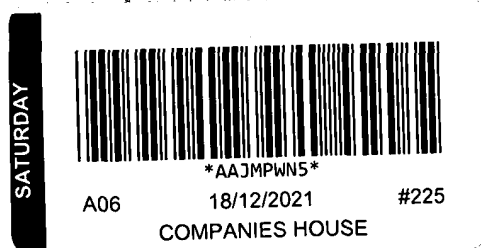


Registered number: 03958416
Charity number: 1080173

CHILDNET
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



CHILDNET
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1
Trustees' report	2 - 12
Independent auditors' report on the financial statements	13 - 16
Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 - 35

CHILDNET
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees

Mrs Tink Palmer, Chair
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
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the Childnet for the 1 April 2020 to 31 March 2021. 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). The project had only just finished at this year end so the disbursements will take place after receipt of final payment in the next financial year.

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.

CHILDNET
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

• **Review of activities**

The following gives a quarterly breakdown of the activities carried out by Childnet during April 2020 – 31st March 2021.

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

This work, carried out by Childnet's education outreach team would normally visit and present in person in primary and secondary schools across the country, and also in some nurseries and Sixth Form Colleges, running 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. This work was impacted by covid 19 and the resulting lockdown, and over the course of the year the demand for this work continued, and we were able to meet this by providing sessions online, both live and pre-recorded. The team also 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.

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 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 has been an active member of the UKCIS Education group. Kate Jones (Deputy CEO) has been a member of 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 2021 (9th February), which Childnet organised for the UK, there was a media reach of 126 million people, across outlets including the BBC, Sky, ITV News and Sky News Radio. 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 V finished at the end of 2020, and we began UKSIC VI in January 2021, and this project will run until the end of 2021.

April to September 2020:

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. The meetings were virtual due to the lockdown situation caused by Covid-19. Childnet attended the meeting which has been due to take place in Oslo, Norway, but was instead online (June 2020) and also the one later in the year in October, and the Safer Internet Forum in November. 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 II, focussed on tackling the online sexual harassment among 9-12 year-olds and supporting parents and carers ran throughout the financial year, culminating in a public launch of the resources developed

CHILDNET
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

on 30th March 2021. 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). We had been due to hold a second youth residential in April, bringing together the members of the Youth Advisory Board for a weekend, but due to Covid we had to cancel this meeting, and instead we met with the YAB online every 6 weeks throughout the rest of the year.

Peace One Day took place on Saturday 21st Sept. Afua, a Youth Advisory Board member for the first Project deSHAME joined as a panellist at an event that was the centrepiece of the global celebration.

Over this period Childnet developed and released a number of new resources, including new video lessons, to support parents and carers in their home-schooling, enabling them to include online safety. This targeted the 6-9 age-range and the videos are for parents and children to watch together. It won the INSAFE resource competition later in the year. The team also worked on the development of other resources, and updated a range of online information and advice. The Education team ran a number of webinars/trainings for a range of audiences, including, one to support adopters for Adoption UK, as well as 2 webinars for a support group for parents of children with SEND in SE London, as well as for the staff of Plan UK. The team were also supporting schools by providing pre-recordings of the activity days that they would ordinarily have run face-to-face with young people in schools.

Will Gardner and other Childnet staff also spoke at several events, though all online during this period. Will Gardner attended a charities roundtable (a conference call) chaired by two Government ministers, James Brokenshire (Home Office) and Caroline Dinenage (DCMS). Will Gardner also attended the third DCMS roundtable on Transparency, chaired by Caroline Dinenage. Will chaired the UKCIS Early Warning Working Group, bringing together helplines across the country, and the hotline, law enforcement and Government departments to discuss online risk and harm in its current form. At the start of lockdown the meetings were held fortnightly so we could all keep a close eye on the impact of lockdown on online risk and harm.

We developed guidance for the National Lottery Heritage fund – A Digital guide: working safely online with children and young people – supporting heritage organisations to engage with young people online, and to do so safely.

It was the 11th year of Childnet's annual Film Competition. The theme was 'We want an internet where we are free to' The Competition is normally has two categories, one for primary schools and one for secondary. Because of lockdown, and schools being closed to most pupils, we had to change the competition this time, having a Solo category for primary and also for secondary, a Group category, and a new Storyboard category, to enable those without the equipment to film to participate. We had an amazing number of entries, and the standard was incredibly high. The judges were David Austin, CEO of the BBFC, Catherine McAllister from the BBC, Mark Reid from the BFI, and Lisa Prime from BAFTA, Stan McCoy from the MPA (Motion Picture Association), and Amy Phillips from Disney. There was no physical event to announce the winners this time due to Covid, so these were shared and promoted online.

A new project, Project Thrive Online started in June. It is supported by the Google.org Impact Challenge on Safety 2019, and it will lead to the development of resources for educators working with children with SEND covering online pornography, healthy relationships, and digital wellbeing, as well as support for parents of children with SEND. It will run for two years, until the summer of 2023. It will also develop content for the Digital Leaders programme.

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 were both impacted by the lockdown, and the team were focussed on adapting the programme to support children during this period. We produced the annual impact report for the Childnet Digital Leaders programme, and highlights include:

- 95% of teachers said the programme has impacted on a whole school level
- 81% of teachers have said the programme has helped their school staff fulfil their safeguarding duties

CHILDNET
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

- 81% of teachers have noticed safer online behaviours from young people as a result of the programme
- 84% of Digital Leaders feel they can make a difference in their school

We launched a new Project, Digital Leaders Plus, with support from Nominet. This project includes providing a bursary scheme for schools in the least economically advantaged areas of the UK to access the programme.

Charlie Benson joined the Childnet team as an Education Officer at the end of April.

Maithreyi Rajeshkumar, Childnet's Policy and Communications Manager, and Charlotte Mugarra D'Cruze, School Relations Officer (part of the Digital Leaders team), both left Childnet in August.

Jess Parsons joined the team as a new Education Officer on 1st September. Marie Fichardo, Education Officer went on maternity leave in September. Ellie Proffitt, Education Manager went on maternity leave in October 2020.

October to December 2020:

We recruited a Communications and Marketing Manager, Lee Jones.

In preparation for Safer Internet Day 2021 we held stakeholder meetings, bringing representatives from many organisations together to be briefed on the forthcoming Safer internet Day and support their early planning. These were online events and we had large turnouts. We held a central event, and subsequent ones for Wales and Scotland. The Education packs were launched, having also been translated into Welsh, and the focus this year is on the issue of misinformation and reliability of content. 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. TikTok supported this work. The Welsh Government supported the translation of these resources into Welsh.

We held a UK Safer Internet Centre Advisory Board meeting in October online, the second 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.

Childnet participated and spoke at a number of events over this period. For example, Will Gardner spoke at the Council of International Schools conference.

The UK Safer Internet Centre has taken over the All Party Parliamentary Group (APPG) on social media, chaired by Chris Elmore MP. The first meeting, attended by Home Office minister Victoria Atkins, saw the launch of an inquiry into coerced self-generated images, responding to the IWF finding that 40% of their reports look to be coerced self-generated images of primarily girls aged 11-13. We had close to 100 people attend the first meeting.

We held an Experts Advisory Board for project deSHAME II, bringing together experts from relevant sectors to discuss the progress and plans for the work tackling online sexual harassment and bullying amongst 9-12 year-olds and supporting parents and carers.

We started a new project, funded by the National Lottery Community Fund, supporting our core work and to better embed young people's voices into our web content.

We launched some ground-breaking resources during this period. The STAR toolkit has been hugely expanded and is a brilliantly all-encompassing toolkit for educators working with children with SEND. The toolkit also has four animations to support the teaching and learning. We launched this resource at an online event hosted by Facebook in December, with Vicky Ford, DfE Minister addressing the event, attended by 70 stakeholders.

We launched a learning to read book, targeting children and parents. And we also launched a resource to address online hate called Talk about it. We also updated key resources, such as for foster carers and adoptive parents, and the parents' guide to technology.

CHILDNET
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

January to March 2021:

The UK Safer Internet Centre Project V ended at the end of 2020 and Project VI began on January 1st, 2021.

Childnet organised and ran Safer internet Day in the UK (9th 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 51% of children and 38% of parents. Of the children that heard SID messages, 82% felt more confident about what to do if they were worried about something online. Of the parents that heard SID messages, 70% 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 reliability online, and we released a research report into this – 'An internet young people can trust' a report into how young people are managing reliability and misleading content online - which was drawn from a survey of over 2000 young people aged 8-17 across the UK. The Safer Internet Day campaign saw so many come together to help inspire a national conversation about using technology responsibly, respectfully, critically, and creatively. Over 2,100 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 #SaferInternetDay social media campaign and #AnInternetWeTrust. The social media campaign trended on Twitter throughout the Day. Safer Internet Day (SID) broke a Guinness World Record this time, for the most online safety pledges.

There were youth events across the UK (although they were virtual) which helped ensure that the day really reflected the voice of young people. At these events young people spoke in front of 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.

BT supported us to hold a livestreamed event. It was hosted by Jake Humphrey live from the BT Tower, and featured several films of young people talking about SID and the theme, Will Gardner went through the research in discussion with Jake, we had several pre-records from DfE, DCMS and from BT, live updates from our social feeds, and the highlight was a live panel of young people answering questions filmed by industry reps. The BT Tower displayed the SID message.

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 1.5 million downloads of the educational resources prepared for SID, and over 2.4 million views of the SID films.

A group of Childnet Digital Leaders also spoke with MPs at the APPG on social media the day before Safer Internet Day, sharing their perspectives on the theme of misleading information online.

The resources produced in Project deSHAME II were soft launched in January 2021, and then we held an event in March, addressed by DfE Minister Vicky Ford (by providing a pre-recorded video address), and attended by 100 stakeholders. We were also joined by two members of our Youth Advisory Board, who eloquently explained the importance of this issue and the resources and explained the issue of online sexual harassment from a young person's perspective.

The Film Competition 2021 was launched in February 2021, with the theme, 'Separating fact from fiction: finding trustworthy information online'. We have 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).

CHILDNET
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

Will Gardner spoke at several conferences and meetings over this period, including, in January, a Council of International Schools conference, and an EY conference. Phoebe Moriarty Roberts ran a workshop on online safety education to young people with SEND at a conference in January.

Will Gardner attended the meeting of the UKCIS Executive Board held in February.

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

• **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 Liverpool Football Club, 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 2021, 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.

CHILDNET
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

• **Principal funding**

During the year the total incoming resources of the charity amounted to £959,538 (2020: £1,087,914) and total resources expended were £940,226 (2019: £1,091,643). This resulted in a surplus of £19,312 for the year (2020: deficit £3,729). The reserves therefore stood at £141,824 at the year end (2020: £122,512), of which £21,946 was restricted and £119,878 was unrestricted (2020: £36,286 and £86,226 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.

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 5 trustees on the 1st of April 2020. Victoria Hordern started the process of joining the Board of trustees during the previous year, formal approval taking place just after the year end in April 2020. Graham Wallace stepped down from the Board in November 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.

CHILDNET
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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 DBS clearance as part of their appointment.

CHILDNET
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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. A process is in place to recruit a new Honorary Treasurer in 2021.
- (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.

CHILDNET
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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 . 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.

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.

CHILDNET
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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 22 November 2021 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Tink Palmer', with a stylized flourish at the end.

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 2021 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 2021 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

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

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

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

CHILDNET
(A company limited by guarantee)

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 145 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are those that relate to the reporting framework in conformity with the requirements of the Companies Act 2006 and the relevant direct and indirect tax compliance regulations in the United Kingdom.

We understood how Childnet is complying with those frameworks by making enquiries of management to understand how the charitable company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation and minutes of meetings of those charged with governance.

We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by considering the risk of management override to be a fraud risk. In addition, we considered the risk of management override by sampling from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria and investigated these to gain an understanding and then agree back to source documentation.

Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. *Our procedures involved verifying that material transactions were recorded in compliance with Financial Reporting Standards in conformity with the requirements of the Companies Act 2006.*

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. This description forms part of our Auditors' report.

CHILDNET
(A company limited by guarantee)

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

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

22 November 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 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	646,901	109,946	756,847	871,235
Charitable activities	4	-	202,541	202,541	216,302
Other trading activities	5	-	2	2	2
Investments	6	-	148	148	375
Total income		646,901	312,637	959,538	1,087,914
Expenditure on:					
Raising funds	7	-	231	231	420
Charitable activities	9	744,261	195,734	939,995	1,091,223
Total expenditure		744,261	195,965	940,226	1,091,643
Net (expenditure)/income		(97,360)	116,672	19,312	(3,729)
Transfers between funds	19	83,020	(83,020)	-	-
Net movement in funds		(14,340)	33,652	19,312	(3,729)
Reconciliation of funds:					
Total funds brought forward		36,286	86,226	122,512	126,241
Net movement in funds		(14,340)	33,652	19,312	(3,729)
Total funds carried forward		21,946	119,878	141,824	122,512

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 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	2,530	3,467
Investments	15	1	1
		<u>2,531</u>	<u>3,468</u>
Current assets			
Debtors	16	353,041	109,525
Cash at bank and in hand		202,662	323,470
		<u>555,703</u>	<u>432,995</u>
Creditors: amounts falling due within one year	17	(416,410)	(313,951)
Net current assets		<u>139,293</u>	<u>119,044</u>
Total net assets		<u><u>141,824</u></u>	<u><u>122,512</u></u>
Charity funds			
Restricted funds	19	21,946	36,286
Unrestricted funds	19	119,878	86,226
Total funds		<u><u>141,824</u></u>	<u><u>122,512</u></u>

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

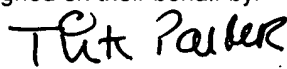
The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 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 preparation of financial statements.

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 22 November 2021 and signed on their behalf by:


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 2021**

	2021	2020
	£	£
Cash flows from operating activities		
Net cash used in operating activities	(118,318)	(149,236)
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,490)	(2,270)
Net cash used in investing activities	(2,490)	(2,270)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(120,808)	(151,506)
Cash and cash equivalents at the beginning of the year	323,470	474,976
Cash and cash equivalents at the end of the year	202,662	323,470

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 2021

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 2021

2. Accounting policies (continued)

2.3 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

2.4 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.5 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.

2.6 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

2.7 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.

2.8 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 2021

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

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Donations	107,342	67,705	175,047
Grants	443,443	40,000	483,443
Government grants	96,116	2,241	98,357
	646,901	109,946	756,847

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Income from donations and legacies (continued)

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

4. Income from charitable activities

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Consultancy income	80,864	80,864
Programme and other income	121,677	121,677
Consultancy expenses recovered	-	-
	<u>202,541</u>	<u>202,541</u>

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

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Net income - Everyclick	2	2

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

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income - bank interest	148	148

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

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Total funds 2021 £
Fundraising expense	231	231

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Fundraising expenses	420	420

8. Analysis of grants

No grants made in 2021.

	Grants to Institutions 2021 £	Total funds 2021 £
Grants made	171,141	171,141

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

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Direct costs of charitable activities	688,756	251,239	939,995

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Direct costs of charitable activities	769,421	321,802	1,091,223

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Direct costs of charitable activities	748,880	191,115	939,995

	<i>Activities undertaken directly 2020 £</i>	<i>Grant funding of activities 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Direct costs of charitable activities	759,001	171,141	161,081	1,091,223

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Charitable activities 2021 £	Total funds 2021 £
Salaries and wages	650,604	650,604
Staff costs	3,035	3,035
Consultancy	15,841	15,841
Hire of premises	5,513	5,513
Design and print	72,632	72,632
Motor and travel	1,255	1,255
	<u>748,880</u>	<u>748,880</u>

	<i>Charitable activities 2020 £</i>	<i>Total funds 2020 £</i>
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>

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Support activities 2021 £	Total funds 2021 £
Rent and rates	21,078	21,078
Heating and lighting	1,435	1,435
Postage, printing and stationery	1,183	1,183
Telephone and communications	2,721	2,721
Publicity and marketing	77,631	77,631
Website design and hosting	37,085	37,085
Repairs and renewals	8,481	8,481
Bank charges and interest	875	875
Professional HR costs	1,746	1,746
Leasing charges	787	787
Computer costs	14,153	14,153
Other	16,563	16,563
Governance costs	7,377	7,377
	<u>191,115</u>	<u>191,115</u>
	<i>Support activities 2020 £</i>	<i>Total funds 2020 £</i>
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>

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	5,040	4,800
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	-	960
	<u> </u>	<u> </u>

12. Staff costs

	2021 £	2020 £
Wages and salaries	547,253	546,138
Social security costs	49,139	51,147
Contribution to defined contribution pension schemes	54,211	54,537
	<u>650,603</u>	<u>651,822</u>

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

	2021 No.	2020 No.
Charity operations and administration	18	18
	<u> </u>	<u> </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 (2020 - £NIL).

During the year ended 31 March 2021, expenses totalling £NIL were reimbursed or paid directly to Trustee (2020 - £139 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 2021**

14. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2020	12,971	30,438	43,409
Additions	-	2,490	2,490
Disposals	-	(42)	(42)
At 31 March 2021	<u>12,971</u>	<u>32,886</u>	<u>45,857</u>
Depreciation			
At 1 April 2020	12,742	27,200	39,942
Charge for the year	114	3,312	3,426
On disposals	-	(42)	(42)
At 31 March 2021	<u>12,856</u>	<u>30,470</u>	<u>43,326</u>
Net book value			
At 31 March 2021	<u>115</u>	<u>2,416</u>	<u>2,531</u>
At 31 March 2020	<u>229</u>	<u>3,238</u>	<u>3,467</u>

15. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 April 2020	1
At 31 March 2021	<u>1</u>
Net book value	
At 31 March 2021	1
At 31 March 2020	<u>1</u>

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	48,110	69,515
Other debtors	10,152	2,521
Prepayments and accrued income	294,779	37,489
	<u>353,041</u>	<u>109,525</u>

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	33,859	25,136
Other taxation and social security	12,265	15,259
Other creditors	5,170	-
Accruals and deferred income	365,116	273,556
	<u>416,410</u>	<u>313,951</u>

18. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>202,663</u>	<u>323,471</u>

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

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
General fund	86,226	312,637	(195,965)	(83,020)	119,878
Restricted funds					
Facebook Digital Leaders	36,286	17,080	(43,420)	-	9,946
UK Safer Internet Centre	-	467,852	(538,211)	82,359	12,000
deSHAME 2	-	100,993	(101,534)	541	-
Google Tides	-	18,575	(18,626)	51	-
Nominet DL plus	-	42,401	(42,470)	69	-
	36,286	646,901	(744,261)	83,020	21,946
Total of funds	122,512	959,538	(940,226)	-	141,824

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. Statement of funds (continued)

Statement of funds - prior year

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

20. Summary of funds

Summary of funds - current year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
General funds	86,226	312,637	(195,965)	(83,020)	119,878
Restricted funds	36,286	646,901	(744,261)	83,020	21,946
	<u>122,512</u>	<u>959,538</u>	<u>(940,226)</u>	<u>-</u>	<u>141,824</u>

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

20. Summary of funds (continued)

Summary of funds - prior year

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

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021	Unrestricted funds 2021	Total funds 2021
	£	£	£
Tangible fixed assets	-	2,530	2,530
Fixed asset investments	-	1	1
Current assets	21,946	533,757	555,703
Creditors due within one year	-	(416,410)	(416,410)
Total	<u>21,946</u>	<u>119,878</u>	<u>141,824</u>

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020</i>	<i>Unrestricted funds 2020</i>	<i>Total funds 2020</i>
	£	£	£
Tangible fixed assets	-	3,467	3,467
Fixed asset investments	-	1	1
Current assets	36,286	396,709	432,995
Creditors due within one year	-	(313,951)	(313,951)
Total	<u>36,286</u>	<u>86,226</u>	<u>122,512</u>

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	19,312	(3,729)
Adjustments for:		
Depreciation charges	3,426	4,091
Decrease in stocks	-	2,279
Decrease/(increase) in debtors	(243,515)	13,217
Increase/(decrease) in creditors	102,459	(165,094)
Net cash used in operating activities	(118,318)	(149,236)

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	202,662	323,470
Total cash and cash equivalents	202,662	323,470

24. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	323,470	(120,808)	202,662
	323,470	(120,808)	202,662

25. 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 £54,211 (2020 - £54,537).