

Registered number: 03958416  
Charity number: 1080173

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**CHILDNET**  
(A company limited by guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**



**CHILDNET**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2020**

**Trustees**

Mrs Tink Palmer, Chair  
Mr Peter Stevens (resigned 26 November 2019)  
Mr Graham Wallace (resigned 20 November 2020)  
Mr Karl Hopwood  
Mr Rob Wright  
Mr Julian Coles  
Miss Victoria Hordern (appointed 9 April 2020)

**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

**CHILDNET**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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The Trustees present their annual report together with the audited financial statements of the Childnet for the year 1 April 2019 to 31 March 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

### **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.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

#### **• Grant-making policies**

Under the terms of a grant from the European Commission (EC), supporting our work on project deSHAME and a related grant from Facebook, there was a requirement to disburse some of those funds as grants to our project partners Red Barnet (Save the Children Denmark), Kek Vonal (Hungary) and University of Central Lancashire (UK).

Very rarely one-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 2019-20 year.

### **Achievements and performance**

#### **• Review of activities**

The following gives a quarterly breakdown of the activities carried out by Childnet during April 2019 – 31st March 2020.

Certain key activities take place throughout the year. For example, Childnet's education and outreach work.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Achievements and performance (continued)**

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 over 22,000 children over the academic year (Sept 2018-July 2019), aged between 3-18, thousands of parents and carers, and thousands of school staff, 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. We collate the questions we receive during the sessions with children, parents and carers and staff, and try to respond to the recurring themes in blogs posted on our website. Our evaluations of the outreach work were extremely positive, with 99% of parents and carers, for e.g., rating the session as good (12%) or excellent (87%), and 99% will talk to their children about staying safe on the internet as a result of the session. For staff, 100% rated the session as good (18%) or excellent (82%), and the same number felt more confident about supporting their children online.

Childnet continued to be active members of the UK Council for Internet Safety (UKCIS). The CEO, Will Gardner, has been part of the Executive Board since April 2013. Childnet, represented by Policy and Communications Manager Maithreyi Rajeshkumar, were active members of the UKCIS 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. Childnet's Education Manager has been an active member of the UKCIS Education group, and Will Gardner has been a member of both the Technical Working Group (which disbanded) and the Digital Resilience Working group. Phoebe Moriarty Roberts joined the Vulnerable Users Working Group, and Will Gardner founded and chairs the Early Warning Working Group, made up of helplines, hotlines, and law enforcement. Will Gardner is a member of the Anti-Bullying Alliance Advisory Group and is on the Advisory Board for Internet Matters, a parents' portal established by the four major ISPs. 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 300 news articles mentioning the last Safer Internet Day on 11th Feb 2020. Childnet have also been interviewed by and met with several researchers in this area.

Childnet also continued to be members of the Twitter "Trust & Safety Council" and Facebook's Safety Advisory Board.

Childnet staff have presented at and chaired panels at a number of conferences both in the UK and across the world.

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 Connecting Europe Facility (CEF). In this role, Childnet form the Awareness Centre, and joins a network of European Safer Internet Centres called INSAFE, with whom we share ideas and best practice. We develop safety resources for the UK, organise youth participation and youth voice, and organise Safer Internet Day in the UK. UKSIC project IV finished at the end of 2018, and we began UKSIC V in January 2019, and this project will run until the end of 2020.

**April to September 2019:**

Childnet staff have attended and spoken at Safer Internet Centre meetings, run by INSAFE, the coordinator of the network of European Safer Internet Centres that are part-funded by the EC, in order to share good practice, recent trends and issues. Childnet attended the meeting in Heraklion, Crete (June 2019) and also the one later in the year in Ljubljana in October. We have also shared our educational materials and resources with our colleagues from this European Network, via the Better Internet for Kids platform.

Project deSHAME, focussed on tackling the online sexual harassment among teens, had its London launch event in March 2019, and a launch event in Brussels in April 2019. The next stage of the project was active dissemination of the teaching toolkit, Step Up Speak Up. The project is 80% funded by the EC Rights Equality and Citizenship Programme. The other partners in this project are the University of Central Lancashire (UK), Red Barnet (Save the Children Denmark) and Kek Vonal (Hungary). The Youth Advisory Board (YAB) members for project deSHAME were actively engaged in reaching and engaging with policy makers during this period. In July,

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Achievements and performance (continued)**

three members travelled to London where, together with two Childnet team members, they ran a workshop with CPS lawyers and managers of lawyers on online sexual harassment. This was a great success and an amazing direct impact from the project. Two members of the YAB also spoke at the Sex Education Forum later this year.

Peace One Day took place on Saturday 21st Sept. Two members of the deSHAME YAB were on a panel at the Globe theatre, the centrepiece of the global celebration. Will Gardner, Childnet CEO, spoke on the earlier panel.

Over this period Childnet developed and released a number of new resources, including a new parents leaflet, 'Let's talk about life online' to help support parents get conversations started on this subject, as well as working on the development of others.

Will Gardner and other Childnet staff also spoke at several UK conferences and conducted media interviews. Will Gardner attended the UKCIS Executive Board meeting. He also attended a roundtable with the head of Instagram.

We held a UK Safer Internet Centre Advisory Board meeting in June, the first for this project (UKSIC V). This meeting is chaired by Childnet's CEO, bringing together key stakeholders from industry, the charity sector, Government, education, academia and more.

It was the 10th year of Childnet's annual Film Competition. The theme was OUR FUTURE ONLINE what can we all do to make our future internet a great and safe place? The Primary category theme was: The internet belongs to me and this is how it's going to be. The Secondary category theme was: What's your vision for a better internet?

We had an amazing number of entries, and the standard was incredibly high. The winning school in the secondary school category got maximum points from all the judges, which was the first time this had ever happened. The judges were David Austin, CEO of the BBFC, Catherine McAllister from the BBC, Jo Van der Meer from the BFI, and Lisa Prime from BAFTA. The ceremony was held in July 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 Childnet Digital Leaders Programme is a peer education programme. Schools subscribe and recruit 8-10 pupils as Digital Leaders. These pupils complete online training modules and they then work to earn badges by completing tasks, such as running an education awareness session for their peers, or for parents or staff.

The Primary and Secondary programme both grew during this period. We produced the annual impact report for the Childnet Digital Leaders programme, and highlights include:

- 92% of Digital Leaders said the training made them feel more confident
- 85% of teachers said it helped their school fulfil their safeguarding responsibilities
- 75% of teachers said that the programme has improved their Digital Leaders wellbeing

We held Childnet Digital Leaders regional events in Ely, bringing together over 50 digital leaders from four schools, and also in Bangor, Northern Ireland.

Childnet responded to the Online Harms White paper consultation from the DCMS, and also joined UKSIC partners in compiling a UKSIC response, and we collated responses from 70 young people which we also submitted.

**October to December 2019:**

Maithreyi Rajeshkumar, Policy and Communications Manager, ran a workshop on online sexual harassment among teens, sharing the work of Project deSHAME and using some of the resources created, at the Safer Internet Forum in Brussels in November. Danielle Antha, Digital Leaders programme manager also attended, as well as Jess, a 13-year-old Childnet Digital leader and her mother, as a chaperone.

We held a Digital Leaders regional event in Cardiff in November.

We have been working on developing a range of educational materials and resources, including for Early Years

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Achievements and performance (continued)**

and Key Stage 1, and for educators working with children with Special Educational Needs.

In preparation for Safer Internet Day 2020 we held stakeholder meetings. In London, in Cardiff and in Glasgow, ensuring all stakeholders were informed and ready to get involved and help support Safer Internet Day. The Education packs were launched, having also been translated into Welsh, and the focus this year is on the issue of online identity, and asking whether we are free to be ourselves online. There were packs created for primary and secondary, and they included Assembly plan, lesson plan, quick ideas to teachers, as well as a pack for parents <https://www.saferinternet.org.uk/safer-internet-day/safer-internet-day-2020/i-am-educator>. Verizon Media supported this work. The Welsh Government supported the translation of these resources into Welsh.

Childnet participated and spoke at a number of events over this period. For example, Kate Edwards, Education and Safeguarding manager spoke at the Council of international Schools conference in Bilbao. Childnet staff, including Ellie Proffitt, Education Manager, spoke at several NASUWT conferences.

**January to March 2020:**

The Film Competition 2020 was launched in January 2020, with the theme, 'We want an internet where we are free to ...'. We had financial support from the Motion Picture Association as well as from Disney for this Competition, as well as from the EU (as part of our UK Safer Internet Centre work).

The education team spoke to 4,765 children in January alone, and demand for school bookings remains high. We ran sessions at Arsenal FC's Academy, talking to the children as well as their parents, and also spoke to school staff at various conferences.

We launched the "S" and the "T" of the STAR toolkit, a resource for educators working with children with SEN. We worked closely with Stonewall to develop their guide on online safety for supporting LGBT young people, 'Staying safe online' and this was launched in February.

Childnet organised and ran Safer internet Day in the UK (11 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, reaching 49% of children and 26% of parents. Of the children that heard SID messages, 77% felt more confident about what to do if they were worried about something online. Of the parents that heard SID messages, 76% talked to their children about using the internet safely. Huge reach and huge impact, growing even on the record-breaking previous year.

Each February for Safer Internet Day, hundreds of organisations right across the UK get involved to help inspire the safe and positive use of technology. In the UK we marked Safer Internet Day by mobilising people across the UK 'Together for a better internet' and explore how a better internet starts with each and every one of us.

The theme for this year's Safer Internet Day in the UK was online identity, and we released a research report into this – 'Free to be me: piecing together identity online'. The campaign saw so many come together to help inspire a national conversation about using technology responsibly, respectfully, critically, and creatively. Over 1,700 organisations across the UK delivered activities for the day, including schools, police forces, government, companies, football clubs, charities, and others – more than ever before.

All these organisations came together to deliver a range of inspiring activities to encourage the safe and positive use of technology. They joined hundreds of individuals supporting the #SaferInternetDay2020 social media campaign and #Freetobe. The social media campaign trended on Twitter throughout the Day. On TikTok 1,861 videos were posted as part of a #freetobe hashtag challenge and these were viewed over 7 million times.

There were youth events across the UK which helped ensure that the day really reflected the voice of young people. At these events young people met Government ministers, policy makers, industry representatives and more, with opportunities to share their experiences of being online and their recommendations for how this space can be improved for young people.

In London, over 60 young people attended a special youth-led interactive event at the BT Centre, welcoming over 100 policymakers, industry, charities, and media from across a range of sectors to discuss how young

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Achievements and performance (continued)**

people navigate the challenges around consent online. The young people ran activity stations for guests, delivered keynote speeches, gave interviews to media and took part in a panel discussion led by Natasha Devon. DCMS Secretary of State Baroness Nicky Morgan attended and as well as speaking at the event she took part in the workshops with the young people. Ministers Nick Gibb DfE and Matt Warman DCMS sent video messages that were played at the event. Amy, one of our Digital Champions gave the youth keynote speech and Homyra, another Digital Leader, was the youth host of the event. 3 Digital Leader schools took part in media for the day; Hoyslandswaine Primary School and Rowlatts Mead Primary Academy were filmed by ITV and a teacher from Holy Cross Catholic Primary School was interviewed by CBeebies.

The Welsh Government held an online safety film competition for young people. In Northern Ireland, the Education Minister and the Deputy First Minister visited schools marking the Day. At Anfield, home to Liverpool Football Club nearly 500 young people from 40 schools across the city took part in an activities around online safety. At Goodison Park, home to Everton Football Club 120 young people came together to take part in Safer Internet Day assemblies and workshops on the theme of online identity.

This nationwide day of action came as Childnet (as part of the UK safer Internet Centre) released new research on the day, 'Free to be me: piecing together identity online' , which surveyed over 2000 young people aged 8-17 across the UK.

Schools across the UK used the UK Safer Internet Centre's Education Packs, developed by Childnet, and the accompanying Safer Internet Day TV films (developed by the SWGfL) to explore these issues. In fact, there were over 1.1 million downloads of the educational resources prepared for SID, and over 1.2 million views of the SID films.

There was a wide range of media attention on the Day, and we achieved over 300 media mentions in print, TV, radio and online. These include pick up by Metro, The Sun, Press and Journal and The Daily Record in print, pieces in several regional ITV news bulletins featuring Digital Leaders and their schools, coverage on BBC Newsround and across the BBC (including the home page), several regional radio spots, and Sky News.

A group of Childnet Digital Leaders also went to Parliament at Westminster and took their Youth Charter, outlining how Government can help make a more inclusive internet where everyone is #freetobe themselves. They were able to share this with a large number of MPs.

Will Gardner attended DCMS roundtables with DCMS Minister, Matt Warman on Transparency. Will spoke at Ofcom's launch of the Children and Parents Attitudes to Media report at the British Library on 4th Feb. Responding to the research and promoting Safer Internet Day.

Will Gardner spoke at several conferences and meetings over this period, including a Premier League conference in December, an EY conference in Jan, a UKIE Comms meeting in Dec, Westminster e-Forum in Dec, at Bateswells in January to staff there. Will attended Facebook child safety hackathon in London in December, and a discussion at Facebook, on Facebook Dating with other stakeholders and had a meeting of the Anti-Bullying Alliance advisory group.

Google Impact Challenge awards – Maithi Rajeshkumar attended to receive the award in Brussels and present about our work and our project, helping young people with SEN to thrive online, which starts in July 2020.

Will Gardner attended the Facebook Safety Advisory Board in January in Washington.

In a challenging economic environment, Childnet has been grateful to receive funding not aforementioned from Disney, The Motion Picture Association, Facebook, Trend Micro, techUK, VerizonMedia and Twitter, together supporting a range of work, including the development of educational resources and Childnet's role in the UK Safer Internet Centre.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Achievements and performance (continued)**

• **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. The Childnet Digital Leaders programme is core to Childnet's mission of empowering children and young people, and really giving them agency and voice in their communities.

**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 2020, the Directors and Trustees had previously set a reserves policy objective of having a level of reserves sufficient to cover 3 months operational costs at any one time. This is estimated currently to be around the region of £140,000. 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.

• **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 scheme decisions for its staff.

• **Principal funding**

During the year the total incoming resources of the charity amounted to £1,087,914 (2019: £881,353) and total resources expended were £1,091,643 (2019: £940,928). This resulted in a deficit of £3,729 for the year (2019: deficit £59,575). The reserves therefore stood at £122,512 at the year end (2019: £126,241), of which £36,286 was restricted and £86,226 was unrestricted (2019: £36,475 and £89,766 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**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 the 1st 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 time.

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.
- (iv) Such other charitable purposes as may from time to time be determined.

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

• **Methods of appointment or election of Trustees**

Childnet had 6 trustees on the 1st of April 2019. Peter Stevens stepped down in November 2019, meaning we had 5 trustees as of 31st March 2020, however, Victoria Hordern started the process of joining the Board of trustees during the year, formal approval taking place just after the year end in April 2020.

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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Structure, governance and management (continued)**

• **Organisational structure and decision-making policies**

The Board of Childnet is made up of the people listed on the 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 Deputy Chief Executive 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, the Deputy 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 regular 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. Additionally, interim finance meetings are held as and when required.

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.

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.

• **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) the offer of 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 2020**

**Structure, governance and management (continued)**

• **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 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 major contractual relationships are reviewed 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 part-European Commission (EC) funded projects.

As the lead member of the consortium that makes up the deSHAME project for the EC, Childnet has a formal partnership agreement with Red Barnet (Save the Children Denmark), Kek Vonal (Hungary) and University of Central Lancashire.

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

• **Financial risk management**

The Directors and Trustees acknowledge their responsibility for the management of risk and building on the previous full risk audits that the Trustees completed, 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 are reviewed annually.

To manage elements of potential risk, Childnet maintained contact with our solicitor for expert legal advice as needed 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 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Plans for future periods**

Childnet is committed to the highest quality of operations (internal procedures, governance, staff training and development etc.). During the next 12 months the organization is continuing to keep in place and develop 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.

**Members' liability**

The Members of the Company guarantee to contribute an amount not exceeding £1 to the assets of the Company in the event of winding up.

**Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the Company 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 Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**CHILDNET**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**Auditors**

The auditors, Baldwin Scofield Ltd, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 17 May 2021 and signed on their behalf by:



**Mrs Tink Palmer**

**CHILDNET**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILDNET**

**Opinion**

We have audited the financial statements of Childnet (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of 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 charitable company's affairs as at 31 March 2020 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**CHILDNET**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILDNET (CONTINUED)**

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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
- sufficient accounting records have not been kept; 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.

**Responsibilities of trustees**

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, 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.



**CHILDNET**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILDNET (CONTINUED)**

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act 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 Auditors' 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.

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

**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Baldwin Scofield Ltd*

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

17 May 2021

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

**CHILDNET**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>					
Donations and legacies	3	717,808	153,427	871,235	653,873
Charitable activities	4	305	215,997	216,302	227,036
Other trading activities	5	-	2	2	4
Investments	6	-	375	375	440
<b>Total income</b>		<b>718,113</b>	<b>369,801</b>	<b>1,087,914</b>	<b>881,353</b>
<b>Expenditure on:</b>					
Raising funds	7	-	420	420	331
Charitable activities	9	828,076	263,147	1,091,223	940,597
<b>Total expenditure</b>		<b>828,076</b>	<b>263,567</b>	<b>1,091,643</b>	<b>940,928</b>
<b>Net (expenditure)/income before net gains on investments</b>		<b>(109,963)</b>	<b>106,234</b>	<b>(3,729)</b>	<b>(59,575)</b>
Net gains on investments		-	-	-	10,633
<b>Net (expenditure)/income</b>		<b>(109,963)</b>	<b>106,234</b>	<b>(3,729)</b>	<b>(48,942)</b>
Transfers between funds	20	109,774	(109,774)	-	-
<b>Net movement in funds</b>		<b>(189)</b>	<b>(3,540)</b>	<b>(3,729)</b>	<b>(48,942)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		36,475	89,766	126,241	175,183
Net movement in funds		(189)	(3,540)	(3,729)	(48,942)
<b>Total funds carried forward</b>		<b>36,286</b>	<b>86,226</b>	<b>122,512</b>	<b>126,241</b>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 20 to 35 form part of these financial statements.

**CHILDNET**  
(A company limited by guarantee)  
REGISTERED NUMBER: 03958416

**BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	3,467	5,288
Investments	15	1	1
		<u>3,468</u>	<u>5,289</u>
<b>Current assets</b>			
Stocks	16	2,279	
Debtors	17	109,525	122,741
Cash at bank and in hand		323,470	474,976
		<u>432,995</u>	<u>599,996</u>
Creditors: amounts falling due within one year	18	(313,951)	(479,044)
<b>Net current assets</b>		<u>119,044</u>	<u>120,952</u>
<b>Total net assets</b>		<u><u>122,512</u></u>	<u><u>126,241</u></u>
<b>Charity funds</b>			
Restricted funds	20	36,286	36,475
Unrestricted funds	20	86,226	89,766
<b>Total funds</b>		<u><u>122,512</u></u>	<u><u>126,241</u></u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

**CHILDNET**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 03958416**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2020**

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 17 May 2021 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Tink Palmer', with a small 'C' above the 'T'.

**Mrs Tink Palmer**

The notes on pages 20 to 35 form part of these financial statements.

**CHILDNET**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	(149,236)	(36,522)
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(2,270)	(5,636)
<b>Net cash used in investing activities</b>	(2,270)	(5,636)
<b>Cash flows from financing activities</b>		
<b>Net cash provided by financing activities</b>	-	-
<b>Change in cash and cash equivalents in the year</b>	(151,506)	(42,158)
Cash and cash equivalents at the beginning of the year	474,976	517,134
<b>Cash and cash equivalents at the end of the year</b>	<u>323,470</u>	<u>474,976</u>

The notes on pages 20 to 35 form part of these financial statements

**CHILDNET**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**1. General information**

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.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Childnet meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Income**

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

**2.3 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

**CHILDNET**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**2. Accounting policies (continued)**

**2.3 Expenditure (continued)**

All expenditure is inclusive of irrecoverable VAT.

**2.4 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**2.5 Tangible fixed assets and depreciation**

Tangible fixed assets costing £150 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Office equipment	- 25% straight line
Computer equipment	- 33% straight line

**2.6 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

**2.7 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**2.8 Debtors**

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

**2.9 Cash at bank and in hand**

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

**CHILDNET**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**2. Accounting policies (continued)**

**2.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

**2.11 Financial instruments**

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.12 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.

**2.13 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.

**3. Income from donations and legacies**

	<b>Restricted funds 2020 £</b>	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Donations	130,728	113,427	<b>244,155</b>
Grants	587,080	40,000	<b>627,080</b>
	<u>717,808</u>	<u>153,427</u>	<u><b>871,235</b></u>



**CHILDNET**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**3. Income from donations and legacies (continued)**

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	250,000	89,664	339,664
Grants	314,208	-	314,208
	<u>564,208</u>	<u>89,664</u>	<u>653,872</u>

**4. Income from charitable activities**

	<b>Restricted funds 2020 £</b>	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Consultancy income	-	92,620	<b>92,620</b>
Programme and other income	-	118,002	<b>118,002</b>
Consultancy expenses recovered	305	5,375	<b>5,680</b>
	<u>305</u>	<u>215,997</u>	<u><b>216,302</b></u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Consultancy income	112,118	112,118
Programme and other income	109,564	109,564
Consultancy expenses recovered	5,354	5,354
	<u>227,036</u>	<u>227,036</u>

**CHILDNET**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**5. Income from other trading activities**

**Income from non charitable trading activities**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Net income - Everyclick	2	2
	<u>2</u>	<u>2</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Net income - Everyclick	4	4
	<u>4</u>	<u>4</u>

**6. Investment income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Investment income - bank interest	375	375
	<u>375</u>	<u>375</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Investment income - bank interest	440	440
	<u>440</u>	<u>440</u>

**CHILDNET**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**7. Expenditure on raising funds**

**Costs of raising voluntary income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Fundraising expense	420	420

**Costs of raising voluntary income (continued)**

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Fundraising expenses	331	331

**8. Analysis of grants**

	<b>Grants to Institutions 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Grants made	171,141	171,141	-

**CHILDNET**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**9. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Restricted funds 2020 £</b>	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Direct costs of charitable activities	769,421	321,802	<b>1,091,223</b>
	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Direct costs of charitable activities	619,922	320,675	940,597

**10. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Grant funding of activities 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>
Direct costs of charitable activities	759,001	171,141	161,081	<b>1,091,223</b>
	<i>Activities undertaken directly 2019 £</i>		<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Direct costs of charitable activities	748,732		191,865	940,597

**CHILDNET**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Charitable activities 2020 £</b>	<b>Total funds 2020 £</b>
Salaries and wages	651,822	651,822
Staff costs	7,053	7,053
Consultancy	9,329	9,329
Hire of premises	20,965	20,965
Design and print	31,186	31,186
Motor and travel	38,646	38,646
	<u>759,001</u>	<u>759,001</u>

	<i>Charitable activities 2019 £</i>	<i>Total funds 2019 £</i>
Salaries and wages	594,813	594,813
Staff costs	19,051	19,051
Consultancy	22,138	22,138
Hire of premises	17,621	17,621
Design and print	53,859	53,859
Motor and travel	40,024	40,024
Postage, printing and stationery	1,226	1,226
	<u>748,732</u>	<u>748,732</u>

**CHILDNET**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**10. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Support activities 2020 £</b>	<b>Total funds 2020 £</b>
Rent and rates	20,372	20,372
Heating and lighting	2,192	2,192
Postage, printing and stationery	5,473	5,473
Telephone and communications	3,727	3,727
Publicity and marketing	42,600	42,600
Website design and hosting	42,092	42,092
Repairs and renewals	14,007	14,007
Bank charges and interest	1,009	1,009
Leasing charges	831	831
Computer costs	5,109	5,109
Other	15,509	15,509
Governance costs	8,159	8,159
	<u>161,080</u>	<u>161,080</u>

	<i>Support activities 2019 £</i>	<i>Total funds 2019 £</i>
Rent and rates	19,756	19,756
Heating and lighting	1,901	1,901
Postage, printing and stationery	4,136	4,136
Telephone and communications	3,823	3,823
Publicity and marketing	34,488	34,488
Website design and hosting	83,931	83,931
Repairs and renewals	12,068	12,068
Bank charges and interest	540	540
Leasing charges	1,118	1,118
Computer costs	6,307	6,307
Other	13,132	13,132
Governance costs	10,665	10,665
	<u>191,865</u>	<u>191,865</u>

**CHILDNET**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**11. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	4,800	5,450
Fees payable to the Company's auditor in respect of: All non-audit services not included above	960	-
	<u>4,800</u>	<u>5,450</u>

**12. Staff costs**

	2020 £	2019 £
Wages and salaries	546,138	499,396
Social security costs	51,147	47,166
Contribution to defined contribution pension schemes	54,537	48,251
	<u>651,822</u>	<u>594,813</u>

The average number of persons employed by the Company during the year was as follows:

	2020 No.	2019 No.
Charity operations and administration	18	17
	<u>18</u>	<u>17</u>

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

**13. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, expenses totalling £139 were reimbursed or paid directly to 1 Trustee (2019 - £467 to 1 Trustee). The expenses were travel and subsistence costs incurred in attending trustee meetings.

**CHILDNET**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**14. Tangible fixed assets**

	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2019	12,971	28,168	41,139
Additions	-	2,270	2,270
At 31 March 2020	<u>12,971</u>	<u>30,438</u>	<u>43,409</u>
<b>Depreciation</b>			
At 1 April 2019	12,627	23,224	35,851
Charge for the year	115	3,976	4,091
At 31 March 2020	<u>12,742</u>	<u>27,200</u>	<u>39,942</u>
<b>Net book value</b>			
At 31 March 2020	<u>229</u>	<u>3,238</u>	<u>3,467</u>
At 31 March 2019	<u>344</u>	<u>4,944</u>	<u>5,288</u>

**15. Fixed asset investments**

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 April 2019	1
At 31 March 2020	<u>1</u>
<b>Net book value</b>	
At 31 March 2020	1
At 31 March 2019	<u>1</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Stocks**

	2020 £	2019 £
Finished goods and goods for resale	-	2,279

**17. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	69,517	53,008
Other debtors	2,519	1,671
Prepayments and accrued income	37,489	68,062
	<u>109,525</u>	<u>122,741</u>

**18. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	25,136	21,335
Other taxation and social security	15,259	14,416
Accruals and deferred income	273,556	443,293
	<u>313,951</u>	<u>479,044</u>

**19. Financial instruments**

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<u>323,471</u>	<u>474,977</u>

Financial assets measured at fair value through income and expenditure comprises balances held by the bank.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>					
General fund	89,766	369,801	(263,567)	(109,774)	86,226
<b>Restricted funds</b>					
Facebook Digital Leaders	36,475	53,002	(53,191)	-	36,286
deSHAME 1	-	62,884	(71,861)	8,977	-
UK Safer Internet Centre	-	415,113	(515,910)	100,797	-
deSHAME 2	-	185,327	(185,327)	-	-
Google Tides	-	1,787	(1,787)	-	-
	36,475	718,113	(828,076)	109,774	36,286
<b>Total of funds</b>	126,241	1,087,914	(1,091,643)	-	122,512

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2019 £
<b>Unrestricted funds</b>						
General fund	94,986	317,143	(271,779)	(61,217)	10,633	89,766
<b>Restricted funds</b>						
UK Safe Internet Centre Phase 4	-	171,868	(174,572)	2,704	-	-
UK Safe Internet Centre Phase 5	-	68,012	(99,815)	31,803	-	-
deSHAME	-	74,328	(100,478)	26,150	-	-
Youth IGF	15	-	(575)	560	-	-
Facebook - Digital Leaders	80,184	250,000	(293,709)	-	-	36,475
	80,199	564,208	(669,149)	61,217	-	36,475
<b>Total of funds</b>	<b>175,185</b>	<b>881,351</b>	<b>(940,928)</b>	<b>-</b>	<b>10,633</b>	<b>126,241</b>

**21. Summary of funds**

**Summary of funds - current year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
General funds	89,766	369,801	(263,567)	(109,774)	86,226
Restricted funds	36,475	718,113	(828,076)	109,774	36,286
	126,241	1,087,914	(1,091,643)	-	122,512

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. Summary of funds (continued)**

**Summary of funds - prior year**

	<i>Balance at 1 April 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2019</i>
	£	£	£	£	£	£
General funds	94,986	317,143	(271,779)	(61,217)	10,633	89,766
Restricted funds	80,199	564,208	(669,149)	61,217	-	36,475
	<u>175,185</u>	<u>881,351</u>	<u>(940,928)</u>	<u>-</u>	<u>10,633</u>	<u>126,241</u>

**22. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	<b>Restricted funds 2020</b>	<b>Unrestricted funds 2020</b>	<b>Total funds 2020</b>
	£	£	£
Tangible fixed assets	-	3,467	3,467
Fixed asset investments	-	1	1
Current assets	36,286	396,707	432,993
Creditors due within one year	-	(313,951)	(313,951)
Debtors	-	2	(2)
<b>Total</b>	<u>36,286</u>	<u>86,226</u>	<u>122,512</u>

**Analysis of net assets between funds - prior period**

	<i>Restricted funds 2019</i>	<i>Unrestricted funds 2019</i>	<i>Total funds 2019</i>
	£	£	£
Tangible fixed assets	-	5,288	5,288
Fixed asset investments	-	1	1
Current assets	36,475	563,519	599,994
Creditors due within one year	-	(479,044)	(479,044)
<b>Total</b>	<u>36,475</u>	<u>89,764</u>	<u>126,239</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. Reconciliation of net movement in funds to net cash flow from operating activities**

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(3,729)	(48,942)
<b>Adjustments for:</b>		
Depreciation charges	4,091	4,622
Decrease in stocks	2,279	806
Decrease/(increase) in debtors	13,217	(49,750)
Increase/(decrease) in creditors	(165,094)	56,742
<b>Net cash used in operating activities</b>	<b>(149,236)</b>	<b>(36,522)</b>

**24. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	323,470	474,976
<b>Total cash and cash equivalents</b>	<b>323,470</b>	<b>474,976</b>

**25. Analysis of changes in net debt**

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	474,976	(151,506)	323,470
	<b>474,976</b>	<b>(151,506)</b>	<b>323,470</b>

**26. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £54,537 (2019 - £48,251).