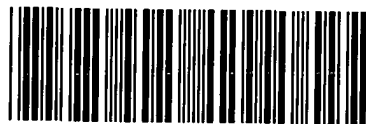


Registered number: 03958416
Charity number: 1080173

CHILDNET
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 March 2014

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CHILDNET
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
for the year ended 31 March 2014

Trustees

Mrs Tink Palmer, Chair
Mr Peter Stevens
Ms Kate Valentine
Mr Graham Wallace
Mr Karl Peter Hopwood
Mr Rob Wright

Company registered number

03958416

Charity registered number

1080173

Registered office

Studio 14
Brockley Cross Business Centre
96 Endwell Road
London
SE4 2PD

Company secretary

John Ryan

Chief executive officer

William Gardner

Independent auditors

Baldwin Scofield Ltd
Chartered Accountants
Registered Auditors
3 Newhouse Business Centre
Old Crawley Road
Horsham
West Sussex
RH12 4RU

Bankers

Barclays Bank Plc
PO Box 449
Dartford
Kent
DA1 1FE

CHILDNET
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TRUSTEES' REPORT
for the year ended 31 March 2014

The Trustees (who are also directors of the charity for the purposes of the Companies Act) submit their annual report and the audited financial statements of Childnet (the company) for the year ended 31 March 2014. The Trustees confirm that the annual report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

• **CONSTITUTION**

The company is registered as a charitable company limited by guarantee (registered charity number 1080173) and was set up by a Memorandum of Association on 28 March 2000. On 1 April 2000 the net assets and activities of the charitable trust Childnet International, which had been founded in 1995, were transferred to Childnet, having the same objects and trustees at that date.

The above mentioned documents outline the objectives of the charity including:

- (i) To advance the education of the public in any part of the world in all aspects of computer communications and Internet technology including the most effective software for the education and training of children;
- (ii) To advance the education and training of children in any part of the world in and by the use of computer communications and Internet technology;
- (iii) To protect the moral welfare of children in any part of the world by the promotion of measures directed to prevent their exposure to racist, pornographic, obscene or other harmful electronic computer and televisual material.

There have been no changes in the objectives since the last annual report.

• **METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

Childnet had 6 trustees on the 1st April 2013, there were no appointments or resignations during the year and so there were still 6 trustees at 31 March 2014.

Trustees are selected against a clear job description and criteria which have been updated by the CEO and Trustees over the last few years.

Trustees are recruited following periodic Trustee audits in which areas of expertise are reviewed and new candidates identified.

• **POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

Each Trustee is given a full induction which includes:

- (i) Going through the job description (there are separate detailed job descriptions for Chair and Honorary Treasurer).
- (ii) Advice from the Charity Commission on their duties.
- (iii) Full set of Company papers including policies on equal opportunities, child protection, staff computer use, ethos and values and staff contracts.
- (iv) Offered training on their role and duties as well as provided with support in their work from the staff, including updates on legislation and best practice within the voluntary sector.
- (v) Trustees now have to complete full CRB/DBS clearance as part of their appointment.

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TRUSTEES' REPORT (continued)
for the year ended 31 March 2014

● **ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The Board of Childnet is made up of the people listed on page 1 who have a range of relevant experience in education, marketing, child protection and the computing and telecommunications industries.

The Board delegates responsibility for the day to day management of the charity to the Chief Executive who is involved in all issues of strategic direction, management of staff and resources, policy along with the Policy and Communications Director and, with support from the Childnet Business Manager, the financial management of the organisation.

Childnet is run on a day to day basis by the Chief Executive Officer who reports to the Board of Trustees through the Chair of Trustees regularly. Trustees meet with the CEO and Business Manager (who is also the Company Secretary) formally 4 or 5 times a year. However communication takes place between the chair and CEO on a weekly basis. Reports are submitted from the CEO and Business Manager to each Trustee meeting outlining progress against targets and actions agreed. Full minutes of these meetings are taken and signed as an accurate record of each meeting at the beginning of the next meeting.

The CEO and Business Manager have authority to carry out the duties of the organisation, as agreed in the business plan and budget at the start of each financial year (1st April – 31st March). This includes the employing of staff, expenditure to carry out agreed project work as well as communication within and outside of the organisation. Spending limits are set and all expenditure over £3,000 is authorised by the Chair of Trustees, and this process is verified separately by the Honorary Treasurer.

The Chair of Trustees meets with the CEO and Business Manager prior to each Trustee's Meeting to review progress since the last meeting, including reviewing action points and matters arising, to set the agenda and to provide a report to the full Board of Trustees. In the last year a Finance Sub-Committee has been set up and these members meet immediately prior to the full Trustee Meetings.

The Honorary Treasurer also meets with the CEO and Business Manager before each Trustee's meeting to review progress on expenditure and income. His written report is submitted to the trustees as a further check and balance.

● **RELATED PARTY RELATIONSHIPS**

Childnet seeks to co-operate with many agencies around the world who share the objective of promoting safe and fun internet use for children. This is an area that has continued to grow throughout the past year but none of these activities justify the reporting of a related party relationship or transaction.

Over this period of time Childnet did not operate any independent bodies or companies or trading subsidiaries.

As an organisation Childnet has a number of formal and informal partnerships with other charities, funders and organisations. All formal partnerships and contractual relationships are reviewed by Childnet's solicitor and approved by Trustees before signature.

As a member of the consortium that makes up the UK Safer Internet Centre, Childnet has a formal partnership agreement with both the South West Grid for Learning (SWGfL) and the Internet Watch Foundation (IWF) in respect of these European Commission (EC) projects.

Childnet is a member of the Anti-Bullying Alliance (ABA) and the Sex Education Forum (SEF).

● **RISK MANAGEMENT**

The Directors and Trustees acknowledge their responsibility for the management of risk, and building on the previous full risk audit that the Trustees completed in 2011 they have continued to work with senior staff in identifying and managing risks which Childnet might face as well as the responses to these risks. Elements of this were reviewed annually. A more thorough review was undertaken during this year and was completed and

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TRUSTEES' REPORT (continued)
for the year ended 31 March 2014

agreed in June 2014. Childnet staff, in conjunction with trustees, carried out a full risk assessment in terms of the consequence of the loss of income and completed actions accordingly.

To manage elements of potential risk, Childnet maintained our retainer with our solicitor for continuous expert legal advice and ensured that we continued to keep abreast of potential risks and to include periodic monitoring and assessment of these risks in reports to Trustees. In addition, the Childnet staff have worked to strengthen a number of policies and processes to do with financial management and risk analysis including:

- (i) Appointed an Honorary Treasurer to review accounts, financial reporting and business management.
- (ii) Further updating and maintenance of Staff contracts.
- (iii) Ensuring that all new Childnet staff and trustees were checked by the Criminal Records Bureau (now the Disclosure & Barring Service- DBS), with enhanced clearance where appropriate.
- (iv) Updating annually the Childnet Child Protection Policy in light of Childnet's own advice to others about moderation and online child protection.
- (v) Retaining the services of an Independent Financial Advisor in respect of pension and life assurance arrangements.
- (vi) Ensuring that all contracts signed by Childnet with sponsors or partners are reviewed by the Business Manager and Childnet's solicitor where appropriate to ensure that there are proper safeguards in place for Childnet.

In addition all The Directors and Trustees intend to revisit the risk assessment issues on a regular basis at Board meetings and continue to implement strategies to minimise the risks and ensure best practice.

OBJECTIVES AND ACTIVITIES

• POLICIES AND OBJECTIVES

The principal activity of the charity is the promotion of children's interests in international communications by means of education, training and research.

In all the work undertaken by Childnet it is Childnet's aim to maintain its independence, leadership and reputation.

The charity continues to express its core purpose as "helping to make the internet a great and safe place for children".

- (i) Access - Helping children and young people to use the net constructively, access positive online resources and help them create quality content.
- (ii) Awareness - Helping children and young people acquire new "net literacy" skills, giving advice to organisations, parents, teachers and carers about internet safety.
- (iii) Protection - Helping to protect children and young people and prevent them from being exploited in the online environment provided by new technologies.
- (iv) Policy - Helping all sectors develop effective policy responses in line with the rapidly changing communications technology.

• GRANT MAKING POLICIES

Childnet does not currently have programmes which involve making grants on a regular basis. Very rarely one

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TRUSTEES' REPORT (continued)
for the year ended 31 March 2014

off small grants may be made from unrestricted or restricted income in strict pursuance of the charity's objectives although none were made during the 2013-14 year.

ACHIEVEMENTS AND PERFORMANCE

● **REVIEW OF ACTIVITIES**

The following gives a quarterly breakdown of the activities carried out by Childnet during April 2013 – 31st March 2014.

Certain key activities take place throughout the year. For example, Childnet's education and outreach work. Childnet's education outreach team presented in Primary and Secondary schools across the country, and also in some nurseries and Sixth Form Colleges, where they ran sessions for children, staff and parents and carers, to empower children and those that support them to be able to use technology safely and responsibly. The team reached 24,000 children over the year, as well as assisted in the development of key resources and activities, and keeping all the materials up to date, including the Childnet and UK Safer Internet Centre websites.

Childnet continued to be active members of the UK Council for Child Internet Safety (UKCCIS). The CEO Will Gardner has been part of the Executive Board since April 2013. Childnet were active members of the UKCCIS Evidence Group, and host the findings of this group, i.e. a summary of the latest research in the area of children's online activity and safety issues on our UK Safer Internet Centre website. Will Gardner also is a member of the Anti-Bullying Alliance Advisory Board. Childnet have done a range of media work, including a range of TV, radio, newspaper and online media interviews. In this work they have been able to help spread awareness messages. It is mentioned later, but on Safer Internet Day, which Childnet organised for the UK, there were over 60 million opportunities to see/hear Safer Internet Day messages on 11th February 2014. Childnet have also been interviewed by and met with several researchers in this area.

Childnet staff have presented at and chaired a number of conferences both in the UK and across the world, including Brussels, London, Bratislava, Bali, and more.

Childnet, with partner organisations the South West Grid for Learning and the Internet Watch Foundation, continued in their role as the UK Safer Internet Centre, a role part funded by the European Commission's Safer Internet Programme. In this role, Childnet form the Awareness Centre, and joins a network of European Safer Internet Centres, with whom we share ideas and best practice. We develop safety resources for the UK, and organise Safer Internet Day in the UK.

April to September 2013:

Childnet continued to participate in the EU-level self-regulatory meetings, for both the ICT Principles (led by a cross-industry coalition) and the CEO's Coalition (instigated by the EC).

Childnet staff have attended Safer Internet Centre meetings, run by INSAFE, the coordinator of the network of European Safer Internet Centres part-funded by the EC. Will Gardner attended the Malta conference in September.

Childnet also ran the EC's Positive Content Competition in the UK, looking to recognise good quality content for children and encourage the development of such content.

Childnet developed and released a number of new resources

- Video-chat and webcam advice for secondary aged children. We ran a focus group in a school to test this resource, and we worked with BBC Radio 5 Live to launch this advice. <http://www.childnet.com/ufiles/Video-chat-and-webcams1.pdf>
- Information and advice for parents of younger children (joint winner of Insafe resource competition), <http://www.childnet.com/ufiles/Keeping-Young-Children-Safe-Online.pdf>
- staff inset session, <http://www.childnet.com/teachers-and-professionals/staff-e-safety-inset-presentation>

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TRUSTEES' REPORT (continued)
for the year ended 31 March 2014

• online reputation checklist for secondary children
<http://www.childnet.com/ufiles/Online%20Reputation%20Checklist.pdf>

Childnet's Education Officer Caroline Hurst received an INSAFE bursary, and was able to visit the Luxembourg Safer Internet Centre to look at the train the trainer programme they were running there, as we look to develop a similar programme in the UK.

Childnet worked with the National Children's Bureau to develop some guidance for schools on preventing and responding to cyberbullying of children with SEND.

Childnet hosted a visit of the Taiwanese Regulator and the Polish Safer Internet Centre.

Will Gardner and other Childnet staff also spoke at several UK conferences, including at the QEII Centre.

Childnet's Film Competition ceremony was held at the British Film Institute on the South Bank in July, where the children (from the short-listed finalist schools) were able to watch the films they had made on the big screen and the winners announced. The BBFC supported this event by acting as judges and rating the film entries, and Trend Micro gave some financial support. There were record numbers of entries for the competition this year.

In preparation for attending the Internet Governance Forum (IGF) in Bali, Indonesia in October, Childnet ran a preparatory 'Youth Camp' in London to help introduce the young people to the themes, and the event, and to develop their own thinking on the issues of the IGF.

Childnet's CEO together with the then Director of Policy and Communications travelled to Facebook's HQ in Palo Alto, California, for a meeting of Facebook's Safety Advisory Board.

Childnet and the SWGfL (our partners at the UK Safer Internet Centre) were able to feed into the development of the new Computing Curriculum, which will start in September 2014 and will contain e-safety elements in Key Stage 1-4.

Throughout the 2013-2014 year, Childnet attended a number of EU meetings looking at the self-regulation of the internet 'industry', following the launch of the Industry Principles, launched in January 2011, and the CEO's Coalition, an EC-led self-regulatory initiative.

October to December 2013:

Childnet took 5 young people to the Internet Governance Forum in Bali, in October as youth delegates. The IGF is a UN mandated international discussion forum, attended by governments, industry, regulators and media organisations discussing the future of the internet. The young people represented themselves, as key stakeholders in this discussion at this event attended by over 3000 delegates. They presented their views at several workshops including one which they chaired themselves on 'Online anonymity, freedom of expression and internet governance'. The young people did a fantastic job, and were a credit to themselves, and were again praised for their insightful and well considered contributions. Prior to attending, the young people developed a survey, which had captured global perspectives on online anonymity, with 1382 responses from people in 68 countries.

At the Department for Education, and then at Microsoft's offices in London, Childnet ran two meetings for a group of 70 stakeholders, planning and preparing for the next Safer Internet Day. These meetings were held in October and December 2012. Childnet also held a UK Safer Internet Centre Advisory Board meeting, chaired by Childnet's CEO.

Childnet attended the Safer Internet Forum in Brussels. Caroline Hurst was a 'moderator' for the Youth Panel. Childnet took a young person member of the youth panel to take part, as well as their parent to participate in the parents' panel.

Working with the Norwegian Media Authority, Childnet's Digiduck's Big Decision book was translated into Norwegian and released in Norway as an app. Also, working with the Luxembourg Safer Internet Centre Childnet's advice for secondary school aged children on Video-chatting and webcams was made available in

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TRUSTEES' REPORT (continued)
for the year ended 31 March 2014

German and French, with support from Yahoo!

Childnet and the NSPCC were the designated charities for the Tech UK Christmas Ball in December, where Childnet's and the NSPCC's CEO spoke.

Will Gardner attended the INSAFE meeting in Dublin.

Lucinda Hasell and Pippa Green, Childnet's Director of Policy and Communications and Childnet's Education and Youth engagement manager, left Childnet at the end of December, and Lindsay Buck went on maternity leave in October.

January to March 2014:

Laura Jennings became Childnet's Communications Officer in January, and Hannah Broadbent became Childnet's Director of Policy and Strategy.

Will Gardner presented at the BCS conference in January, and the SASIG conference, as well as at the Digital Policy Alliance event in Parliament. Hannah Broadbent chaired a meeting between members of the Parliamentary Committee of Culture Media and Sport and young people, looking at the risks of cyberbullying and pornography in particular.

Childnet organised and ran Safer internet Day in the UK (11th February). We took a collaborative approach to the Day, encouraging and mobilising a large number of organisations and schools to support the Day. This was the biggest Safer Internet Day ever, and we had 650 logos (up from 300 in 2013) of organisations supporting the Day in different ways on our website, including the BBC, Facebook, Google, the UK Council for Child Internet Safety, the Post Office, the FA and many more. To bring the theme of Safer Internet Day, Let's Create a Better Internet together, to life, Childnet took a group of young people to 10 Downing St where they shared their ideas and experiences with the PM's Advisor, and then the young people were the panel in a Question Time style event with an audience of 150 stakeholders. Olympic Gymnast Beth Tweddle and DCMS Minister Helen Grant came to open the Question Time event.

The schools packs we developed for SID 2014 were downloaded almost 200,000 times, and were translated into Welsh and also Portuguese (for use in Brazil). We also worked with support from PhonePayPlus to develop an online interactive Quiz for SID.

The BBC played a key role in supporting SID, and there were activities and coverage of the Day, with 21 BBC brands taking part across television, radio and online.

Research commissioned by the BBC on their awareness work included some questions on SID, and found that around 25% of 8-12s heard Safer Internet Day messages, and 18% of teens and 10% of parents. Of those that heard, almost 40% changes something about the way they behave online, and more spoke to a family member about this issue.

In March, Childnet began a project in partnership with Leicester City Council to create a toolkit of resources on e-safety for teachers working with secondary-aged children with Autistic Spectrum Disorders.

UK Council for Child Internet Safety has several work streams operating which report to the Executive Board. These are headed by champions from the Executive Board. Childnet are represented on several of these work stream groups; Improving information/skills of parents and children, improving resources for schools, connected customer equipment (including point of sale information) and age-verification; the UKCCIS Evidence group, who have decided to host their content on the UK Safer Internet Centre website, which we run.

In a challenging economic environment, Childnet has been grateful to receive funding not aforementioned from Google, the Garfield Weston Foundation, Facebook, AT&T, ICANN, Nominet, supporting a range of work, including the development of educational resources, Childnet's role in the UK Safer Internet Centre.

CHILDNET
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TRUSTEES' REPORT (continued)
for the year ended 31 March 2014

• **FACTORS RELEVANT TO ACHIEVE OBJECTIVES**

Childnet has consistently built its reach and impact of its work and there are several factors involved in this. The staff at Childnet are experts in their areas and absolutely recognise the importance of the work they are doing - as such they are dedicated to the objectives of the organisation. The Board of Trustees provide great oversight of the organisation and their expertise and experience provide an invaluable resource and support.

Childnet builds strong and effective partnerships and sees working in collaboration key to successful implementation of its mission. Building a great coalition of support for Safer Internet Day, with key supporters like the BBC and Disney, has been successful in getting great reach and impact.

FINANCIAL REVIEW

• **GOING CONCERN**

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the principal funding section below.

• **RESERVES POLICY**

For the year ending 31 March 2014, the Directors and Trustees had previously set a reserves policy objective of having a level of unrestricted reserves sufficient to cover 3 months operational costs at any one time. This is estimated currently to be around the region of £90,000. This was reviewed during the year. It was decided that this level should remain in place, although it remains an aspiration to increase it in the future as funding allows.

• **PRINCIPAL FUNDING**

During the year the total incoming resources of the charity amounted to £508,908 (2013: £502,305) and total resources expended were £496,004 (2013: £518,664). This resulted in a surplus of £12,904 for the year (2013: deficit £16,359). The reserves therefore stood at £107,695 at the year end (2013: £94,791), of which £7,875 was restricted and £99,820 was unrestricted (2013: £2,765 and £92,026 respectively).

Going forward the Directors/Trustees have acknowledged with the Auditors that there is a significant challenge in being able to continue to fundraise, especially for unrestricted income, for Childnet's work as a non-crisis intervention charity. At the date of this report, so long as the assumptions used in preparing forecasts remain valid, there is sufficient funding for the current operations to be maintained for the foreseeable future. The Directors/Trustees and staff are actively reviewing all areas of the charity's activities and future operations, options for reducing costs and securing grants and donations to continue the operations within the funds available.

Childnet does not currently have sufficient funds to justify a long-term investment policy. However, professional advice is sought on short-term commitment of funds to high interest bearing accounts for appropriate periods which bring the best return for the charity while maintaining liquidity.

Childnet also uses the services of an Independent Financial Advisor in making and implementing pension scheme decisions for its staff.

• **MATERIAL INVESTMENTS POLICY**

Childnet does not currently have sufficient funds to justify a long-term investment policy. However, professional advice is sought on short-term commitment of funds to high interest bearing accounts for appropriate periods which bring the best return for the charity while maintaining liquidity.

Childnet also uses the services of an Independent Financial Advisor in making and implementing pension

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TRUSTEES' REPORT (continued)
for the year ended 31 March 2014

scheme decisions for its staff.

PLANS FOR THE FUTURE

• **FUTURE DEVELOPMENTS**

Childnet is committed to the highest quality of operations (internal procedures, governance, staff training and development etc). During the next 12 months the organisation is putting in place procedures which include:

- (i) Continuing to review the make up of the Trustee body and recruit additional trustees
- (ii) Continuing to strengthen our internal monitoring and evaluation processes
- (iii) Ensuring that the organisation continues to have strong reference and participation from children and young people
- (iv) Strengthening the fundraising and promotion of the organisation with the appointment or appropriate outsourcing of fundraising personnel
- (v) Continuing to regularly review the strategic direction of the organisation
- (vi) Developing staff through regular training and supervision and ensure that all internal policies are constantly updated
- (vii) Formally review Childnet's international strategy.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Childnet for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any

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TRUSTEES' REPORT (continued)
for the year ended 31 March 2014

relevant audit information and to establish that the auditors are aware of that information.

AUDITOR

A resolution proposing that Baldwin Scofield Ltd be re-appointed as auditors of the company will be put to the Annual General Meeting.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 1 October 2014 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Tink Palmer', written in a cursive style.

Mrs Tink Palmer

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILDNET

We have audited the financial statements of Childnet for the year ended 31 March 2014 set out on pages 13 to 22. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, 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.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 145 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILDNET

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Baldwin Scofield Ltd

Chartered Accountants
Registered Auditors

3 Newhouse Business Centre
Old Crawley Road
Horsham
West Sussex
RH12 4RU
1 October 2014

Baldwin Scofield Ltd are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
for the year ended 31 March 2014

	Note	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	270,677	100,244	370,921	335,979
Investment income	3	-	81	81	38
Incoming resources from charitable activities	4	19,911	117,995	137,906	166,288
TOTAL INCOMING RESOURCES		290,588	218,320	508,908	502,305
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	5	-	626	626	897
Charitable activities		322,743	168,654	491,397	513,972
Governance costs	7	-	3,981	3,981	3,795
TOTAL RESOURCES EXPENDED	10	322,743	173,261	496,004	518,664
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(32,155)	45,059	12,904	(16,359)
Transfers between Funds	17	37,265	(37,265)	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		5,110	7,794	12,904	(16,359)
<i>Total funds at 1 April 2013</i>		<i>2,765</i>	<i>92,026</i>	<i>94,791</i>	<i>111,150</i>
TOTAL FUNDS AT 31 MARCH 2014		7,875	99,820	107,695	94,791

The notes on pages 15 to 22 form part of these financial statements.

CHILDNET
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Registered number: 03958416

BALANCE SHEET
as at 31 March 2014

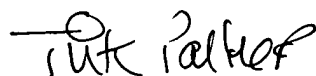
	Note	£	2014 £	2013 £
FIXED ASSETS				
Tangible assets	14		1,305	367
CURRENT ASSETS				
Debtors	15	20,230	43,205	
Cash at bank and in hand		148,222	106,645	
		<u>168,452</u>	<u>149,850</u>	
CREDITORS: amounts falling due within one year	16	(62,062)	(55,426)	
NET CURRENT ASSETS			<u>106,390</u>	<u>94,424</u>
NET ASSETS			<u>107,695</u>	<u>94,791</u>
CHARITY FUNDS				
Restricted funds	17	7,875	2,765	
Unrestricted funds	17	99,820	92,026	
TOTAL FUNDS			<u>107,695</u>	<u>94,791</u>

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 145 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2014 and of its net incoming resources for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees on 1 October 2014 and signed on their behalf, by:



Mrs Tink Palmer

The notes on pages 15 to 22 form part of these financial statements.

CHILDNET
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.5 RESOURCES EXPENDED

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

CHILDNET
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	- 25.00% straight line
Computer equipment	- 33.33% straight line

1.7 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. VOLUNTARY INCOME

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	49,494	94,368	143,862	78,699
Grants	221,183	3,150	224,333	257,280
Government grants	-	2,726	2,726	-
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	270,677	100,244	370,921	335,979

3. INVESTMENT INCOME

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Investment income	-	81	81	38
	<hr/>	<hr/>	<hr/>	<hr/>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Charity incoming resources	19,911	117,995	137,906	166,288
	<hr/>	<hr/>	<hr/>	<hr/>

CHILDNET
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

5. COSTS OF GENERATING VOLUNTARY INCOME

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Professional services	-	626	626	897

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Charitable activities	322,743	168,654	491,397	513,972

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Charitable activities	343,177	148,220	491,397	513,972

7. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Audit	3,500	3,500	3,000
Trustees' meetings	272	272	408
Legal	209	209	387
	<u>3,981</u>	<u>3,981</u>	<u>3,795</u>

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

8. DIRECT COSTS

	Total 2014 £	Total 2013 £
Staff costs	206	-
Consultancy	249	172
Hire of premises	2,253	4,696
Design & print	17,402	27,900
Website	19,137	15,274
Motor & travel	39,047	37,107
Depreciation	1,020	795
Postage, printing, stationery	1,242	2,184
Leasing charges	2,317	2,415
Courier services	2,843	2,923
Wages and salaries	212,271	249,624
National insurance	21,840	25,587
Pension cost	18,426	18,904
	<u>338,253</u>	<u>387,581</u>

9. SUPPORT COSTS

	Total 2014 £	Total 2013 £
Publicity & marketing	17,422	3,501
Postage, printing, stationery	3,738	3,521
Telephone & commun's	3,289	3,160
Rent & rates	18,655	18,616
Heating & lighting	1,740	1,896
Repairs & renewals	4,364	4,674
Insurance	2,553	2,657
Legal	-	2,014
Bank charges & interest	777	446
Leasing charges	2,299	2,545
Other	7,660	7,064
Courier services	7	58
Wages and salaries	76,259	65,132
National insurance	7,800	6,676
Pension cost	6,581	4,431
	<u>153,144</u>	<u>126,391</u>

CHILDNET
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

10. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Costs of generating voluntary income	-	626	626	897
COSTS OF GENERATING FUNDS	-	626	626	897
Charitable activities	343,177	148,220	491,397	513,972
Governance	-	3,981	3,981	3,795
	<u>343,177</u>	<u>152,827</u>	<u>496,004</u>	<u>518,664</u>

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014 £	Support costs 2014 £	Total 2014 £	Total 2013 £
Charitable activities	<u>338,253</u>	<u>153,144</u>	<u>491,397</u>	<u>513,972</u>

12. NET INCOME / (EXPENDITURE)

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,020	795
Auditors' remuneration	3,500	3,000
Pension costs	<u>25,007</u>	<u>23,335</u>

During the year, no Trustees received any remuneration (2013 - £NIL).

During the year, no Trustees received any benefits in kind (2013 - £NIL).

1 Trustee received reimbursement of expenses amounting to £273 in the current year, (2013 - 1 Trustee - £407).

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

13. STAFF COSTS

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	288,530	314,756
Social security costs	29,640	32,263
Other pension costs	25,007	23,335
	<u>343,177</u>	<u>370,354</u>

The average monthly number of employees during the year was as follows:

	2014 No.	2013 No.
	<u>9</u>	<u>10</u>

No employee received remuneration amounting to more than £60,000 in either year.

14. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Total £
COST			
At 1 April 2013	14,977	15,126	30,103
Additions	-	1,958	1,958
At 31 March 2014	<u>14,977</u>	<u>17,084</u>	<u>32,061</u>
DEPRECIATION			
At 1 April 2013	14,977	14,759	29,736
Charge for the year	-	1,020	1,020
At 31 March 2014	<u>14,977</u>	<u>15,779</u>	<u>30,756</u>
NET BOOK VALUE			
At 31 March 2014	<u>-</u>	<u>1,305</u>	<u>1,305</u>
At 31 March 2013	<u>-</u>	<u>367</u>	<u>367</u>

CHILDNET
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

15. DEBTORS

	2014 £	2013 £
Trade debtors	13,510	27,569
Other debtors	600	600
Prepayments and accrued income	6,120	15,036
	<u>20,230</u>	<u>43,205</u>

**16. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £	2013 £
Trade creditors	12,024	17,097
Other taxation and social security	9,017	16,220
Other creditors	19,080	11,262
Accruals and deferred income	21,941	10,847
	<u>62,062</u>	<u>55,426</u>

17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
UNRESTRICTED FUNDS					
General Funds - all funds	92,026	218,320	(173,261)	(37,265)	99,820
	<u>92,026</u>	<u>218,320</u>	<u>(173,261)</u>	<u>(37,265)</u>	<u>99,820</u>
RESTRICTED FUNDS					
UK Safer Internet Centre	-	233,194	(259,529)	26,335	-
Youth IGF	-	49,494	(41,619)	-	7,875
Digiduck (print)	2,765	-	-	(2,765)	-
Film Challenge	-	7,900	(21,595)	13,695	-
	<u>2,765</u>	<u>290,588</u>	<u>(322,743)</u>	<u>37,265</u>	<u>7,875</u>
Total of funds	<u>94,791</u>	<u>508,908</u>	<u>(496,004)</u>	<u>-</u>	<u>107,695</u>

The charity runs projects to develop and distribute training materials and publications dealing with good governance of internet usage. Where grant funding is sought for a project it is recorded in a separate restricted fund. The direct project costs and certain overheads are allocated to each fund as incurred.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
General funds	92,026	218,320	(173,261)	(37,265)	99,820
Restricted funds	2,765	290,588	(322,743)	37,265	7,875
	<u>94,791</u>	<u>508,908</u>	<u>(496,004)</u>	<u>-</u>	<u>107,695</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	1,305	1,305	368
Current assets	7,875	160,578	168,453	149,849
Creditors due within one year	-	(62,063)	(62,063)	(55,426)
	<u>7,875</u>	<u>99,820</u>	<u>107,695</u>	<u>94,791</u>

19. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £25,007 (2013 - £23,335). Contributions totalling £19,080 (2013 - £11,262) were payable to the fund at the balance sheet date and are included in creditors.