recycling waste		636.7 tonnes CO2e		408.70 CO2e
Net emissions		1,705.95 CO2e		1,745.65 CO2e

*Electricity calculated using standard 0.2311kgCO2e/kWh factor.

decrease throughout the year depending on how many contracts we take on. In 2020/21, our total emissions were lower due to Covid restrictions reducing our service offering.

But we continue to work with our waste management and recycling suppliers to use recycling to reduce our net emissions. This year, we have offset 636.7 tonnes of carbon equivalent by recycling waste.

In line with improving our sustainability credentials, we were proud that Headlands School came first in Wales for the second year running, and 7th in the UK, in Sustrans' Big Wheel and Walk competition. The competition rewards the schools who clock up the most miles on their bikes, legs, scooters and skateboards.

Trustees' duties in relation to section 172 of the Companies Act

The Board of Trustees is aware of its duty under Section 172 of the Companies Act 2006. This duty includes acting in the interests of stakeholders when promoting the success of the charitable company.

The trustees, as company directors of Action for Children, act in accordance with this requirement and in doing so have to regard:

- The likely consequences of any decision in the long-term.
- The interests of the company's employees.
- The need to foster the company's business relationships with suppliers, customers and others.
- The impact of the company's operations on the community and the environment.
- The desirability of the company maintaining a reputation for high standards of business conduct.
- The need to act fairly between members of the company.

As part of their induction, trustees are briefed on their duties, which are fulfilled partly through the governance structure detailed on [page 35](#). These include embracing our vision of a safe and happy childhood, and promoting our values to be passionate, ambitious, collaborative and inclusive, which are the foundation of everything we do. The Board has been working closely with our Executive Leadership Team to secure our future financial sustainability.

Collaborating with others

Engaging with our staff

Engaging with employees on a regular basis is vital. The Board and Executive Leadership Team keep in touch with staff through regular team meetings, our intranet, weekly and monthly emails, and all-staff meetings. We also hold six-monthly roadshows that give people the chance to ask questions and provide feedback. For information on how we engage with staff see page 29.



During the pandemic we have worked hard to maintain morale. We have held regular virtual staff calls and Q&A sessions, moved staff meetings and roadshows online, shared good news stories, promoted our wellbeing hub, and encouraged people to take annual leave.

The Executive Leadership Team also regularly briefs the trustees. Updates include:

- An analysis of the strategic workforce plan.
- Attracting candidates and developing talent.
- Reward and recognition.
- Wellbeing and engagement.
- Staff pay.
- Our Diversity and Inclusion strategy.

This information, which reaches the Board through reports at meetings, gives the trustees an overview of our culture and how people engagement affects performance. The Governance, People and Remuneration Committee reviews feedback from staff and volunteer surveys, as well as other projects linked to wellbeing at work, equality, diversity and inclusion to make

sure that any concerns are brought to the attention of trustees. A trustee member of the Governance, People and Remuneration Committee, Gary Edwards is a champion of Diversity and Inclusion and regularly meets with staff network groups. The Chair of the Board of Trustees also communicates with staff through email updates and Meet the Chair events.



Engaging with volunteers

The trustees recognise the huge value volunteers bring. Our 2,553 volunteers supported more than 200 projects, services and departments last year. The trustees engage with volunteers through our National Advisory Committees. This gives them an insight into the work they do, our services across the nations, and the difference they make. During the year our volunteers received a newly designed volunteer newsletter which will be distributed annually along with our annual report. Our volunteers are supported by almost 300 volunteer managers nationally who meet regularly through our Volunteer Managers Network (read more about volunteering on page 30).

Engaging with suppliers, customers and others

The trustees recognise the importance of both internal (staff and volunteers) and external (children and young people, parents, our Patron, the public, regulators, commercial partners, media, local authorities, government agencies, charities, children's societies and suppliers) stakeholders.

Trustees are committed to building strong relationships with the children, young people and families we support. They're mindful that we can only be a vital lifeline if we engage effectively, collaborate and put their views at the heart of our services. Young people, who are represented on our National Advisory Committees, help us to recruit trustees and senior staff, inform our service design and delivery, and our campaigns.

All of our partners are expected to comply with the requirements of any professional standards or trade bodies, as well as all applicable laws, statutes, regulations and codes of practice relating to safeguarding, anti-bribery and anti-corruption. Our Donation Acceptance Policy ensures we don't compromise our mission, values and charitable purpose when raising money. For more on our fundraising compliance, see [page 27](#). Our vision and values are also promoted to partners and new providers to make sure they understand what we stand for as a charity.

Trustees receive regular commercial, operational, communications, fundraising, media and policy updates. This gives them an understanding of the impact our activities have and the views of our stakeholders.

The trustees also review, at their bi-monthly board meetings, financial and operational performance. They're responsible for establishing and maintaining an effective system of internal controls to detect, prevent and manage risks. They're also responsible for reviewing legal and regulatory compliance. For more on our Risk Management Framework, and how we identify and manage risks in all our activities, head to page 40.

Integrity

In November 2021, the Board agreed our ethical policy framework which sets the framework of ethical standards and common principles through which we assess investments, procurement, funding and/or other significant activities and informs all of our policies and procedures.

Our ethical policy framework helps us to manage any issues to do with donations, in our work with suppliers or partners, or when appointing trustees, staff and ambassadors.

To make sure we meet legal and sector standards, we don't work with any organisations:

- That compromise our vision, mission values and charitable objectives.
- That conflict with our 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.
- That conflict with the ethical principles developed by NCVO and the principles of the Charity Governance Code.
- Whose actions breach the UN Convention on the Rights of the Child.
- That compromise our roots in the Methodist Church.

Modern Slavery Act 2015

Action for Children has a zero-tolerance approach to modern slavery.

We're committed to:

- Acting ethically and with integrity in all our business dealings and relationships.
- Implementing and enforcing effective systems and controls, to make sure modern slavery doesn't take place anywhere in our business, or in any of our supply chains.
- Being transparent in everything we do and in our approach to tackling modern slavery in our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015.

We include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, as part of the due diligence on our contracting process.

We expect our suppliers to hold the businesses they work with to the same high standards.

To achieve this last year, we:

- Complied with anti-slavery and anti-human trafficking legislation by implementing processes, reporting and prevention mechanisms.
- Included template clauses addressing the issue to avoid breaches of the Modern Slavery Act by our suppliers. These are clearly written into our procurement documentation, with reference to the Modern Slavery Act in the Pre-Qualifying Questionnaire.
- Included modern slavery preventions in our Safeguarding Framework and organisational policies.

Managing risk in challenging times

Our Board of Trustees have considered the major risks the charity is exposed to. They have satisfied themselves that systems or procedures are in place to manage those risks effectively.

Risk management provides the framework within which Action for Children can deliver its strategic objectives.

Our approach to managing risk

Everyone at Action for Children is viewed as a 'risk manager'. We're mindful that staff, contractors, volunteers and external service providers are all critical to managing risk.

Our approach to risk management is guided by best practice as set out by the Institute of Risk Management (IRM) and ISO 31000. We follow the 'PACED' principles of risk management as well as relevant regulatory standards, including the Charities and Risk Management guidance (CC26).

To achieve this, we follow an iterative four-stage process of risk identification, assessment, management, and review and reporting. This helps us to deliver our strategic objectives, improve performance, and maximise the value and effectiveness of the services we provide.

Continuous improvement

We are committed to regularly reviewing and improving our risk management capability. We've strengthened our risk reporting in 2021/22 and have

developed a Risk Management Roadmap. This sets out how we'll evolve our risk management framework and risk appetite to support the delivery of our new strategic goals.

Clear accountability

Our Risk Management Policy and Procedure sets out a clear governance structure, with defined roles and responsibilities for risk management. The core responsibilities for management of corporate risks are set out below.

The **Board of Trustees** has overall responsibility for risk management and ensuring that an effective system of internal controls is in place. The Board is consulted on all major business initiatives to ensure the organisation can tolerate the level of risk these present within the context of the agreed risk appetite for the Charity. Identified risks that do present a significant threat for the organisation are escalated to the Board, or a committee of the Board, for decision. The Board reviews the Charity's corporate risks on an annual basis or as escalated by the Audit and Risk Committee.

The **Audit and Risk Committee** (ARC) has delegated authority from the Board for overseeing risk management and is specifically tasked to:

- Ensure the risk management policy, procedure and framework are fit-for-purpose and reviewed at least every two years.
- Review the Charity's corporate risk register

quarterly to verify that key risks are identified. And seek assurance that mitigation strategies support the delivery of strategic objectives.

- Escalate significant risks or issues to the Board for decision.
- Ensure the Charity operates within the defined risk appetite.
- Oversee the outsourced internal audit provision and approve the risk-based annual internal audit plan.

Each **committee of the Board** identifies significant risks within their area of responsibility and either refers them to the Audit and Risk Committee or escalates it directly to the Board for consideration. In particular, the Children's Services Committee monitor safeguarding risk reporting and escalate any concerns to the Audit and Risk Committee and the Board.

The **Executive Leadership Team** (ELT) review the corporate risk register quarterly and agree mitigation strategies to manage significant risks to the delivery of strategic objectives. They also regularly discuss emerging risks from new or existing business activity and changes in the internal or external operating environment. The Corporate Risk Register is supported by operational risk registers overseen by Executive Leadership Team.

The **Risk Management** function facilitates and monitors the implementation of effective risk management practices and assists risk owners across

the organisation in identifying, assessing and reporting risks.

Internal Audit provides independent assurance over the operation of the organisation's internal controls, following a risk-based internal audit plan.

Risk Environment

Organisational context

We protect and support children and young people. Some of our services are, by nature, conducted in a high-risk environment. We know that risk cannot be completely eliminated from our frontline activities, but we aim to reduce it as far as is reasonably practicable.

We operate within increased levels of uncertainty due to our reliance on government contracts and voluntary donations, and because we compete in a highly regulated environment. The context of rising costs of living and pressures on public finances presents significant challenges. Pressures on public finances increase the risk of a significant reduction in funding for children's services. Our key stakeholders, partners and local government face similar challenges. We are campaigning, together where we can, to highlight funding gaps.

A volatile external environment

Over the past 12 months, our Executive Leadership Team has been closely monitoring the potential impact of external factors including Covid, Brexit, cost of living increases and the recent war in Ukraine.

The economic, operational and social impacts of these events continued to test the resilience of our

financial and human resources. We're proud that our dedicated staff and business continuity measures have enabled Action for Children to continue to deliver our services throughout this turbulent period.

We took steps to address the continuing challenges of an increased demand for our services; the impact on our finances; and the physical and mental strain on our staff. In relation to Covid, in particular, regular communication with staff and managers made sure they had up-to-date guidance and support throughout the year.

The wellbeing of our staff remains a key focus during these challenging times. Action for Children's 2020-23 Wellbeing Strategy builds on existing wellbeing resources with a year-by-year action plan to support the health and wellbeing of everyone at Action for Children.

The Board and Executive Leadership Team continue to monitor our position so that we can respond to longer term post-pandemic impacts and emerging risks.

We periodically test our business continuity arrangements and use these exercises to improve our processes and resilience.

Principal Risks

The principal risks to our strategic objectives are set out below.

Safeguarding risks

The safety of children, young people and families is our priority. Our comprehensive safeguarding policies and procedures are designed to mitigate potential risks.

We continuously strive to improve our working practices. Strict controls and oversight structures are in place around supervision of staff working with children. Our dedicated Safeguarding Team support these efforts with comprehensive quality assurance systems in place. Read more on page 19.

Our whistleblowing and serious incident procedures ensure proper investigation and reporting of any serious incidents. Our Safeguarding Team has undertaken internal reviews to learn from the occasions when our work with children and families doesn't go to plan. Our Safeguarding Group, led by our Chief Executive, and our Children's Services Committee review the lessons. Where wider themes are raised externally, reviews are also undertaken to understand the impact on our children and young people, and how best to support them.

Capability risks

Recruitment and retention is a sector-wide challenge. There has been a seismic shift in challenges to recruiting staff to social care roles. We have renewed focus on this area – making changes in 2021/22 including bringing the recruitment function in-house, strengthening wellbeing and career development support, launching additional staff networks and reviewing our pay policy. We have increased pay in hard to recruit areas as well as increasing the pay of our lowest paid staff, committing to align pay with the Living Wage Foundation from April 2022. Read more on [page 29](#).

We're proud of our passionate and dedicated staff, who worked tirelessly through the pandemic, often in extremely challenging conditions. Their health, safety

and wellbeing has been at the heart of our approach to managing risks.

Our policies emphasise the importance of retaining and attracting talented people. During 2021 we introduced our Management Competency Framework and resources to enable leaders and managers to better support their own development as well as their teams. Regular performance appraisals and a comprehensive training programme further support staff development. We continue to hold Investors in People accreditation and have additionally achieved Disability Confident Employer status this year.

Financial sustainability

Anticipated or unexpected pressures on our income streams can have a negative impact on our ability to support children, young people and families. We closely monitor financial trends so that we can spot challenges early and take appropriate action.

Over the course of the year, we implemented recommendations from our external and internal auditors to strengthen our financial controls. We'll continue to make improvements, including investing in our financial systems, to make sure we operate in a robust financial control environment.

We're actively managing evolving financial risks to the organisation's liquidity and cash position, as well as our reserves.

Our pension fund investment strategy seeks to limit the downside risk to Action for Children. We continue to be mindful of the potential impact of volatile financial markets on our pension liabilities and assets. Further information on our improved

Defined Benefit Pension Fund position is detailed on page 66 (Note 6).

Health and safety

Health and safety is a central component of our organisational risk management and governance approaches. The policies and procedures we have in place ensure effective risk management and keep staff, volunteers, and the people who use our services and buildings safe.

Failing to act in accordance with relevant guidance, laws and regulations could cause harm, affect our services and potentially lead to regulatory or legal consequences. Our specialist Health and Safety and Property Teams mitigate this risk. Key controls to mitigate this risk include: mandatory training; incident and near miss reporting; a dedicated Health and Safety Committee; engagement of the Hampshire Fire Service as our Primary Fire Authority; and regular oversight at the Audit and Risk Committee and Board of Trustees. In the past year we have launched our new property database to support effective management of our buildings. We are also strengthening our in-house property expertise to increase oversight of building compliance and maintenance.

Technology and Information security risks

There is currently an increased chance of cyber threats. As we hold highly sensitive data, we have technology in place to minimise information security risks from cyberattacks, attempted data theft, and denial-of-service attacks. Our Security Operations Centre and infrastructure/security teams increased protections from February 2022.



Investment in end-to-end security architecture during 2021 is delivering and has strengthened our resilience. Ongoing mitigation activities included recertification of our Cyber Essentials Plus accreditation and comprehensive mandatory training for staff on both cyber security and information security. We encourage ongoing vigilance to cyber threats and help us to identify further training needs. We also strengthened our control environment by implementing recommendations from our internal auditors in relation to data protection and cyber security.

We also recognise the risks posed by ageing systems and the need to invest in our wider technological architecture. A programme of activity is underway to ensure we have the systems and tools to efficiently and effectively support the delivery of our vital services. This includes the replacement of our HR and Finance systems (going live in 2023), which is overseen by a Programme Board and will be subject to independent assurance including review by internal audit.

Finances

Making sure our finances are sound means we can do more for children, young people and families across the UK – both now and in the future. During 2020/21, this meant undertaking an organisational transformation programme ‘Securing our Future’ to stabilise our finances.

During 2021/22, we built on the Securing our Future programme to ensure financial sustainability going forward. In the face of a tough operating environment, particularly affecting our nurseries, childcare and fundraising, and inflationary pressures impacting salary costs, the organisation continues to show financial resilience. For 2022/23 onwards, we will seek to build financial sustainability through our plans for various areas.

Building financial resilience

Our strategy therefore is designed to balance growth with the need for financial sustainability. Targeted growth (Goal 1) will focus on increasing residential care services and mental health provision, expanding family support services and growing disability services based on need. And to support this, we need to increase the financial contribution from our fundraising, nursery and childcare services. Goal 6 of our strategy outlines how we will evolve our fundraising activities, taking a digital first approach and scaling up our campaigns to generate more funds. We also aim to increase our high-quality nursery and childcare services. Finally, goal 7 focuses

on ensuring that we continue to improve our efficiency, removing friction from systems and processes and unlocking value from property assets.



Project STAIRS

During the 2022/23 financial year, we will be conducting the implementation of a new Finance and HR system for the organisation. This will transform the way in which we work and lead to operational efficiencies and greater insight to allow us to manage our finances in an even more transparent and detailed way.

Group financial statements

The financial statements reflect the resilience of the charity in dealing with unprecedented changes that are outside its control. Income from all sources was down by £2.6m (1.8%) with expenditure on charitable activities stable on a year-on-year basis. This however does exclude any impact that the Pension Fund continues to have on the charity and is highlighted in the financial statements.

Income and expenditure

Our activity in 2021/22 helped us to achieve a total income of £142.6m (2020/21 £145.2m). Net gain for the year, before investment and pension valuation movements, was £3.2 m (2020/21 £5.8m). The Pension Fund value is showing a surplus position of £81.3m (2020/21 £35.5m) on the FRS 102 basis. However, as the charity does not have an unconditional right to the surplus arising from this valuation, it has not been recognised in the financial statements.

The part of our charitable activities undertaken through subsidiary companies and associate charities (see note 3 to the financial statements) increased overall turnover to £77.6m (2020/21 £70.5m) mainly due to additional contracts for services. However, the net surplus from all subsidiaries / associated charities was down to £ 2.8m (£2020/21 £4.8m). Which was mainly due to a reduced surplus from Investments

held within Associated Charities of £0.9m (2020/21 £2.5m) and a reduced surplus from Services of £1.6m (2020/21 £2.0m).

It is worth noting that contract services run by our subsidiary Action for Children Services Ltd and consolidated into the group financial statements continue to make a positive financial contribution to our overall charitable activities in the year of £1.6m (2020/21 £2.0m). The income from these activities increased year on year to £62.5m (2020/21 £55.8m) however costs were obviously impacted by Covid.

The generosity of our supporters continues to amaze us with £16.2m (2020/21 £20.0m) raised in voluntary income from donations and legacies. Of this, £10.0m (2020/21 £14.6m) was unrestricted income thanks to the continued loyalty of regular donors and long-time supporters. Total voluntary income was less than in the previous year, which included several large Covid-related grants, but we saw the return of in-person events like our Spring Ladies Lunch, Ultimate News Quiz and Women of Influence which generated over £404,000. And our Christmas Secret Santa appeal raised over £1m.

We have been increasing our expenditure on fundraising and marketing to combat the current uncertainties. As previously mentioned, we have had to reprioritise our spend to ensure we can grow our fundraising income.

It's clear some activities undertaken don't generate enough income to cover the costs of delivery. However, with surpluses delivered on some contracts and unrestricted fundraised income, the charity is able to continue delivering on the strategy.



Balance Sheet

Our total funds at the year end were slightly up on the previous year £84.0m (2020/21 £82.4m) with unrestricted funds slightly down on the previous year by £0.2m to £65.1m. As with all figures quoted, context is important. Some £37.9m of the unrestricted income is either designated or tied to assets supporting our activities. This leaves the balance of £27.2m (2020/21 £26.4m) constituting the charity's free reserves.

Tangible Fixed Asset additions in the year amounted to £0.9m which were all assets in the course of construction. The only other more notable change is that some £14.3m cash had been placed on notice deposits bringing the total to £18.4m at the year end. The group maximises the interest earned on surplus cash by investing in term deposits.

Our results for the year to 31 March 2022 are reported in our statement of financial activities (SOFA). The figures are summarised in the table and reflect the comments made below.

Our results for the year to 31 March 2022 are reported in our statement of financial activities (SOFA). The figures are summarised in the table.

	2021/22 £m	2020/21 £m
Income from donations and legacies	16.2	19.9
Investment income and fixed asset disposals	0.9	0.8
Income from charitable activities	125.4	119.1
Other income	0.1	5.3
	142.6	145.2
Expenditure on raising donations	(5.3)	(5.4)
Expenditure on charitable activities	(134.1)	(133.9)
Total expenditure	(139.4)	(139.4)
Net gain/(loss) for the year	3.2	5.8
Gain/(loss) on investment valuation	1.4	4.7
Actuarial loss on pension liability	(3.0)	(2.7)
Net movements in funds	1.6	7.8



Total income

- £125.4m - Income from charitable activities
- £16.2m - Income from donations and legacies
- £0.9m - Investment income and fixed asset disposals
- £0.1m - Other income



Total expenditure

- £134.1m - Activities to help children
- £5.3m - Fundraising



Expenditure on activities to help children

- £33.6m - Safe and stable homes
- £27.7m - Disabled children's services
- £33.6m - Best start in life
- £38.6m - Mental health and chance to thrive
- £0.5m - Campaigning and public policy

Trading subsidiaries and associated charities

The Action for Children group's consolidated financial statements include two other charitable trusts. These trusts share common trustees and management

The **National Children's Home** (charity number 215301) is an unincorporated trust. It continues to hold permanent endowments and receive legacies left in the former name of the charity. This trust only administers the permanent endowments of Action for Children, and all income is used to help us meet our objectives.

The **Nicholas Galperin Trust** (charity number 210618) supports young people under the age of 25.

Four wholly owned subsidiary companies, registered in England, Scotland and Wales, also support our work.

Action for Children Services Limited (company number 2332388) provides welfare and educational services. The company faces many of the same challenges as Action for Children. New contracts with local authorities are placed through the company, and turnover increased by 12% in 2021/22, to £62.5m. The company made a profit of £1.6m (2020/21 £2.0m), and Gift Aid will be paid to Action for Children so that no corporation tax is due.

Action for Children Trading Limited (company number 3776025) is a subsidiary for our fundraising and trading activities. The company made a profit of NIL million in 2021/22. The trading activities were transferred to Action for Children Developments Limited during 2021/22 and the company is due to be wound up during 2022/23.

Action for Children Developments Limited (company number 6842765) is a company limited by guarantee. The company looks after commercial trading, property transactions and other developments that support Action for Children's objectives. The company also runs children's nurseries under the trading name 'Spring'.

The company made a loss of £(0.3)m (2020/21 surplus £0.1m). The temporary closure of nurseries due to the pandemic adversely affected results – however, the company is expected to return to profitability in 2022/23.

Out-of-School Scotland Limited (OSCARS) (company number SC264619) is a subsidiary that provides after-school clubs, breakfast clubs and holiday camps. Despite the challenges of Covid, the company made a profit of £0.4m (2020/21 £0.1m).

Charity funds

Trust and charity law require that we present our funds in the following categories:

Restricted funds, which include legacies, donations and other income that can only be used for particular purposes. Where these funds are held on trust, to be kept for our benefit as a capital fund, they are classed as endowment funds. These funds are for scholarships and general use. On 31 March 2022 our endowment funds were £11.7m (2020/21 £10.8m). Specific-purpose funds were £7.3m (2020/21 £6.3m).

Unrestricted funds £65.0m (2020/21 £65.2m) comprise the general fund, of which a part has been categorised as designated funds, with the remainder being undesignated.

Designated funds represent both a capital fund equivalent to the net book value of tangible fixed assets used to support operational work £17.4m (2020/21 £17.7m), and a charged asset fund representing the market value of those investments over which the Pension Fund has a charge £20.2 m (2020/21 £21.0m). The total value of the assets charged to the Pension Fund is £40m. This comprises the charged asset fund of £20.2m together with operational properties within the capital fund with a market value of £19.8 million.

The remainder of the general fund £27.2m is undesignated and constitutes the Charity's free reserves.

The pension reserve would represent the difference between the fair values of pension assets and liabilities on the FRS 102 basis. However, this surplus is not recognised in the accounts, on the basis that such surplus can't be released back on an unconditional basis.

Reserves policy and forward financial forecast

Like most charities, Action for Children has a limited number of potential funding sources. We've listed these in our accounts. Our reserves, therefore, reflect the capital we need to continue our activities safely in times of uncertainty and in exceptional circumstances. This allows an orderly closure of the operation by transferring out the services as appropriate.

The Finance Committee reviews our reserves policy – as well as the level of free reserves – every year. This is shown in the financial statements as the general fund and fair value reserve, excluding designated

funds. The review is then approved by the Board of Trustees. A risk-appraisal approach – determining the likelihood of future costs, potential liabilities and risks – is used to work out the general reserves needed. This is based on the latest business and financial plan. Risks include a loss of income from partners and voluntary donations, and changes to costs.

The trustees strive to make sure we have sufficient free reserves to protect Action for Children's financial stability. This gives us a safety net should income and expenditure need to be rebalanced. Taking into consideration our strategic plans, and economic and market conditions, we plan to hold general reserves excluding designated funds above £14.0m. With the current Charity's free reserves standing at £27.2m, the trustees believe the charity will have sufficient reserves, based on current projections and taking account of the impact of the pandemic, to meet future requirements.

Our financial plan and reserves policy include Pension Fund contribution costs. The accounting disclosure required for pension liabilities is included in the balance sheet, which can be found in note 6.

Investments

A large portion of our investments are managed by the Central Finance Board (CFB) of the Methodist Church. The CFB has a social, environmental and ethical investment approach that matches our aims, objectives and ethical considerations.

The CFB is interested in a wide range of issues, including the environment, climate change and human rights. Its ethical approach excludes

companies deemed inappropriate, such as those involved with alcohol, tobacco, pornography and armaments, or those who use child labour. The CFB works closely with other church-based organisations to maximise the influence they have over the companies they invest in. The CFB is also signed up to, and compliant with, the Financial Reporting Council's UK Stewardship Code.

Our investments provide the reserves we need to manage future developments, risks and uncertainties. One of our main objectives is to keep an asset allocation model that matches the timing of potential liabilities, within reserves, to appropriate investment assets. The investment policy and statement of investment principles is based on this model, and was reviewed and updated in 2020/21. Investment decisions and performance are reviewed by the investment committee. We measure the performance of the CFB fund against an agreed benchmark. In 2021/22, our investments overperformed by 7.1% above the benchmark. The main general fund performance for the year increased by 9.2%. Performance is regularly reviewed by our investment committee and discussed with the CFB. The investment committee also looks at external benchmarking to ensure our funds generate appropriate returns. The portfolio was 6.3% ahead of the 'Steady Growth' index and 5.4% ahead of the 'Balanced Asset' index. Investment income dropped to £0.9m in 2021/22 compared to £0.8m in 2020/21.

Pensions

Pension funds are valued in different ways by the actuaries to suit different purposes. A triennial

valuation establishes an appropriate funding level and uses set financial assumptions that differ from those used for including pensions in the financial statement of the sponsoring employer. These accounting disclosure requirements are governed by the Financial Reporting Standard, FRS 102.

At the 31 March 2018 triennial valuation, the pension deficit was £38.4 million, which is a funding level of 94%. This is based on estimating the long-term liabilities over the remaining lives of members. The triennial valuation as 31 March 2021 is being finalised at the time of writing. However, the value as per the FRS 102 at 31 March 2022 was a surplus of £81.3 million, which is a funding level of 113%. The FRS 102 valuation assumes lower inflation and higher interest/discount rates than the triennial valuation. These differences lead to a lower calculation of pension liabilities.

We target a position whereby the Pension Scheme is considerably better funded and more defensively invested than on the statutory triennial valuation basis. We describe this target as being "sustainable". The sustainable target can be thought of as the amount of assets, invested cautiously, which would allow the Charity to be able to pay off future potential deficits that could arise over a relatively short period (ie within around three years). Being fully funded against the sustainable target:

- Materially reduces the investment risk to which the Pension Fund is exposed prior to it reaching its maximum benefit payments;
- Improves the security of members' benefits;
- Provides protection for the Charity; and

- Enables the Charity to plan its business with greater certainty.

We use the sustainable target valuation basis to agree contribution levels and the recovery plan. At 31st March 2018 the sustainability target there was a deficit of £105.7m, a funding level of 85%.

We haven't recognised the surplus on the FRS 102 basis as an asset in the accounts because we have no certainty that, were it to crystallise, this sum would be refundable from the pension scheme. Settling pension liabilities takes a long time, with costs spread over many years. The funding level is also volatile, and valuations are sensitive to changes in the financial market.

We receive a regular report on the funding position of the Pension Fund from the actuary, which we monitor closely. We have continued to make pension deficit recovery payments in line with the 20-year plan agreed with the Pension Fund trustee directors in 2009. This will be updated to reflect the 2021 valuation when completed.

Despite market volatilities, we're making good progress to meet the recovery plan funding position. This has been helped by the implementation over the last two years of an investment strategy that specifically targets expected future cashflows. This has also led a move to a lower risk asset portfolio to minimise the down-side risk to Action for Children.

For the last 12 years we have been paying a deficit reduction contribution on an annual basis, as agreed with the Pension Fund trustees. In 2021/22, the payment was £3 million.

Going concern

It's been a challenging year for Action for Children but our charity has shown great resilience and strength. The net gain for the year of £1.6m, which exceeded our original budget for the year. The unexpected impact of Covid has continued to result in a lot of uncertainty in the business environment and economy. Pay inflation has impacted market salary levels, increasing the pressure on many charities. During this period, the Executive Leadership Team worked closely with the Board of Trustees to regularly monitor the situation, considering the cash position and the impact on reserves.

The Trustees continue to believe that the group and its entities are going concerns and therefore the going concern basis is appropriate for the preparation of the annual report and accounts. A paper setting out the approach taken by the Trustees and rationale for this assessment has been prepared. In reaching this assessment the Trustees have considered the factors, risks and uncertainties that may impact the group's operations in the next year, including the continuing impact of Covid. This assessment is supported by detailed financial modelling, including the 2022/23 and 2023/24 financial plans, sensitivity analysis, and quantification of potential risks on the group's reserves and liquidity positions.

Action for Children's financial projections are reflected in the group's 2022/23 budget, and indicative forecast for 2023/24. The operating budget for 2022/23 is balanced, before investments of £4.8m in specific development projects (which have been agreed to be funded from existing

unrestricted reserves). While acknowledging risk in delivery of the balanced budget outturn, the Trustees believe the budget reflects a "middle ground" position, balancing known risks against the group's ambitions and opportunity for growth.

The Action for Children Charity's group unrestricted reserves and cash balances are healthy, with a 31 March 2022 consolidated cash and cash equivalent balance of £31.7m (2020/21 £30.4m). Group restricted reserves stand at £18.9m (2020/21 £17.2m) with group unrestricted reserves of £65m (£65.2m). Actual cashflow for 2021/22 show liquidity levels maintained through the year, though these decline in 2022/23, in line with the reserves-funded project investments and planned capital spend.

The indicative forecast prepared for 2023/24 covers the period after March 2023, up to 12 months from expected date of signature of the financial statements, and shows an improved financial outlook with increased contribution across income streams. There are no material risks identified in 2023/24 that would impact the going concern assessment. The focus of this assessment is therefore on 2022/23, with an expectation that should risks emerge in the current financial year, these would be addressed and 2023/24 budgets adjusted to ensure our on-going financial sustainability.

In summary, based on the budgets and cashflow projections prepared, and the group's healthy reserves and cash balances, the going concern basis for preparation of the financial statements is deemed appropriate.

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 the strategic report) and the financial statements in line 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 reasonable and prudent judgements and accounting estimates.
- State whether applicable UK accounting standards have been followed, subject to any differences disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it's 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 trust deed. 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 the necessary steps 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 maintaining the integrity of the corporate and financial information included on the charitable company's website. UK legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Trustees' Annual Report (incorporating the strategic report) was approved and signed on behalf of the trustees on 28 July 2022.

DocuSigned by:

 332134C21ECF4CE...

Sarika Patel,
 Chair of the Board of Trustees

Independent auditor's report

Independent Auditor's Report to the Members and the Trustees of Action for Children

Opinion

We have audited the financial statements of Action for Children ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Statement of Financial Position, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2022 and of the group's income and expenditure, for the year then ended;

- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed,

we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' report, which includes the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their

environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on [page 49](#), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal

control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material

misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid

a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of

those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities

Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

N. Hashemi

Naziar Hashemi

Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date 24 August 2022

Financial statements

Action for Children financial statements for the year ended 31 March 2022

Consolidated statement of financial activities (incorporating the income and expenditure account)

		General	Designated	Total Unrestricted funds	Restricted funds		Total funds 2022	General	Designated	Total Unrestricted funds	Restricted funds		Total funds 2021
					Specific purpose	Endowment					Specific purpose	Endowment	
	Notes	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments													
Income from donations and legacies	3	9,922	-	9,922	6,313	-	16,235	14,576	-	14,576	5,404	-	19,980
Investment income		842	-	842	77	-	919	771	-	771	56	-	827
Income from charitable activities:													
Best start in life		30,572	-	30,572	-	-	30,572	27,556	-	27,556	-	-	27,556
Disabled children's services		27,291	-	27,291	-	-	27,291	29,127	-	29,127	-	-	29,127
Mental health and chance to thrive		36,089	-	36,089	-	-	36,089	31,679	-	31,679	-	-	31,679
Safe and stable homes		31,455	-	31,455	-	-	31,455	30,744	-	30,744	-	-	30,744
		125,407	-	125,407	-	-	125,407	119,106	-	119,106	-	-	119,106
Other income													
Net loss on disposal of fixed assets		(27)	-	(27)	-	-	(27)	(30)	-	(30)	-	-	(30)
Government grants		114	-	114	-	-	114	5,329	-	5,329	-	-	5,329
Total income and endowments		136,258	-	136,258	6,390	-	142,648	139,752	-	139,752	5,460	-	145,212
Expenditure													
Expenditure on raising funds	4,5	5,311	-	5,311	-	-	5,311	5,431	-	5,431	-	-	5,431
Expenditure on charitable activities:													
Best start in life		32,239	-	32,239	1,325	-	33,564	30,175	-	30,175	1,604	-	31,779
Disabled children's services		27,361	-	27,361	329	-	27,690	30,857	-	30,857	373	-	31,230
Mental health and chance to thrive		36,801	-	36,801	1,816	-	38,617	33,652	-	33,652	2,381	-	36,033
Safe and stable homes		31,669	-	31,669	1,987	-	33,656	32,807	-	32,807	1,554	-	34,361
Campaigning and public policy		516	-	516	-	-	516	549	-	549	14	-	563
		128,586	-	128,586	5,457	-	134,043	128,040	-	128,040	5,926	-	133,966
Total expenditure		133,897	-	133,897	5,457	-	139,354	133,471	-	133,471	5,926	-	139,397
Net gains on investments	9	534	-	534	-	851	1,385	2,451	-	2,451	-	2,243	4,694
Net income/(loss) for the year before transfers		2,895	-	2,895	933	851	4,679	8,732	-	8,732	(466)	2,243	10,509
Transfers between funds	14	1,022	(1,030)	(8)	8	-	-	7,764	(7,911)	(147)	252	(105)	-
Net income/(loss) for the year before other recognised gains and losses		3,917	(1,030)	2,887	941	851	4,679	16,496	(7,911)	8,585	(214)	2,138	10,509
Other recognised losses													
Actuarial loss on pension liability	6	(3,047)	-	(3,047)	-	-	(3,047)	(2,724)	-	(2,724)	-	-	(2,724)
Net movement in funds		870	(1,030)	(160)	941	851	1,632	13,772	(7,911)	5,861	(214)	2,138	7,785
Funds brought forward	14	26,422	38,810	65,232	6,321	10,836	82,389	12,651	46,720	59,371	6,535	8,698	74,604
Funds carried forward	14	27,292	37,780	65,072	7,262	11,687	84,021	26,423	38,809	65,232	6,321	10,836	82,389

Action for Children financial statements for the year ended 31 March 2022

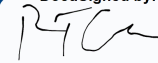
Statement of Financial Position as at 31 March 2022

	Notes	Group		Charity	
		2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	7	17,497	17,715	17,497	17,715
Intangible fixed assets	8	873	1,216	873	1,216
Investments	9	41,346	41,211	29,400	30,116
		59,716	60,142	47,770	49,047
Current assets					
Debtors	10	18,608	18,663	11,629	11,357
Notice deposits		18,359	4,090	18,024	3,856
Cash		13,375	26,302	11,244	25,705
		50,342	49,055	40,897	40,918
Creditors: amounts falling due within one year	11	(23,705)	(23,926)	(14,512)	(16,019)
Net current assets		26,637	25,129	26,385	24,899
Total assets less current liabilities		86,353	85,271	74,155	73,946
Provisions for liabilities	12	(2,332)	(2,882)	(2,332)	(2,882)
Net assets		84,021	82,389	71,823	71,064
Funds	14				
Restricted funds:					
Endowments		11,687	10,836	-	-
Specific purpose		7,262	6,321	7,068	6,321
Total restricted funds		18,949	17,157	7,068	6,321
Unrestricted funds:		65,072	65,232	64,755	64,743
Total funds	14,15	84,021	82,389	71,823	71,064

These accounts were approved by the Board of Trustees on 28 July 2022 and signed on its behalf.

DocuSigned by:

 332134C21ECF4CE...
 Sarika Patel
 Chair

DocuSigned by:

 FE9F94653A10421...
 Peter Curran
 Trustee

Company number 04764232

Action for Children financial statements for the year ended 31 March 2022

Consolidated cash flow statement

	Group	
	2022	2021
	£'000	£'000
Net cash outflow from operating activities (below)	(471)	15,259
Cash flows from investing activities:		
Interest received	4	16
Dividends received	444	389
Rental income from investment properties	471	422
Proceeds of sale of tangible fixed assets	393	370
Proceeds of sale of investment properties	1,305	-
Purchase of tangible fixed assets	(804)	(1,512)
Proceeds of sale of investments	400	1,699
Purchase of investments	(400)	(1,699)
Net cash provided by / (used in) investing activities	1,813	(315)
Change in cash and cash equivalents in the year	1,342	14,944
Cash and cash equivalents brought forward as at 1st April	30,392	15,448
Cash and cash equivalents carried forward as at 31st March	31,734	30,392

Reconciliation of net expenditure to net cash outflow from operating activities

	2022	2021
	£'000	£'000
Net income for the year (as per the statement of financial activities)	4,679	10,509
Adjustments for:		
Depreciation and amortisation charges	890	847
Net gains on investments	(1,385)	(4,694)
Investment income	(919)	(827)
Net gain on disposal of tangible fixed assets	27	30
Pension current service and administration cost	1,272	1,453
Pension employer contributions	(4,319)	(4,177)
Decrease in debtors	55	4,782
(Decrease)/increase in creditors	(221)	6,174
(Decrease)/increase in provision for liabilities	(550)	1,162
Net cash inflow/(outflow)	(471)	15,259

Analysis of cash and cash equivalents

	2022	2021
	£'000	£'000
Cash in hand	13,375	26,302
Notice deposits (less than 3 months)	18,359	4,090
Total cash and cash equivalents	31,734	30,392

Analysis of changes in net debt

	2022	2021
	£'000	£'000
Total cash and cash equivalents b/fwd	30,392	15,448
Cashflows	1,342	14,944
Total cash and cash equivalents b/fwd	31,734	30,392

Notes to the financial statements

1. Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102.

The group and charity financial statements have been prepared in accordance with the Statement of Recommended Practice: “Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102)” (Charities SORP (FRS102)) issued on 2 October 2019. They also comply with the reporting requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011.

The group and charity financial statements have been prepared on a going concern basis (see below), under the historical cost convention, as modified by the revaluation of listed investments and investment properties.

In preparing these financial statements the charity has taken advantage of the exemptions permitted under section 408 of the Companies Act 2006 and has not presented its unconsolidated Statement of Financial Activities.

Going concern

The accounts have been prepared on a going concern basis. This is deemed an appropriate basis by the Trustees based on an assessment of the charity's financial forecasts, reserves and cashflow projections for at least twelve months. The Trustees have also considered potential financial risks the charity may face, and actions that would be taken to mitigate these risks should they arise.

The Trustees have approved a balanced operating budget for the 2022/23 financial year (before investments in growth plans and infrastructure projects), and reviewed indicative forecasts for the 2023/24 financial year. Scenario modelling has been undertaken to assess risks to the budget and forecasts, including impacts of cash and reserves positions. The group has a strong balance sheet with unrestricted reserves at 31 March 2022 of £65.1 million (2021: £65.2 million) with anticipated substantial cash balances in the period. The Trustees are satisfied that the current financial strength of cash balances and reserves will allow timely remedial actions to be taken as necessary to minimise impact.

As such, the Trustees remain satisfied that the group and parent charitable company has adequate resources to continue in operational existence for the foreseeable future, being a minimum of twelve months from the date these accounts are signed. Accordingly, the financial statements have been prepared on a going concern basis.

2. Accounting policies

The principal accounting policies applied in the preparation of the group and charity financial statements are set out 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, Action for Children Trading Limited, Action for Children Developments Limited and Out-of-School Scotland 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.

Accounting estimates and judgements

In the application of the charity's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates, along with their underlying assumptions, are continually reviewed. Key estimates and judgements used in the preparation of these accounts include the use of external valuation reports for:

- The carrying value of investment properties, which are determined using external valuation reports.
- The recognition of any pension asset or liability under FRS 102.

The following judgements have been made in the process of applying the charity's accounting policies and that has the most significant effect on the amounts recognised in the financial statements:

- Income recognition in relation to contracts.
- Pension actuarial assumptions (see note 6).
- Investment property valuations (see note 9).
- Dilapidations provision (see note 12).
- Redundancy provision (note 12).

Income

All incoming resources are included in the SOFA when the charity is legally entitled to the income, when receipt of the income is considered probable, 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.

Expenditure

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.

Expenditure on charitable activities include the expenses relating to campaigning and advocacy, 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.

2. Accounting policies (continued)

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.

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 FRS 102. 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, except that an asset is only recognised where the charity has the sole right to determine the use of surplus of assets over liabilities.

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

Unrestricted funds are available for use at the discretion of the Board in furtherance of the general objectives of the charity.

Part of the unrestricted funds have been designated for particular purposes by the Board as described in the Annual Report at page 46 and in the notes to the financial statements. The Board periodically reviews the levels of designated funds to ensure they are adequate to support the purposes for which they were set-up, and any surplus or deficit is transferred to or from the general fund.

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).

2. Accounting policies (continued)

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 land and 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.

If there are factors indicating that an Impairment to the carrying value of fixed assets is possible, an impairment review is conducted and if fixed assets are found to have a carrying value materially higher than their recoverable amount, they are written down accordingly. The recoverable amount would typically be determined by reference to an external valuation report, and any loss would be recognised in the Statement of Financial Activities for the year.

Intangible fixed assets

Intangible fixed assets are held on the balance sheet at cost less accumulated depreciation and any impairment losses.

The purchase of brands is capitalised as an intangible fixed asset and amortised on a straight line basis over an expected useful life of seven years. Goodwill arising on the acquisition of a business is capitalised as an intangible fixed asset and amortised on a straight line

basis over an expected useful life of seven years.

Impairment reviews are made when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its benefit to generate future revenues, it is written down accordingly.

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 recorded initially at cost and are revalued at the end of each year on the basis of fair value.

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 9.

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 on 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 amounts after allowing for trade discounts due.

Cashflow

The charity meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption in relation to presentation of a cash flow statement in respect of its separate financial statements, which are presented alongside the consolidated financial statements.

Government grants

Government grants are recognised on the accruals basis, when there is reasonable assurance that the charity will comply with the conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme has been recognised in the period to which the underlying furloughed staff costs relate to.

Recognition of income and expenditure from nurseries and out-of-school clubs

Income from these activities is primarily carried out through Action for Children Developments Limited and Out-of-School Scotland Limited entities. These activities are in line with the Charitable objectives of the parent entity and the income and expenditure from these activities is classified under "Charitable Activities" under the subcategory "Best Start in Life".

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	
	2022	2021
	£'000	£'000
Donations	12,364	14,269
Legacies	3,871	5,711
	16,235	19,980

Specific purpose receipts included above are £6,313,000 for donations (2021: £5,460,000).

Charity income

Total incoming resources for the charity were £127,770,000 (2021: £137,675,000). The net surplus for the charity was £854,000 (2021: £11,726,000).

Gift aid payments received are included under Donations. Management fees received are included under income from charitable activities in the charity statement of financial activities.

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 welfare and educational services on behalf of the charity, fundraising, and commercial activities respectively. All profits are gift aided to the charity. National Children's Home (NCH) and Nicholas Galperin Trust are associated charities that share common trustees and management and are both unincorporated. Out-of-School Scotland Limited provides services relating to after school clubs, breakfast clubs and holiday clubs. Further information relating to the NCH and the Nicholas Galperin Trust is provided in Note 20.

A summary of the results for the year ended 31 March 2022 is given below:

	Trading subsidiaries				Associated charities			
	Services	Trading	OSCARS	Developments	NCH	Nicholas Galperin	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	62,522	-	2,049	13,020	-	-	77,591	70,539
Cost of sales	(60,947)	-	(1,389)	(11,428)	-	-	(73,764)	(67,025)
Gross profit	1,575	-	660	1,592	-	-	3,827	3,514
Charitable activities	-	-	-	-	-	(96)	(96)	-
Administration costs	(12)	-	(225)	(1,889)	(2)	-	(2,128)	(1,264)
Surplus/(deficit) on ordinary activities before investment income	1,563	-	435	(297)	(2)	(96)	1,603	2,250
Investment income	-	-	-	-	176	102	278	204
Net gains on investment assets	-	-	-	-	541	309	850	2,298
Surplus/(deficit) on ordinary activities before tax	1,563	-	435	(297)	715	315	2,731	4,752
Tax on ordinary activities	-	-	-	-	-	-	-	-
Retained earnings brought forward	-	-	(92)	-	7,323	4,032	11,263	15,325
Donations under gift aid	(1,563)	-	(343)	-	-	-	(1,906)	(8,751)
Retained earnings carried forward	-	-	-	(297)	8,038	4,347	12,088	11,326

3. Income and endowments (continued)

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

	Trading subsidiaries				Associated charities			
	Services	Trading	OSCARS	Developments	NCH	Nicholas Galperin	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	-	-	-	-	7,595	4,352	11,947	11,096
Current assets	9,908	-	1,969	1,359	445	346	14,027	11,752
Creditors	(9,908)	-	(1,969)	(1,656)	(2)	(351)	(13,886)	(11,522)
Net assets	-	-	-	(297)	8,038	4,347	12,088	11,326

Investment income

	Group	
	2022	2021
	£'000	£'000
CFB funds - UK	407	362
CFB funds - Overseas	37	27
Interest income	4	16
Income from securities	448	405
Rental income from investment properties	471	422
	919	827

Government grants

	Group	
	2022	2021
	£'000	£'000
Government Job Retention Scheme	114	4,112
Department for Education	-	1,217
	114	5,329

4. Expenditure

	2022			2021		
	Direct costs	Support costs	Total	Direct costs	Support costs	Total
Group	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds						
Donations	4,493	614	5,107	4,396	811	5,207
Legacies	133	19	152	164	14	178
	4,626	633	5,259	4,560	825	5,385
Investment management costs	52	-	52	46	-	46
	4,678	633	5,311	4,606	825	5,431
Expenditure on charitable activities						
Best start in life	29,544	4,020	33,564	29,671	2,108	31,779
Disabled children's services	25,052	2,638	27,690	27,977	3,253	31,230
Mental health & chance to thrive	34,452	4,165	38,617	32,164	3,869	36,033
Safe & stable home *	30,992	2,664	33,656	31,656	2,705	34,361
Campaigning & public policy *	473	43	516	512	51	563
	120,513	13,530	134,043	121,980	11,986	133,966
Total expenditure	125,191	14,163	139,354	126,586	12,811	139,397

The charity's policy is to allocate support costs of various functions to the activities above based on the costs of those activities. Support costs by category include Technology £5.5m, Property £1.9m, Finance £2.6m, Strategy, Impact and Assurance £0.8m, HR £0.9m, Transformation £0.5m, Other £2.0m. Details of governance costs are detailed later in this note.

Trustee costs

Two trustees were reimbursed travel expenses totalling £270 (2021: 2 recipients of £1,000).

The charity purchased insurance for trustees and officers during the year to indemnify them against possible liabilities incurred by them in relation to their duties. The cost of this insurance was £2,296 (2021: £3,000).

Trustees are not entitled to and did not receive any remuneration.

	2022	2021
	£'000	£'000
Fees payable to the auditors of Action for Children		
In respect of the charity audit	91	77
In respect of subsidiary and associated trust audits	26	26
	117	103
In respect of certificates for project partners	-	-
In respect of tax and other advice	-	-
	117	103
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:	1,780	1,781
Rentals under operating leases		
Plant and machinery	15	10
Land and buildings	1,866	1,688
	1,881	1,698
Depreciation	890	601
Governance costs		
Staff costs	439	428
Internal and external audit fees	178	245
Legal fees	81	35
Other costs	24	38
	722	746

5. Employees' emoluments

Staff costs comprise:	2022	2021
	£'000	£'000
Wages and salaries	84,447	82,788
Redundancy costs	763	1,912
Termination payments	-	114
Temporary staff costs	2,385	2,913
Social security costs	6,828	6,519
Apprenticeship levy	398	389
Action for Children Pension Fund - defined benefit current service cost	8	23
Action for Children Pension Fund - defined contribution cost	3,722	3,692
Teachers', Local Government Pension Schemes and NHS Pension Fund contributions	463	511
	99,014	98,861

Included in the redundancy costs is £359,999 (2021: £453,000) of ex gratia redundancy payments made in line with Action for Children's redundancy policy. 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 it's 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:	2022	2021
	No.	No.
Fundraising	137	154
Charitable activities	4,178	4,442
Support services	183	145
	4,498	4,741
Number of full time equivalents at year end	3,133	3,036

The number of staff whose emoluments fell within each of the following bands was:	2022	2021
£60,001 to £70,000	17	27
£70,001 to £80,000	22	21
£80,001 to £90,000	3	8
£90,001 to £100,000	3	3
£110,001 to £120,000	1	1
£120,001 to £130,000	1	2
£130,001 to £140,000	2	1
£140,001 to £150,000	-	-
£150,000 to £160,000	1	-

Of the staff listed above, 47 were accruing benefits under the Action for Children Pension Fund defined contribution section (in 2021 it was 52). The amount of contribution paid in respect of these staff to the scheme was £191,848 (2021: £218,000).

The total emoluments paid in 2021/22 and the current annual salaries of existing 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.

5. Employees' emoluments (continued)

	Total emolument 2021/22	Current annual salary
	£	£
Chief Executive Officer	173,273	153,333
Managing Director - Children's Services	146,936	130,000
Managing Director Fundraising, Communications and Policy	144,702	123,333
Chief Financial Officer	152,318	127,333
Chief People Officer	112,569	95,000
Commercial Director - left 30 June 2021	97,322	97,000
	827,120	725,999

The total cost of key management personnel was £827,120 (2021: £831,670).

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.

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 2022 was:	2022	2021
Active members - defined benefit section	-	2
Active members - defined contribution section	2,922	2,887
	2,922	2,889
Deferred members	8,988	8,695
Pensioner members	2,881	2,802
	14,791	14,386

6. Pensions (continued)

The charity also pays contributions of 37.9% of pensionable salaries in respect of current accrual, with active members paying contributions depending on their salary level, at an average rate of 6.7% of pensionable salaries. As at 31 March 2021, there were 2 active members still accruing benefits, both left service prior to 31 March 2022. Further, 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 35.1% for the employer. The total employer contribution to the defined benefits section of the Action for Children Pension Fund for the year was £4,319,000 (2021: £4,177,000).

UK legislation requires that pension schemes are funded prudently. The last agreed triennial funding valuation of the fund was carried out by a qualified actuary as at 31st March 2018 and shows a deficit of £105.7m (on the Trustees sustainable target basis). The deficit recovery plan, accepted by the Pensions Regulator, is underpinned by a Memorandum of Understanding to regularly communicate and share information between the employer and the Pension Fund. Action for Children has been paying deficit contributions of £3m per annum to 31 March 2022. The deficit reduction contributions are reflected in the charity's business plans and the assessment of the charity's reserves policy.

The 31 March 2021 triannual valuation has not been finalised at the time of writing and the deficit reduction payments for the next 3 years from 1 April 2022 are being discussed at present and will certainly be finalised by the extended deadline of end of August 2022, approved by the Pension Regulator. In addition there is a charge in favour of the Pension Fund over certain assets owned by Action for Children in the event of default.

The Memorandum of Understanding includes agreement that up to 50% of the proceeds from sale of the properties owned by the charity to be paid to the Pension Fund if the proceeds are not invested by the Charity within an agreed period.

While 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 AON provides a regular report on the funding position of the Pension Fund and this is closely monitored by the Pension Fund and charity. Pension funds are valued in different ways for different purposes. The triennial valuation noted above is

carried out by the scheme actuaries AON 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 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.

As mentioned above, the 2021 formal valuation basis has not been finalised at the time of writing. The FRS102 position shown below is a surplus of £81.3m, a funding level of 113%. The ongoing valuation basis is used in agreeing contribution levels and the recovery plan. Although movements in the FRS102 valuation show in the statement of financial activity and feed through to the balance sheet total, they do not change the general fund. It is the general fund that is directly linked to the reserve 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 reserve policy.

FRS 102 valuation

Under FRS102 the amount of any surplus should be restricted so that it is no more than the economic benefits that could be realised by the Charity, either in the form of future refunds or reductions in future contributions. As the Charity does not have an unconditional right to the surplus arising on the FRS102 valuation of the pension fund, the surplus of £81.3m (shown below), has not been recognised in the financial statements.

These financial statements have been prepared in line with the requirements of FRS 102. 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.

6. Pensions (continued)

Financial assumptions % pa	2022	2021
Inflation - RPI	3.60	3.25
Inflation - CPI	2.80	2.55
Rate of increase in salaries	2.00	2.00
RPI min 0%	3.60	3.25
RPI min 0% max 2.5%	2.30	2.25
CPI min 0% max 3%	2.30	2.25
Discount rate	2.75	2.05

The duration of the Fund is approximately 17 years based on initial results of the 31 March 2021 funding valuation.

Demographic assumptions	Value at 2022	Value at 2021
Mortality base table adopted	S3 tables (S3MA for males, S3PFA_M for females) and scaling factors of 110% for males non-pensioners, 105% for female non-pensioners and 100% for pensioners.	Scheme specific "Club Vita tables"
Mortality future improvements adopted	Improvements in line with CMI 2021, with a smoothing parameter of 7.0, an initial improvements parameter of 0.5 for males and females, and a long term rate of improvement of 1.5% pa	Improvements in line with CMI 2020, with a smoothing parameter of 7.0, an initial improvements parameter of 0.5 for males and 0.25 females, and a long term rate of improvement of 1.5% pa
Life expectancy for male currently aged 60	27.3	27.4
Life expectancy for female currently aged 60	29.3	29.2
Life expectancy at 60 for male currently aged 40	28.4	28.3
Life expectancy at 60 for female currently aged 40	30.8	30.5
Transfer take-up	NIL	NIL
GMP equalisation	0.3% allowance included in the Defined Benefit Obligation (DBO) reflecting Hymans Robertson's best estimate in respect of the cost of GMP equalisation (regardless of actual method being implemented)	0.3% allowance included in the DBO reflecting Hymans Robertson's best estimate in respect of the cost of GMP equalisation (regardless of actual method being implemented)
Cash commutation	Pre 2002/Post 2002 members assumed to exchange 20%/5% of their pension for a cash lump sum at retirement	Pre 2002/Post 2002 members assumed to exchange 20%/5% of their pension for a cash lump sum at retirement

The mortality assumptions are based on the recent actual mortality experience of Fund members and allow for expected future improvements in mortality rates. AON, the Fund Actuaries produced the FRS102 calculations above and in so doing agreed with Hyman Robertson's best estimate (who were the previous Actuaries) allowance in respect of the cost of GMP equalisation.

6. Pensions (continued)

Balance sheet position

	2022		2021	
	Value	Asset allocation	Value	Asset allocation
	£'000	%	£'000	%
Alternatives	162,300	23.6	170,800	25.5
Loans	517,800	75.3	497,400	74.2
Cash	7,408	1.1	1,799	0.3
Total fair value of assets	687,508	100.0	669,999	100.0
Actuarial value of liabilities	(606,189)	-	(634,542)	-
Surplus for FRS 102 purposes	81,319	-	35,457	-
Derecognition of surplus	(81,319)	-	(35,457)	-
	-	-	-	-

None of the Fund assets are invested in the charity's financial instruments or in property occupied by, or other assets used, by the charity.

Analysis of amounts charged to the statement of financial activities

	2022	2021
	£'000	£'000
Service Cost		
Current service cost	8	23
Past service cost (including curtailments)	-	-
Settlement cost	-	-
Administration expenses	1,264	1,430
Interest on net defined benefit liability/(assets)	-	-
Financing Cost		
Interest on net defined benefit liability/(assets)	-	-
Pension expense recognised in profit & loss	1,272	1,453
Return on Fund assets (in excess of)/below that recognised in net interest	(19,787)	(34,416)
Liability (gains)/losses arising during the year	(22,270)	81,672
Change in effect of the asset ceiling	45,104	(44,532)
Total recognised actuarial (loss)	3,047	2,724

6. Pensions (continued)

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

	2022			2021		
	Assets	Liabilities	Fund	Assets	Liabilities	Fund
	£'000	£'000	£'000	£'000	£'000	£'000
Assets/(liabilities) at the start of the year	669,999	(634,542)	35,457	637,160	(559,000)	78,160
Interest income (expense)	13,586	(12,828)	758	14,487	(12,658)	1,829
Current service cost	-	(8)	(8)	-	(23)	(23)
Administration costs	-	(1,264)	(1,264)	-	(1,430)	(1,430)
Past service cost (including curtailments)	-	-	-	-	-	-
Contributions by Fund participants	-	-	-	2	(2)	-
Contributions by the employer	4,319	-	4,319	4,177	-	4,177
Actuarial gain/(loss)	19,787	22,270	42,057	34,416	(81,672)	(47,256)
Net benefits paid out	(20,183)	20,183	-	(20,243)	20,243	-
Assets/(liabilities) at the end of the year	687,508	(606,189)	81,319	669,999	(634,542)	35,457

6. Pensions (continued)

Actual Return On Fund Assets

	2022	2021
	£'000	£'000
Interest income on fund assets	13,586	14,487
Remeasurement gain/loss on fund assets	19,787	34,416
Actual return on fund assets	33,373	48,903

Sensitivity of the Pension Fund liabilities

The sensitivity of the liabilities to changes in the key assumptions used to measure the Pension Fund's liabilities is shown in the table below. The sensitivity information shown is approximate and has been determined by taking into account the duration of the liabilities and the overall profile of the Fund membership. This is the same approach used in previous accounting periods.

The surplus/deficit figures shown below are before the application of the restricted asset ceiling.

	Change	New value
	£'000	£'000
Following a 0.5% p.a. decrease in the discount rate		
Assets of the Fund at 31 Mar 2022	-	687,508
DBO at 31 Mar 2022	(51,401)	(657,590)
Surplus/(deficit) at 31 Mar 2022	(51,401)	29,918
Following a 0.5% p.a. decrease in the inflation assumption		
Assets of the Fund at 31 Mar 2022	-	687,508
DBO at 31 Mar 2022	(44,652)	(650,841)
Surplus/(deficit) at 31 Mar 2022	(44,652)	36,667
Following a 1 year increase in life expectancy		
Assets of the Fund at 31 Mar 2022	-	687,508
DBO at 31 Mar 2022	(24,164)	(630,353)
Surplus/(deficit) at 31 Mar 2022	(24,164)	57,155

7. Tangible fixed assets

Group and charity	Assets in the course of construction	Freehold land and buildings	Leasehold land and buildings	Computers and equipment	Furniture and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2021	849	25,697	3,816	13,969	3,457	1,740	49,528
Additions	896	-	-	-	-	14	910
Transfers	(132)	132	-	-	-	-	-
Disposals	(176)	(375)	-	-	-	-	(551)
At 31 March 2022	1,437	25,454	3,816	13,969	3,457	1,754	49,887
Depreciation							
At 1 April 2021	-	9,819	3,090	13,723	3,451	1,730	31,813
Charges for year	-	427	87	135	-	12	661
Disposals	-	(84)	-	-	-	-	(84)
At 31 March 2022	-	10,162	3,177	13,858	3,451	1,742	32,390
Net book value:							
At 31 March 2022	1,437	15,292	639	111	6	12	17,497
At 31 March 2021	849	15,878	726	246	6	10	17,715

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

The cost of the land, which is not depreciated, was £4,596,694 (2021: £4,709,000).

Of the total cost or valuation of leasehold land and buildings £2,253,000 (2021: £2,253,000) 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 2022 amounted to £1,908,000 (2021: NIL).

Commitments to operating lease payments were:

	2022	2021
	£'000	£'000
Within one year	740	827
Between one and five years	1,377	1,726
After five years	99	787
	2,216	3,340

8. Intangible fixed assets

Group and charity	2022	2021
	£'000	£'000
At 1 April	1,216	1,462
Goodwill written off during the year	(114)	-
Depreciation charged for the year	(229)	(246)
Net book value at 31 March	873	1,216

9. Investments

Value at 31 March	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Securities				
Units in funds managed by the Central Finance Board of the Methodist Church:				
CFB UK equity fund	4,233	4,126	4,233	4,126
CFB overseas fund	4,002	3,785	4,002	3,785
CFB gilt fund	333	358	333	358
CFB corporate bond fund	1,043	959	1,043	959
CFB short fixed interest fund	1,489	1,511	1,489	1,511
CFB managed fund	11,946	11,095	-	-
CFB inflation linked	-	-	-	-
CFB deposit fund	2,008	1,918	2,008	1,918
	25,054	23,752	13,108	12,657
Unlisted equities	5	5	5	5
	25,059	23,757	13,113	12,662
Investments in subsidiaries	-	-	-	-
	25,059	23,757	13,113	12,662
Investment properties	16,287	17,454	16,287	17,454
Total investments	41,346	41,211	29,400	30,116

All investments are held in the UK. Investments are valued at current market value, but where listed shares have a limited market their fair value is reviewed. 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 2022 were:

- Securities £13,022,883 (2021: £12,629,000).

- Investment properties £6,349,000 (2021: £6,349,000).

Investment gains and losses	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Securities				
Market value at 1 April	23,757	19,427	12,662	10,628
Acquisitions during the year	400	1,699	400	1,699
Sale proceeds of disposals during the year	(400)	(1,699)	(400)	(1,699)
Net investment losses in SOFA - realised	0	-	-	-
Net investment gains/(losses) in SOFA - unrealised	1,302	4,330	451	2,034
Market value at 31 March	25,059	23,757	13,113	12,662
Investment properties				
Market value at 1 April	17,454	17,090	17,454	17,090
Reclassification from fixed assets at book value	-	-	-	-
Sale proceeds of disposals during the year	(1,305)	-	(1,305)	-
Net investment losses in SOFA - realised	55	-	55	-
Net investment gains in SOFA - unrealised	83	364	83	364
Market value at 31 March	16,287	17,454	16,287	17,454

The investment property revaluations as at 31 March 2022 are on the basis of independent valuations carried out by Sanderson Weatherall. The valuations were conducted on the basis of fair value in use.

9. 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 (2021: £100). The company registration number is 02332388.
- (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 (2021: £100). The company registration number is 03776025.
- (iii) Action for Children Developments Limited is a wholly owned company registered in England and Wales handling nursery and new developmental activities of Action for Children. It is limited by guarantee. The company registration number is 06842765.
- (iv) Out-of-School Scotland Limited is a wholly owned company registered in Scotland and provides holiday camps and after school clubs. The investment comprises one hundred shares at a nominal value of £100 (2021: £100). The company registration number is SC264619.
- (v) Action for Children (Scotland) Limited is a wholly owned company registered in Scotland. The investment comprises one share at a cost of £1 (2021: £1) and it has not traded. The company registration number is SC526474.
- (vi) 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 (2021: £1) and it has not traded. The company registration number is 10011497.
- (vii) 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 (2021: £1) and it has not traded. The company registration number is NI638222.
- (viii) St Barts Day Nurseries Limited is a wholly owned company registered in England and Wales. The company registration number is 11010289. The company has not traded since incorporation.
- (ix) Cairdretir Company Limited is a wholly owned company limited by Guarantee in the Republic of Ireland. The company registration number is 669758. The company has not traded since incorporation.

10. Debtors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade receivables	12,948	12,013	3,964	3,872
Prepayments	837	996	793	985
Accrued income	4,600	5,602	3,352	4,694
Amounts owed by subsidiary undertakings	(29)	-	3,460	1,806
Other	252	52	60	-
	18,608	18,663	11,629	11,357

11. Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade payables	954	1,396	943	1,270
Tax and Social Security	4,030	3,970	3,840	3,825
Other creditors	2,938	2,354	2,247	1,568
Accruals	4,513	5,855	3,640	5,317
Deferred income	11,299	10,351	3,842	3,557
Amounts owed to subsidiary undertakings	(29)	-	-	482
	23,705	23,926	14,512	16,019

The group deferred income balance has moved as follows during the year 2021/22

	£'000
Balance at 1 April 2021	10,351
Released during the year	(4,780)
Provided at 31 March 2022	5,728
Balance at 31 March 2022	11,299

12. Provisions for liabilities

Group and charity

	Onerous leases	Dilapidations	Redundancies	Total
	£'000	£'000	£'000	£'000
At 1 April 2021	664	1,491	727	2,882
Additional provision in the year	113	160	-	273
Provision utilised	(171)	(253)	(399)	(823)
At 31 March 2022	606	1,398	328	2,332

13. Analysis of group net assets between funds

	Fund balances at 31 March 2022 are represented by:					2021				
	Restricted		Unrestricted		Group balance sheet total	Restricted		Unrestricted		Group balance sheet total
	Endowment funds	Specific purpose funds	Designated funds	General Fund		Endowment funds	Specific purpose funds	Designated funds	General Fund	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	17,497	-	17,497	-	-	17,715	-	17,715
Intangible fixed assets	-	-	-	873	873	-	-	-	1,216	1,216
Investments	11,687	-	20,283	9,376	41,346	10,836	-	21,095	9,280	41,211
Debtors	-	-	-	18,608	18,608	-	-	-	18,663	18,663
Cash and short term deposits	-	7,262	-	24,472	31,734	-	6,321	-	24,071	30,392
Other liabilities and provisions	-	-	-	(26,037)	(26,037)	-	-	-	(26,808)	(26,808)
Total funds	11,687	7,262	37,780	27,292	84,021	10,836	6,321	38,810	26,422	82,389

Further analysis of the funds and movements during the year are given in Note 14. The purpose 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 charged asset fund is the value of the charity assets charged to the Pension Fund less the value of operational properties which are already part of the capital fund.

14. Group statement of fund movements

	2022					
	Brought forward	Income	Expenditure	Transfers	Gains and losses	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment funds						
Annual Income fund	3,076	-	-	-	236	3,312
Lincoln City & County Home	93	-	-	-	7	100
Nicholas Galperin Trust	3,782	-	-	-	312	4,094
Scholarship fund	445	-	-	-	34	479
Sheila Mildred Gage	16	-	-	-	1	17
Sidney Charles Salter	377	-	-	-	28	405
St Leonard's Convalescent Home	3,047	-	-	-	233	3,280
	10,836	-	-	-	851	11,687
Corporate Partners						
Advent International - support for Emergency Fund, ParentTalk and the Sandwell Family Partners	72	-	(21)	-	-	51
CBRE - corporate partnership funding programmes supporting young people in foster care	380	20	(104)	20	-	316
Dell (Inspire IT) - corporate partnership funding a digital inclusion programme	165	232	(173)	-	-	224
Iceland - support for our Christmas Emergency Fund	-	300	(300)	-	-	-
FirstGroup - corporate partnership funding mental health support.	155	163	(130)	(13)	-	175
Royal Mail (The Blues Programme) - funding for the 'Blues' mental health programme	133	125	(50)	(20)	-	188
Trusts & Statutory funders						
Big Lottery Fund - note 16 - (The National Lottery Community Fund) – TNLCF support a range of AfC programmes	588	2,033	(1,714)	-	-	907
CAF Covid Relief Fund - 3 yr programme to support Young Carers	169	671	(360)	13	-	493
Devon County Council	-	363	(176)	22	-	209
Moondance Foundations - programme supporting girls & young women in Pembrokeshire	-	165	(167)	36	-	34
Nominet - Big Welcome digital programme	-	121	(76)	-	-	45
South Wales Police & Crime Commissioner	-	130	(66)	21	-	85
Welsh Government - 'Bouncing Back' mental health programme	29	181	(151)	-	-	59
St Leonard's Convalescent Home (C0 105)	116	77	-	-	-	193
Other funders						
Emergency Fund - emergency appeal supporting families in crisis as a result of Covid 19.	340	71	(144)	-	-	267
Other projects less than £100,000 donation in year	4,174	1,738	(1,825)	(71)	-	4,016
Specific purpose funds	6,321	6,390	(5,457)	8	-	7,262
Capital Fund	17,715	-	-	(218)	-	17,497
Charged asset fund	21,095	-	-	(812)	-	20,283
General	26,422	136,258	(136,944)	1,022	534	27,292
	65,232	136,258	(136,944)	(8)	534	65,072
Pension reserve	-	-	3,047	-	(3,047)	-
Total - unrestricted	65,232	136,258	(133,897)	(8)	(2,513)	65,073
Total Funds	82,389	142,648	(139,354)	-	(1,662)	84,021

14. Group statement of fund movements (continued)

	2021					
	Brought forward	Income	Expenditure	Transfers	Gains and losses	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment funds						
Annual Income fund	2,439	-	-	-	637	3,076
Lincoln City & County Home	74	-	-	-	19	93
Nicholas Galperin Trust	3,204	-	-	(205)	783	3,782
Scholarship fund	353	-	-	-	92	445
Sheila Mildred Gage	13	-	-	-	3	16
Sidney Charles Salter	299	-	-	-	78	377
St Leonard's Convalescent Home	2,316	-	-	100	631	3,047
	8,698	-	-	(105)	2,243	10,836
Corporate Partners						
Advent International - support for Emergency Fund, ParentTalk and the Sandwell Family Partners	-	475	(403)	-	-	72
Barclays Foundation - Emergency Fund	-	100	(100)	-	-	-
CBRE - corporate partnership funding programmes supporting young people in foster care	419	223	(262)	-	-	380
Dell (Inspire IT) - corporate partnership funding a digital inclusion programme	138	179	(152)	-	-	165
Iceland - support for our Christmas Emergency Fund	-	280	(280)	-	-	-
FirstGroup - corporate partnership funding mental health support.	191	127	(112)	(51)	-	155
Royal Mail (The Blues Programme) - funding for the 'Blues' mental health programme	-	255	2	(124)	-	133
Trusts & Statutory funders						
Big Lottery Fund - note 16 - (The National Lottery Community Fund) – TNLCF support a range of AfC programmes	1,044	1,110	(1,566)	-	-	588
CAF Covid Relief Fund - 3 yr programme to support Young Carers	-	247	(78)	-	-	169
Devon County Council	-	-	-	-	-	-
Moondance Foundations - programme supporting girls & young women in Pembrokeshire	-	-	-	-	-	-
Nominet - Big Welcome digital programme	-	-	-	-	-	-
South Wales Police & Crime Commissioner	-	-	-	-	-	-
Welsh Government - 'Bouncing Back' mental health programme	-	138	(109)	-	-	29
St Leonard's Convalescent Home (C0 105)	-	56	-	60	-	116
Other funders						
Emergency Fund - emergency appeal supporting families in crisis as a result of Covid 19.	272	408	(391)	51	-	340
Other projects less than £100,000 donation in year	4,471	1,862	(2,475)	316	-	4,174
Specific purpose funds	6,535	5,460	(5,926)	252	-	6,321
Capital Fund	17,204	-	-	511	-	17,715
Charged asset fund	21,218	-	-	(123)	-	21,095
General	20,949	139,752	(136,195)	(535)	2,451	26,422
	59,371	139,752	(136,195)	(147)	2,451	65,232
Pension reserve	-	-	2,724	-	(2,724)	-
Total - unrestricted	59,371	139,752	(133,471)	(147)	(273)	65,232
Total Funds	74,604	145,212	(139,397)	-	1,970	82,389

15. Charity statement of fund movements

	2022					
	Brought forward	Income	Expenditure	Transfers	Gains and losses	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Partners						
Advent International - support for Emergency Fund, ParentTalk and the Sandwell Family Partners	72	-	(21)	-	-	51
CBRE - corporate partnership funding programmes supporting young people in foster care	380	20	(104)	20	-	316
Dell (Inspire IT) - corporate partnership funding a digital inclusion programme	165	232	(173)	-	-	224
Iceland - support for our Christmas Emergency Fund	-	300	(300)	-	-	-
FirstGroup - corporate partnership funding mental health support.	155	163	(130)	(13)	-	175
Royal Mail (The Blues Programme) - funding for the 'Blues' mental health programme	133	125	(50)	(20)	-	188
Trusts & Statutory funders						
Big Lottery Fund - note 16 - (The National Lottery Community Fund) – TNLCF support a range of AFC programmes	588	2,033	(1,714)	-	-	907
CAF Covid Relief Fund - 3 yr programme to support Young Carers	169	671	(360)	13	-	493
Devon County Council	-	363	(176)	22	-	209
Moondance Foundations - programme supporting girls & young women in Pembrokeshire	-	165	(167)	36	-	34
Nominet - Big Welcome digital programme	-	121	(76)	-	-	45
South Wales Police & Crime Commissioner	-	130	(66)	21	-	85
Welsh Government - 'Bouncing Back' mental health programme	29	181	(151)	-	-	59
St Leonard's Convalescent Home	116	-	-	(116)	-	-
Other funders						
Emergency Fund - emergency appeal supporting families in crisis as a result of Covid.	340	71	(144)	-	-	267
Other projects less than £100,000 donation in year	4,174	1,738	(1,825)	(72)	-	4,015
Specific purpose funds	6,321	6,313	(5,457)	(109)	-	7,068
Capital Fund	17,715	-	-	(218)	-	17,497
Charged asset fund	21,095	-	-	(812)	-	20,283
General	25,933	121,363	(121,994)	1,139	534	26,975
	64,743	121,363	(121,994)	109	534	64,755
Pension reserve	-	-	3,047	-	(3,047)	-
Total - unrestricted	64,743	121,363	(118,947)	109	(2,513)	64,755
Total Funds	71,064	127,676	(124,404)	-	(2,513)	71,823

15. Charity statement of fund movements (continued)

	2021					
	Brought forward	Income	Expenditure	Transfers	Gains and losses	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Partners						
Advent International - support for Emergency Fund, ParentTalk and the Sandwell Family Partners	-	475	(403)	-	-	72
Barclays Foundation - Emergency Fund	-	100	(100)	-	-	-
CBRE - corporate partnership funding programmes supporting young people in foster care	419	223	(262)	-	-	380
Dell (Inspire IT) - corporate partnership funding a digital inclusion programme	138	179	(152)	-	-	165
Iceland - support for our Christmas Emergency Fund	-	280	(280)	-	-	-
FirstGroup - corporate partnership funding mental health support.	191	127	(112)	(51)	-	155
Royal Mail (The Blues Programme) - funding for the 'Blues' mental health programme	-	255	2	(124)	-	133
Trusts & Statutory funders						
Big Lottery Fund - note 16 - (The National Lottery Community Fund) – TNLCF support a range of AfC programmes	1,044	1,110	(1,566)	-	-	588
CAF Covid Relief Fund - 3 yr programme to support Young Carers	-	247	(78)	-	-	169
Devon County Council	-	-	-	-	-	-
Moondance Foundations - programme supporting girls & young women in Pembrokeshire	-	-	-	-	-	-
Nominet - Big Welcome digital programme	-	-	-	-	-	-
South Wales Police & Crime Commissioner	-	-	-	-	-	-
Welsh Government - 'Bouncing Back' mental health programme	-	138	(109)	-	-	29
St Leonard's Convalescent Home	-	56	-	60	-	116
Other funders						
Emergency Fund - emergency appeal supporting families in crisis as a result of Covid.	272	408	(391)	51	-	340
Other projects less than £100,000 donation in year	4,471	1,862	(2,475)	316	-	4,174
Specific purpose funds	6,535	5,460	(5,926)	252	-	6,321
Capital Fund	17,204	-	-	511	-	17,715
Charged asset fund	10,504	-	-	(534)	-	9,970
General	25,095	132,215	(122,421)	(229)	2,398	37,058
	52,803	132,215	(122,421)	(252)	2,398	64,743
Pension reserve	-	-	2,724	-	(2,724)	-
Total - unrestricted	52,803	132,215	(119,697)	(252)	(326)	64,743
Total Funds	59,338	137,675	(125,623)	-	(326)	71,064

16. Group 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
Big Lottery Fund					
Chat & Play England	10	-	(12)	-	(2)
Early Action Youth Homelessness	39	215	(158)	-	96
Family Support Volunteers	(2)	-	-	-	(2)
Moray Care Farming	11	-	(11)	-	-
Newcastle DV Counselling Service	47	95	(95)	-	47
Newcastle Family Support Service	1	-	(1)	-	-
Side Step National Programme	421	1,571	(1,328)	-	664
Skills for Living	13	-	-	-	13
Young Adult Carers Support (Empowering Young People)	32	152	(106)	-	78
Young Fathers' Network (Clackmannanshire & Perth)	16	-	(3)	-	13
	588	2,033	(1,714)	-	907

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.

18. Contingent liabilities

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. No trustees of Action for Children are also trustees of the pension fund. One senior executive of Action for Children is also a trustee of the pension fund.

Management fees and gift aid payments paid to the parent charity during the year were as follows:

- Action for Children Services Limited: £62,194,660 (2021: £62,067,046).
- Action for Children Trading Limited: £NIL (2021: £119,842).
- Action for Children Developments Limited: £361,000 (2021: £770,412).
- Out-of-School Scotland Limited: £342,796 (2021: £236,952).
- National Children's Home £NIL (2021: NIL).
- Nicholas Galperin Trust £NIL (2021: NIL).

20. Post Balance Sheet Events

The Charity Commission is satisfied with the respective trustees resolutions submitted under the section 282 of the Charities Act 2011 and granted the approval to use the charitable funds in those two Charities for the purpose of acquiring tangible assets for the Action for Children Charity (1097940), as if it was income.

The two resolutions relates to The Nicholas Galpin Trust (for Charitable Purposes) (210618) (NGT) dated 25 May 2022, and the National Children's Home Charity (215301) (NCH) dated 24 May 2022.

Legal and administration details

Registered office

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

Banker

HSBC Bank PLC
The Peak
333 Vauxhall Bridge Road
London
SW1V 1EJ

External auditors

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Internal auditors

BDO LLP (until 31 March 2022)
55 Baker Street London
W1U 7EU

RSM (from 01 April 2022)
The Pinnacle
170 Midsummer Blvd
Milton Keynes
MK9 1BP

Investment managers

Central Finance Board of the
Methodist Church
9 Bonhill Street
London
EC2A 4PE

Board of Trustees**Chair**

Sarika Patel

Vice Chair

Markus Ruetimann

Trustees

Dawn Warwick
Revd Dr Michael Long
(Methodist Church appointee)
Enda Johnson
Steve Bell
Gary Edwards
Peter Curran
Tanith Dodge
(from 24 January 2022)
Lynne Atkin
(from 24 January 2022)

Executive Leadership Team**Chief Executive**

Melanie Armstrong

**Managing Director
Children's Services**

Dr Tim O'Neill

**Managing Director
Fundraising,
Communications and Policy**

Nicholas Jones

Chief Finance Officer

Hari Punchihewa

Chief People Officer

Michael Knight

Commercial Director

Emma Horne
(to 30 June 2021)

Finance Committee

Peter Curran (Chair)
Gary Edwards
Susan Bailey
Simon Cruickshank

Audit and Risk Committee

Steve Bell (Chair)
Lynne Atkin
David King
Richard Brown

**Children's Services
Committee**

Dawn Warwick (Chair)
Revd Dr Michael Long
Enda Johnson
Peter Curran
Sarika Patel
Charles Geekie

**Governance, People and
Remuneration Committee**

Tanith Dodge (Chair)
Lynne Atkin
Gary Edwards
Sarika Patel

Northern Ireland Committee

Enda Johnson (Chair)
Michelle Connolly
Zara Duffy
Anthony Armstrong
(young person
co-opted member)
Odhran McGeown
(young person
co-opted member)

England Committee

Revd Dr Michael Long
(Chair)
Alistair Russell
Lauren Seager-Smith
Wasif Mehdi
Jansen Ryder

Scotland Committee

Enda Johnson (Chair)
Shona Cotterill
Robert Fleming
Peter Mills
Rupa Mooker
Mary Smith
Robert Steenson

Wales Committee

Peter Curran (Chair)
Paul Bulpin
Iona Wyn Turner
Necia Lewis
Angharad Roberts (young
person co-opted member)
Louise Wade (young person
co-opted member)



Our thanks

Our thanks

We'd like to say thank you to our Patron, and all our ambassadors, celebrities, supporters, boards and committees who give their time to make more childhoods safe and happy.

Our Patron

HRH The Duchess of Cambridge

Our celebrity ambassadors

Jenny Agutter OBE
Richard Farleigh
Jessica Hynes
Sian Lloyd
Larry Lamb
Sir Trevor McDonald OBE
Michael Buerk
Mary Nightingale
Kevin Whately
Angela Rippon OBE
Dermot Murnaghan
Emily Maitlis
Matthew Lewis
Diane Keen
Martha Kearney
Nerys Hughes
Shirley Anne Field

Our charity ambassadors

Baroness Armstrong of Hill Top
Gordon Bullock
Lavinia Carey OBE
Ken Deeks MBE
Lady Henrietta St. George
Flora Martin MBE
Lord McConnell of Glenscorrodale
Lynda Myles-Till MBE
David Tanner
Sister Eluned Williams MBE
Baroness Kathleen Richardson of Calow
Bill Botriell
Neville Shulman CBE
Paul Renn

Our supporters

Dell Technologies
CMC Markets (London headquarters)
The Methodist Church of Great Britain
The United Reformed Church
FirstGroup plc
First Bus
Avanti West Coast
TransPennine Express
South Western Railway
Great Western Railway
Hull Trains
Iceland Foods Charitable Foundation
Rocket Licensing
Sarnia Housing Association
Index Ventures London
Yo! Sushi
Herbalife



The National Lottery Community Fund
Covid-19 Support Fund
Moondance Foundation
Nominet
The Robertson Trust
Sport England - Families Fund
Liverpool Football Club Foundation

Guernsey Community Foundation
The Department of Health
Northumbria Police & Crime Commissioner
Walney Extension Community Fund
The Gannochy Trust
Miss M J M Smith Trust

Volant Charitable Trust
 William Grant Foundation
 Chapman Charitable Trust
 Creative Scotland
 Cycling Scotland
 CD&R Foundation
 The Adint Charitable Trust
 Foster Wood Foundation
 The Alice Ellen Cooper-Dean Charitable Foundation
 Pilkington Charities Fund
 Newcastle City Council
 Newcastle Youth Fund
 Warner Music UK
 Accenture
 The Premier League
 Salesforce
 Transparency
 BASE
 Civica UK Ltd
 Scottish Friendly
 Arco
 Kelvin Properties
 ROX - Diamonds and Thrills
 Enable, supporting Caerphilly Children's Centre
 Friends of Stepping Stones

Boycott your Bed 2021/22 Board Chairs

Sam Alsop-Hall
 Paul Britton
 Sue Carter
 Marguerite Clarke
 Richard Fahey
 Matt Goodstadt
 Howard Hall
 Andy Heyes
 Vivienne Hoskins
 Lorna McAdoo
 Philip McCauley
 Steve Rake
 James Robbins
 Mark Sheldon
 And all of our Boycott your Bed board members

Spring Ladies Lunch Committee

Lynda Myles-Till MBE, Chair
 Barbara Gaion
 Elizabeth Hammond
 Ciara Hurley-Stewart
 Charley Lowe
 Kimberly Metaxa
 Denise Parkinson
 Elena Shchukina
 Maureen Tadros

The Ultimate News Quiz 2020/21 Committee

Chris Shaw, Chair
 Martha Kearney, Chair
 Baroness Jenkin of Kennington, Chair
 Alastair Bennett
 Robin Elias
 Vivien Fowler
 Maria Lini
 James Max
 Kate McAndrew
 Lou Plank
 Bill Rudgard
 Dianne Stradling
 Lucy Tuck
 Simon Vigar
 Luke Jones
 Lucy Crystal
 Karthi Gnanasegaram
 Sam Ross
 Lizzi Watson
 Dan Faulks
 Michael Salter-Church
 Steve Sidebottom

Woman of Influence Board

Eve Robertson, Chair
 Vicky Fleming-Brown, Vice Chair
 Pauline Mitchell, Vice Chair
 Marion White MBE
 Rowan Main
 Teri Porter
 Patsy MacIntyre
 Debbie McWilliams
 Ashleigh Thomson
 Kelly Cooper-Barr

Never Mind The Business Committee

Colin Taylor
 Pete Lowrie
 George Nisbet

The Sports Dinner Committee

Steven Wilson
 Robert Burns
 Alan Stirling
 David Tanner
 Julie Inglis

Gleneagles Golf Committee

Sandy Martin, Chair
 Maitland Walker
 Donald Smith
 Alison Donnell
 Mark Taylor
 Susan Mitchell

Thank you to all the young people, families and staff who have shared their experiences to help tell the story of the difference we make.



An enormous thank you



to our celebrity family who use their skills, influence and platforms to help vulnerable children by supporting Action for Children.





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

If you have a question or comment about what we do, get in touch with our **Supporter Care Team** on: **0300 123 2112**.

Our social platforms:



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



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



[@actnforchildrenuk](https://www.instagram.com/actnforchildrenuk)



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

Action for Children

3 The Boulevard
Ascot Road
Watford
WD18 8AG

Action for Children
Registered charity nos. 1097940/SC0380921
Produced by Action for Children
© Action for Children 2022. 1833.