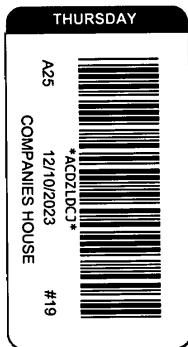




Together
we



shine
bright

Our Annual Report 2022/23

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Safe and happy childhood



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



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Welcome

from our Chair of the Board of Trustees, Sarika

I am delighted at the appointment of our Chief Executive, Paul Carberry, who brings with him deep organisational knowledge. It is not an easy time for any organisation given the macro environment and uncertainties. The Board is fully cognisant of the scale of the task in ensuring we keep delivering effective services to support children. I am confident that Paul will implement our strategy, pivoting to pursue a growth agenda and continue the work to stabilise finances.

The Trustees and I are grateful to our previous Chief Executive, Melanie Armstrong. We wish her well for the future.

It has been another testing 12 months, hitting our vulnerable families the hardest. Our determination is undiminished. Our residential growth continues with a second children's home in the north-east of England, and a further two more expected to be open by the end of the year. We also plan to continue our expansion in Wales, and are carrying out preparatory work in the Midlands as we pursue residential opportunities as they emerge in the commissioning environment.

We continue to be a voice for children. In June we helped orchestrate 'It's Our Care Day', bringing over 90 care-experienced children to Westminster to discuss their views on the care system with MPs and ministers.

I am pleased we have recruited Young Ambassadors to help steer our future work.

Working with the John Lewis Partnership this year was a landmark in putting children in and around care, on the national agenda. The publication of Josh MacAlister's independent review on children's social care in May 2022 was a moment of real promise. It calls for investment and policy reform to prioritise early help and reduce the number of children going into care. This marked a significant shift in the public debate which Action for Children has led through its research, influencing work and leadership of the sector. Our challenge now is turning the government's broad acceptance of the findings into tangible actions and real change for children. We continue to shape the implementation of the care review in Scotland and have contributed to the Independent Review of Children's Social Care in Northern Ireland.

Our loyal and dedicated staff, supported by our wonderful volunteers, are delivering our four strategic pillars; family support, children in care, disabled children, and mental health and wellbeing. These services are needed more than ever particularly as local authorities with tight budgets make difficult choices on where to spend their limited resources.

Retaining and recruiting brilliant staff remains a priority, and we are committed to making positive change through our people. I am particularly pleased that the organisation achieved Investors in People silver status this year – a huge success that will attract new staff. We are building an inclusive and diverse culture and we support every colleague in contributing to our objectives effectively.

I would like to welcome Charles Geekie to the Board and he brings great legal expertise in our area of safeguarding children. He replaces Gary Edwards who recently stepped down. Thanks to Gary, the Board of Trustees, co-opted colleagues, all our staff and volunteers, and of course our amazing supporters, for their contribution. Our vision, mission and values inspire us to deliver for children and ensure we continue to be their support and champion their voice.

DocuSigned by:
Sarika Patel
332134C21ECF4CE...

Sarika Patel,
Chair, Board of Trustees

Hello

from our new Chief Executive, Paul

Children and young people today have lived through a global pandemic that will have shaped much of their formative years. And now, with barely a moment to take stock, they are living through a brutal cost of living crisis (see page 14). And that leaves little space to focus on their future, their education or work, their support network or their wellbeing.

While I may be new to the role of Chief Executive, I have worked at Action for Children for 30 years. In my roles as National Director for Scotland and Interim National Director for England, I have seen time and again the difference we make as a charity, and the life-changing outcomes that can happen when families have the support they need.

Last year saw the death of our former Patron, Her Majesty Queen Elizabeth II. I think many people felt like they were mourning a member of their own extended family – and as a charity, we too felt her loss deeply. We are so grateful for her nearly 50 years of patronage – an incredible act of enduring and dedicated support.

I am proud that my first annual report as Chief Executive highlights the progress made so far in our new strategy towards our ambitious goals.

As well as new residential homes, we have expanded some existing short-term services to now provide long term care, too.

Our online information and advice service, Parent Talk, helped even more families and is now part of local authority services in Barking and Dagenham.

A key priority has been our policy teams, pushing for more support for more families during this cost of living crisis, publishing several vital reports.

And our Young Ambassadors Board welcomed 26 young people with lived experience, sharing their views and ideas on issues that matter to them, and participating in a huge range of activities across the nations. We are really looking forward to working with them.

We look forward to continuing the amazing work with the John Lewis Partnership, incredibly moved that their 2022 Christmas advert – The Beginner – shone a light on children in care and the power of finding every child a safe and loving home. Along with last year's Secret Santa campaign, it helped to raise money for the thousands of children in the UK every year who face a Christmas that is anything but magical.

Our progress over the last 12 months comes within a context of rising costs affecting everyone we work with, from local authorities to the people who so generously support our work. The coming year could be harder still, but my priority is for us to be the turning point for children, young people and families across the next years of the strategy and beyond.

I want to thank every member of the Action for Children family for continuing to work through incredibly challenging circumstances to create more safe and happy childhoods.

DocuSigned by:
Paul Carberry
52F530FBEC97449...
Paul Carberry,
Chief Executive



Highlights

Working within the social care and support system provides significant challenges. Local authorities are spending less on preventing problems and more on managing crises, the available funds and resources are being squeezed to the maximum, and the need is only increasing.^{vii} But even within this context, we have succeeded in making progress and positive differences, and we are proud to share just some of those in this report.

from the last 12 months



We have made good progress on the first three of our 10 planned new children's homes in England and Wales.

Our online service, Parent Talk, was used by over 500,000 parents and young people and is now an integral part of Barking and Dagenham's local authority service.



We are leading a new England-wide programme to help parents prioritise their children's needs if they are separating.

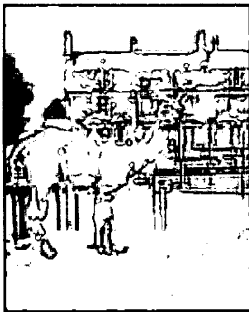
New homes

Service expansion

New programme

Highlights

from the last 12 months



Our Headlands School in Penarth, Wales, opened its new lower school building in October 2022.

Rossorry Grove, our supported accommodation home in Northern Ireland, was due to close because of funding pressures, but will now stay open thanks to the campaigning of our staff and residents.



TRH The Prince and Princess of Wales helped us celebrate 10 years of providing our Rcots of Empathy programme to Scottish pupils.

We have continued to work across all four nations to reduce child poverty; and to reduce the number of children going without essentials, with over £550k distributed through grants from our Crisis and Enrichments Funds.




We launched our Young Ambassador Board, and put care-experienced young people at the centre of the Westminster government's work through the 'It's Our Care' coalition Day of Action.

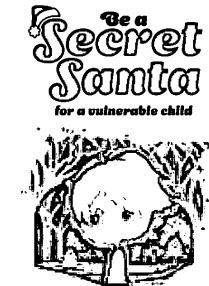


Highlights


from the last 12 months




We were thrilled to join forces with the John Lewis Partnership to support their long-term commitment to young people in care and with care experience.



Our Christmas appeal, Secret Santa, had a record-breaking year, raising £1.7m (including Gift Aid).



INVESTORS IN PEOPLE®
We invest in people Silver



INVESTORS IN PEOPLE®
We invest in people Bronze

We have continued to be a great place to work!

Our total income was £149.8m and our expenditure was £149.4m. We carefully managed inflationary increases by reducing some expenditure, and thanks to a surplus in operational activities and fundraising.

Income

£149.8m

2021-22

2022-23

Expenditure

£149.4m

2021-22

2022-23

Charitable Activities

Donation and Legacies

Investment Income

Other

Charitable Activities

Donation and Legacies

Other

Read more on page 48.

John Lewis Partnership

Secret Santa

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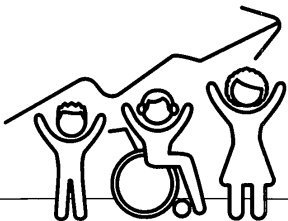
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Across the UK we helped

765,905



**children, young people and families in 2022/23.
That is nearly 95,000 more than the previous year.**

Our reach

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About

Action for Children

150 years ago, our founder the Reverend Dr Thomas Bowman Stephenson saw children living rough under the arches of Waterloo Station and decided to step in. Today, many children are still going hungry. They are still cold. Some are still just surviving, not thriving. We are determined to be a vital lifeline for families living a reality that should be confined to history. We help in the following ways:

Family support



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

Disabled children



Supporting disabled children, young people and their families.

Children in care



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

Mental health and wellbeing



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



And we influence policy decisions to improve the lives of children and young people.



More

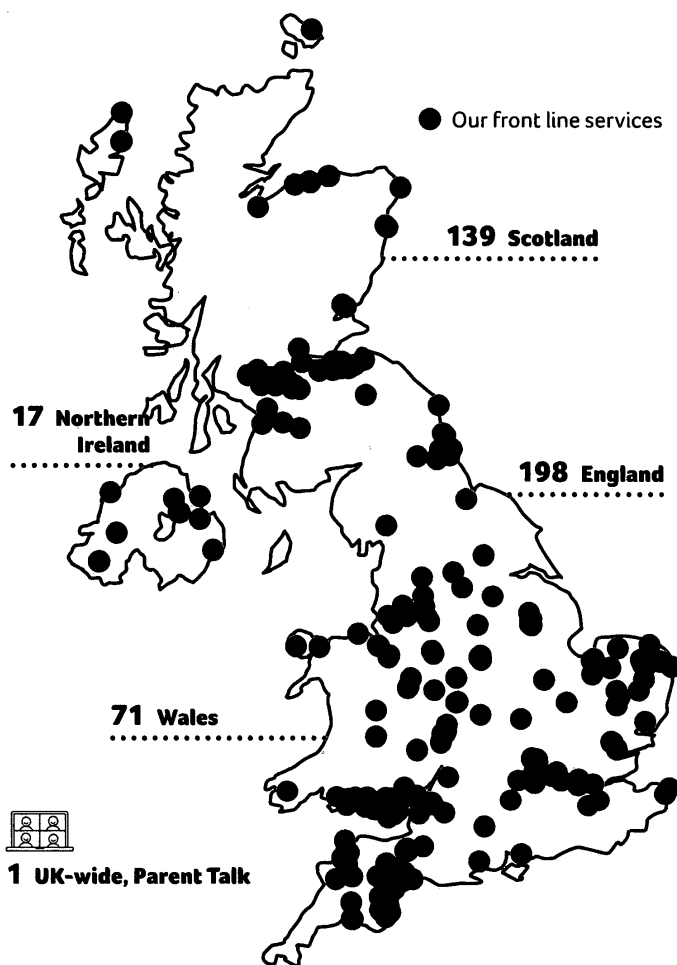
safe and happy children

We deliver **426** services in local communities across the UK, in schools and online, so that more children can have safe and happy childhoods.

- | | |
|--|--|
| 68 Children's centres and family hubs | 19 Adoption and fostering services |
| 75 Spring nurseries and out-of-school clubs | 65 Services for disabled children and young people ** |
| 10 Young carers services | 9 Children's homes |
| 56 Support for young people* | 5 Children's rights and Independent Visitor services |
| 74 Family support services | 1 Residential school |
| 43 Mental health support services | 1 Online Parent Talk service |

* include youth support, youth justice, youth employment support and youth housing support.

**includes children's homes for disabled children, residential short breaks, and community short breaks.





Delivering our seven strategic goals

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The 2022/23 context: A cost of living crisis and rising child poverty

Children, young people and families faced overwhelming hardship during the Covid-19 pandemic, and our last two annual reports showed how we made a difference.

Today, there is still too much stacked against vulnerable families.

With inflation rising to the highest rates in over 40 years, those already on the edge are being pushed to breaking point. **4.2 million children in the UK now live in poverty. That is 29% of all children.**

Research we carried out in December 2022 showed that 98% of working parents have worried about money in the past six months. One family in Northern Ireland even pawned all their electrical items to buy food, while another child slept on just blankets on the floor.

In our annual safeguarding review, where we spoke to frontline staff and young people, the cost of living crisis and the realities of rising poverty were the strongest themes.

But the current economic climate was just the biggest, not the only, challenge facing children and young people today. Young people tell us that they are dealing with online abuse, from bullying, exposure to explicit content, hacking or deep fakes.

The toxic effect of influencer culture is having an impact on their relationships. And they are worried about other global events, like the war in Ukraine.

The silent toll all of these challenges takes on children's mental health is now making itself known. Our frontline staff tell us they have seen an increase in the number of complex mental health issues like PTSD being diagnosed.

Our free online advice service, Parent Talk, also saw a huge 140% increase in parents and carers of children with special educational needs and disabilities (SEND) contacting the service in 2022, in need of more support.

All of this comes at the same time as deep cuts to early intervention funds, while the need is only increasing.

Simply put, our frontline services for vulnerable children, young people and families are often having to do much more, with much less.



We are a vital lifeline for families



Category	Total spend	Percentage*
■ Food	£239,787	52%
□ Fuel bills	£46,391	10%
■ Home repairs and furnishings	£39,985	9%
□ Home appliances	£36,882	8%
□ Clothes	£32,700	7%
■ Other	£30,162	7%
□ Learning and play	£18,062	4%
□ Cleaning and hygiene	£11,771	3%
□ Other (non-fuel) bills	£8,206	2%

The challenges facing children, young people and families are always changing. But time and time again, we are the difference; the moment things start to change for the better.

Our Crisis Fund first began in March 2020, in response to the emerging Covid-19 pandemic. Originally called the Emergency Fund, it helped families facing immediate hardship. Today, the Crisis Fund is still a major way we can directly help families when times are tough.

In 2022/23, we helped 5,743 children, through nearly £464,000 worth of grants from our Crisis Fund. We were able to help families by providing vouchers for food, appliances or by topping up pre-paid utility meters. And we could help with travel costs so families could get to work, appointments or support services.

The work of our Crisis Fund simply would not be possible without the continued support of our partner Iceland Foods Charitable Foundation, which has raised over £1 million to directly support the fund since 2020.

Every child also deserves to make positive memories with the people they care about. They deserve to thrive as well as just survive.

That is why we also provide an Enrichment Fund for families struggling to afford anything beyond the basics. Whether a trip to the zoo, tickets to the panto or books to read at home, the Enrichment Fund helps to bring children precious moments.

In 2022/23, we helped 1,736 children and young people through the Enrichment Fund, totalling nearly £95,000.

The Crisis and Enrichment Funds are just two examples of how we are stepping in to help vulnerable families right now. The level to which families rely on our services is indicative of the wider problem. That is why we prioritise campaigning for change across the UK; to address rising child poverty and the increasing pressure on already vulnerable families.

Iceland Foods Charitable Foundation
Registered charity no 281943

* Spend from 1 April 2022 to 31 March 2023.
Total equals over 100% as percentages are rounded to the nearest whole number.

Strategic goal one:

Grow our services to help more children and young people

To make a real difference to the increasing number of children, young people and families who need us, we aim to grow our services across our four core service areas: Children in care, family support, disabled children and mental health.

Children in care

The number of children coming into the care system in many parts of the UK is growing. That is on top of the number of those children needing residential care, too.^{viii}

As these numbers rise, our frontline workers are seeing that there simply are not enough foster carers or residential places for them.

All of this makes one thing very clear – our services are needed, and we need to provide more.

By expanding our residential services we are coming back to where Action for Children began – providing a safe, stable and loving home for children.

Opening new residential children's homes

In 2022/23 we purchased two new properties, one in Wales and one in the North East of England and we have undertaken refurbishment work on both. We also completed the development work on another property ready for registration by Ofsted, which is the final step before children can move in.

This is part of our plan to open 10 new residential homes across England and Wales.

The new homes will be for up to four children, including their own bedrooms, and will be like a family home. The types of services we are opening will be equipped for children with complex trauma, multiple placement breakdowns, and/or complex behaviour.

“You didn't just help [my child], you helped my entire family and I will forever be grateful for this. From a parent whose child is at one of our long stay children's homes.”

Thank you



Finding suitable sites for residential children's homes is challenging. We need large properties that can be adapted to our needs, and planning regulations can add delays, too. Among other things, our partner Turner & Townsend is providing incredible pro bono support with our residential growth programme in the North East. They are leveraging pro bono support in their supply chain, too. Thank you so much, Turner & Townsend – we are so grateful for the difference you are making.



Saving Rossorry Grove

Our supported accommodation home for 16-25-year-olds, Rossorry Grove in Northern Ireland, was due to close due to a lack of funding and significant budgetary pressures. But after months of work from our Northern Ireland leadership team, and huge passion and dedication from staff and young people in the service, commissioners have confirmed that the service will stay open. This is thanks to an offer of the additional funding we required to run this vital service.

Home makeovers with John Lewis & Partners

As part of our relationship with The John Lewis Partnership and their commitment to supporting children in care, we were thrilled to have communal spaces in some of our residential homes transformed by the team at John Lewis & Partners.

Wil Law, a Home Design Stylist at John Lewis & Partners came to one of our residential care homes for young people in North Wales.

Watch the video of the renovation [here](#). And you can read more about our partnership with the John Lewis Partnership on page 39.

Breathing new life into an existing home

In 2022/23 we took over a children's home from a private company, following a successful tender. The home needed maintenance, it was not providing the best environment for children, and budgets for times like Christmas were really limited, with only £20 per child. We invested in the property, making a number of changes to improve the experience of the children staying there.

Helping Rachel use her voice for change

Rachel was taken into care with her siblings when she was just nine years old. Their first placement broke down and they ended up being separated.

"I've heard different things about when I was taken into care as a young child, but I'm still not clear on why it happened. It was confusing and a traumatic time – I remember looking after my siblings and not going to school. That was my normal."

Rachel says not being with her family took a massive toll on her mental health over the years:

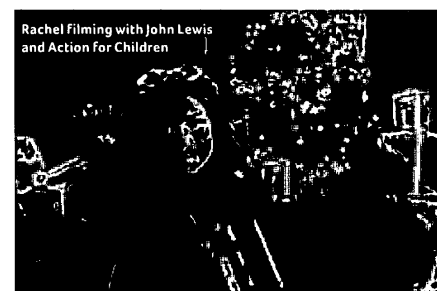
"Everything had drained me of childhood – I'd either been caring for my siblings or fighting to see them. I felt like no one was listening to me."

Things improved for Rachel when she was matched with an advocate through Action for Children – someone who supported her to express her views and stand up for her rights.

"He really supported me in getting in contact with my siblings. He's also helped me with my plans for the future, to get my voice

We gave them a Christmas to remember, with a tree and presents.

Staff at the home told us that they could not believe the difference it has made to have the home run by Action for Children, with huge improvements in children's behaviour indicating that they feel more positive and more at home.



heard and develop skills through getting me involved in Action for Children."

Now 22, she is studying for a degree. Her ambition is to be a politician and last summer she joined over 90 care-experienced young people in travelling to parliament to talk to MPs about what needs to change in the care system (read more on page 30).

"Care-experienced young people deserve to be listened to."

You can read more about Rachel's story in [The Metro](#).

Expanding our family support services

This year, we are proud to have adapted some of our most successful services, as well as winning new contracts and celebrating milestones at others.

Across our family support services

74%

of parents/carers have improved parenting skills and confidence to support their children effectively.



Reaching more families through Parent Talk

Our award-winning digital service for parents, Parent Talk, has continued to grow to meet the increasing demand for support.

Parent Talk provides information, advice and guidance as well as the option for live one-to-one chat with experienced coaches for parents with children aged 0-19, or under 25 for those with special educational needs. In Wales, we also have Parent Talk Cymru which as well as all of the benefits of the service offers a Welsh-speaking parent coach for bilingual parents.

The online service, accessible 24/7 and with no need for a referral, is available across the UK. We have also successfully implemented the service to be a part of local authority Family Hub digital offers in the London Borough of Barking and Dagenham. This means the service can integrate with local information and support to better equip parents with the information they need. This expansion is just the first of our planned growth within local authority digital Family Hubs, with work ongoing to promote the programme and engage with decision-makers at a local level.

In 2022/23, Parent Talk supported

539,842

people, including 6,869 people in one-to-one coaching sessions.



New support for families facing separation

We are thrilled to be leading the delivery and coordination of a new England-wide programme called Planning Together for Children, to help parents prioritise their children's needs if they are separating.

When parents separate, the risk to a child's emotional wellbeing and mental health increases significantly if the separation involves a lot of conflict. This can be made worse by the anxiety and uncertainty caused by lengthy family court proceedings.

The new programme, commissioned by Cafcass (Children and Family Court Advisory and Support

Service) on behalf of the Ministry of Justice, encourages parents to communicate and work together to agree parenting arrangements without the need for more court hearings, and to understand how disagreements and arguments impact their children's wellbeing and development.

Expanding our Serious Organised Crime Early Intervention service

Our award-winning Serious Organised Crime Early Intervention service first launched in Glasgow in 2013, and works to identify vulnerable young people aged 11-18 who are at risk of criminal exploitation through involvement in serious organised crime.

Young people are assigned a 'peer mentor', many of whom have previous lived experience of exploitation, addiction and offending, and turned their lives around in a positive way. This approach helps give the young person a role model who can help them engage with other parts of the programme like education and employment training.

Cardiff, Newcastle, Edinburgh and most recently Dundee in June 2022, have all successfully implemented the service as part of a continuing roll-out across the UK.

Last year the service supported 200 young people and families. The positive impacts included improved life skills, opportunities and aspirations, as well as reduced offending behaviour and improved family relationships.

We now have funding to deliver the service in Inverclyde through the Scottish government's Whole Family Wellbeing Fund.

We have also developed a national collaboration with the Children and Young People's Centre for Justice funded by The Promise Partnership. This will develop best practice resources and training to help address child criminal exploitation to be implemented across Scotland.

Across our youth justice services



73%

of young people were protected from criminal exploitation.



70%

were diverted from serious organised crime.

Keeping mothers and babies together

In April 2022, we were successful in securing the contract from the Ministry of Justice to run the Mother and Baby Units at HMP Askham Grange, HMP New Hall and HMP Styal.

The aim of the service is to prevent mothers and babies being separated, where the mother has received a custodial sentence. We work with families who are eligible for a Mother and Baby Unit (MBU) placement, where this is in the best interests of the child.

This also reduces the risk of reoffending and the socio-economic impact this can have.

In the first 12 months of running this service, we have provided nurseries and environments for mothers to care for their children. We have helped all pregnant women in these prisons, encouraged mothers to actively engage with their babies, improved parenting skills, and connected women with other agencies as mothers resettle into the community on their release.

Keeping families together with Multi Systematic Therapy (MST)

Multi Systematic Therapy (or MST) is an intensive family and community-based intervention for children and young people aged 11-17, where young people are at risk of being placed outside of the home in either care or custody, and families have not, for a variety of reasons, engaged with other services before this point.

Through our MST service, we work with the whole family when a child is at risk of leaving the family home. Across the UK between January and May 2022, 95% of young people remained living at home at the end of MST intervention.

90% of young people had not been arrested since the start of the programme, and 80% were in education and training.

Celebrating 10 years of Family Support Hubs in Northern Ireland

This year, both Fermanagh and Omagh Family Support Hubs in Northern Ireland celebrated 10 years supporting families in need. These vital services have helped thousands of families access family support services earlier, by matching their needs to providers in the local area. They focus specifically on creating a strong network of community, voluntary and statutory providers.

Tina received support while facing difficulties during a family breakdown. The Omagh Hub was there for her. Tina said: **"Action For Children provided us with emotional care and support which we both really needed at the time. We have had three amazing support workers who have offered invaluable support to both myself and my daughter. They were a friendly ear that I could talk to and their advice and the care they provided for us both really did make a huge difference to our lives."**

Staff marking 10 years of the Fermanagh Family Hub



Disabled children

In November 2022, the first annual report of our digital support service Parent Talk showed a 140% rise in the number of parents and carers of children with special educational needs and disabilities (SEND) contacting the service in the previous 12 months. Advice articles on SEND topics were viewed over 130,000 times. And about a quarter (26%) of one-to-one conversations with parent coaches were about issues related to SEND children, too.

We are meeting families' needs through our 65 specialised services for disabled young people, right across the UK, as well as information and advice on Parent Talk and Parent Talk Cymru in Wales.

Outside local authorities, we are England's biggest provider of disability services for children and young people. And we are a market leader in providing empowering care and support for families with a disabled child across the UK.

Last year, we continued to provide residential disability services for children and young people, with over 10,137 children and young people enjoying one of our Short Breaks.

And soon, our new long-term residential home in Kent will open its doors to residents. This new service is a fully renovated and accessible home for up to four children aged eight to 18 with additional needs, and will provide two ensuite bedrooms, communal living spaces and a sensory garden room for therapeutic play.

Learning from assessment reports

Assessments from Ofsted, Estyn and others, show us what we're doing well and where we can improve.

The vast majority of our residential short breaks for disabled children are rated good or above. This includes Warwickshire Disability which was recently rated Good by Ofsted, with one parent saying: "Since starting at the project, our son has become much more confident socially and has actually enjoyed time away from home – something we didn't know would ever be possible."

But unfortunately the Vines, another residential short breaks service for disabled children received an inadequate rating from Ofsted and a temporary suspension notice for 12 weeks from 16 March 2023. During that time we worked hard on the practice shortfalls identified by Ofsted and delivered their improvement plan in full. Due to the rapid improvements we made, Ofsted commented on our progress in their monitoring visit on 23 May: "Leaders and managers demonstrate an open approach to improving the service through their detailed action plan". The suspension was duly lifted and we will continue to implement learnings from Ofsted both at the Vines and across our residential estate.

Across our services for disabled children:

83%

of disabled children and young people have improved social skills, friendships and communication skills.

And 86% had opportunities to participate in activities that they may not otherwise have had.



Caravan weekends away

In Wales last year, we partnered with Swansea Council to provide bespoke, accessible caravans for families of children with additional needs, allowing them to have a weekend break together.

It can be really challenging to go on holiday as a family with a disabled child – hotels or rentals are often not accessible and may not provide everything needed to feel safe and at home. So as part of our Short Breaks service offering, we wanted to help families to get away and build positive memories together in an environment that supports the child's needs, as well as giving them new experiences.

“It's really difficult when you've got a child that doesn't fit into the boxes that people expect them to, so to have somewhere where they can relax and be comfortable, you can't beat it”

Lucy, Swansea parent

New long-term residential spaces

Our Short Breaks services offer young people and children with learning disabilities and complex health needs a short-term stay, with a range of opportunities to make friends, try new things and have some fun.

With demand for long-term residential placements for children and young people increasing, we have expanded two of our Short Breaks services to also include some residential places, too.

In March 2021, we opened a new wing with space for two young people at a Short Breaks service in

North Wales. And in March 2023 we welcomed the second child into the home.

With the service celebrating its 10-year anniversary in 2022, we are really proud of the difference this service has made and continues to make.

In Glasgow, we are also providing a bespoke one-to-one placement for a young person in a Short Breaks service, converting a spare bedroom into a place for a young person. This is a great example of how rethinking existing resources and capacity can make a huge difference.

Where John calls home

John was just four years old when he arrived at Action for Children's Stoneside service in Glasgow.

Due to their own personal circumstances, John's parents were unable to fully care for him and he was placed into foster care.



After spending a lot of time in the Short Breaks service, John was able to move into a Stoneside flat, as part of their long-term residential care for children with disabilities. Here, John gets one-to-one support and the opportunity to thrive in a safe environment.

John has now been at Stoneside for 12 years and it is the place he calls home. His support worker Caz talks through the difference she has seen in him:

"It took time for us to build those relationships with John, but as he slowly began to trust us we saw him become much more settled and calm."

John is doing well in school and is also going to college one day a week.

"John is so independent now, and it's amazing to have been with him all these years – to see how well he's done and how he's learnt the skills we have been teaching him."

Our Headlands School in Penarth, Wales, unveiled its new lower school building in October 2022.

Headlands School is an independent special school which offers day and residential placements for children aged seven to 19 who have difficulty learning as a result of early trauma, complex emotional and social issues, Autism Spectrum Conditions (ASC) and Asperger's Syndrome.

Designed with the children in mind, the new building caters for 20 pupils between the ages of seven and 15, with space to expand to 24 pupils going forward. It consists of four purpose-built classrooms. The classrooms provide a nurturing space to help pupils work together as well as designated work areas for times when they need or want to work independently.

Along with the resident alpacas, chickens, ducks and companion dog, the headteacher of the Lower School, Claire Houghton, says: **"The new building underlines Headlands' commitment to innovation and ensuring the best possible environment for pupils to feel safe and happy enough to enjoy learning again."**



Headlands School

Mental health and wellbeing

Our frontline staff tell us that children are still struggling with their mental health, with many fearing the cost of living crisis and how their families will cope.

Our evidence-based mental health services continue to provide effective support across the nations, to support young people to build their resilience and cope with life's challenges.

We supported

88,689

children and young people with their mental health and wellbeing.



Delivering our Guide and Blues Programmes

We have mental health support in every secondary school in Wales, through The Guide. The service gives year-nine pupils the language and confidence to talk about mental health, so they can get more effective support.

“[The Guide was] Invaluable for teachers and coaches working with children in a school and sports club setting. This training removed many misconceptions I had in regard to mental health and has put me in a much better position to offer support.”

Guide participant

Across Wales, Scotland and England, we also provide our internationally acclaimed Blues Programme, run by trained Action for Children specialists.

The six-week wellbeing initiative provided in schools for 13-19-year-olds teaches emotional resilience, reduces low mood and anxious thoughts and, crucially, gets teenagers talking. It works through a mix of weekly group sessions at school, and home tasks to build on what they have learnt.

In 2022, we opened a new wellbeing service in the Western Isles area of Scotland, and have continued to build up the profile of the Blues Programme in Scotland and England.

Last year, Blues and Bouncing Back helped more than 18,000 children and young people.



71%

of young people indicated an increase in their self esteem.



89%

of young people would give the Blues a 4 or 5 Star rating.

Expanding our therapeutic mental health service for children in care

The Derby & Derbyshire Emotional Health & Wellbeing Service for Children In Care (DECC) is a therapeutic service, providing intensive support using a trauma and attachment-focused approach. The service sees individual children, as well as providing therapeutic group work for foster carers.

The service has recently expanded, and now also provides a Harmful Sexual Behaviour service, aimed at supporting the professionals and adults around children, both inside and outside of the care system, to manage risk and apply a trauma-informed lens.

And the DECC is also working with partner agencies, to create Therapeutic Parenting Teams around every child in care – helping adults and professionals in a child's network to recognise the value and importance of their role in the child's therapeutic journey of recovery.

Ospreys in the Community
supporting mental health in Wales

Ospreys in the Community, the not-for-profit foundation working in close partnership with Ospreys Rugby, continues to be fundamental to our ability to provide mental health support to children and young people in South Wales by supporting and promoting three vital programmes.

Bouncing Back provides a two-week programme that is open to all primary and secondary school aged children, giving them an introduction to their mental health and wellbeing, coping strategies like CBT, and how to manage day-to-day challenges.

Bouncing Back Plus provides three additional weeks that focus on how they can put that learning into practice. It also includes physical activity sessions provided by Ospreys in the Community to show the power of exercise on your mental health.

And On Target provides an intensive six-week programme for secondary school aged children who are in particular need of more support.

In 2022/23, our Bouncing Back programme ran 315 courses for 8,302 young people in 118 schools.

.....

90%

of young people said they could cope more in stressful situations.



We are so grateful for Ospreys in the Community for supporting this vital work for children in Wales.



Celebrating 10 years of Roots of Empathy

In May 2022, their Royal Highnesses The Prince and Princess of Wales (the Duke and Duchess of Cambridge) helped us celebrate 10 years of providing Roots of Empathy to Scottish pupils. The Royal couple joined a group of children when they visited a primary school in Inverclyde. They heard about the programme and the benefits it has had for more than 29,000 children in Scotland who had participated in Roots of Empathy since its launch.

Roots of Empathy is an evidence-based, classroom-delivered, social and emotional programme for children aged five to 13.

It aims to promote emotional empathy, to help decrease aggression, including bullying, and increase behaviours such as caring, sharing and inclusion. At the heart of the 27-session programme is a local parent and baby who visit a classroom over the course of a school year. The baby is key to the programme and is considered the 'tiny teacher'.

The Princess, who is Action for Children's Royal Patron, sat with The Prince among 35 pupils and the Roots of Empathy baby, and actively participated in a session, including singing and chatting with the children to find about what they have learnt.

Pilot mental health support for Black, Asian and Minority Ethnic families

We have created a pilot project to support 11–18-year-old Black, Asian and Minority Ethnic children and young people in the Scottish Borders. Working within secondary schools, the three-tier programme will support 111 children in total, across a mix of group and one-to-one support. The programme will take a person-led approach to help young people to talk about and better understand their own mental health. It will help them cope with and build resilience to the specific challenges they may experience through being a part of Black, Asian and Minority Ethnic communities, such as racism, stigma, language and culture barriers, and experiences of war, extreme trauma or persecution. The pilot will take place across 2023 and beyond.



“I learnt how to manage my anxiety so I could live a life” – Erin’s story

Erin from Wales used our Skills4Living programme – a psychosocial skills-building intervention for young people leaving care aged between 16 and 24. “My depression really started properly in November 2019.

I couldn’t get out of bed, I couldn’t work anymore, I wasn’t eating, I couldn’t sleep properly. I couldn’t do anything that I could do prior to that. I literally just stayed home all day, every day for months and months and months on end. I couldn’t cope.

I started work with Skills4Living in March 2020. Me and Chris developed a relationship over the phone because of Covid.

Chris taught me a lot of skills. He taught me how to accumulate positive thoughts, how to achieve wise mind, how to be patient and in control of my emotions, and how to accept what had happened. He taught me how to manage my anxiety so I was able to live a life.

Without those skills, I wouldn’t be able to have a social life. I wouldn’t be able to get back to sleep after waking up, which I can do now. I can get up and go out if I want to. I can sit in a restaurant, and I never used to be able to do that.

I wouldn’t be where I am now if it weren’t for Skills4Living and for Chris.”



Erin

Strategic goal two: Increasing the impact of our work for children, young people and families

We need to be able to accurately and meaningfully measure the difference we are making – this is how we know what is going well and what to change.

Using the data we collect

Evidencing the difference that our work makes to the lives of children and young people sits at the heart of our vision. In each of our services, we monitor relevant outcomes, specific to the needs of the children, young people and families, and we use that to improve our practice and to evidence the difference we make.

We measure impact that is meaningful to our stakeholders. Many of the children and young people we support have complex and challenging needs. We tailor our support to the families and ensure we understand each individual from the very beginning, allowing us to meet their specific needs.

We use existing research and undertake our own research to develop our understanding of the outcomes that are important to children, young people and families.

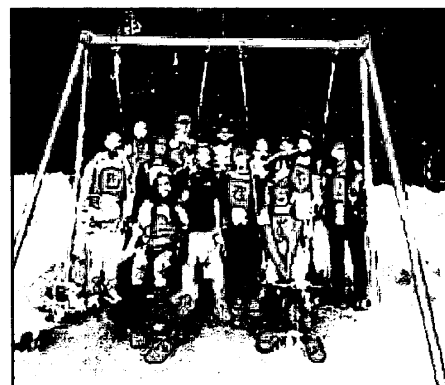
Our Participation Strategy sets out our commitment to increase the level of influence that children and young people have over our work, including ensuring how we talk about impact reflects what children and young people say is important to them.

For our activities, including participation, fundraising and campaigning, we set clear goals and review impact, so that we can demonstrate that our activities lead to positive outcomes for children and young people.

Measuring our impact is essential as it informs our partners and supporters about the effectiveness of our work, not only to show value for money but more importantly, to be accountable. It also helps us know what works well so we can use that evidence to continuously improve our services.

To measure and report on our impact:

- We record the number of children, young people, parents and carers who use our services to measure reach.
- We record the outcomes of children and young people (or their parents/carers) who use our services.
- We monitor and record at regular intervals and we collect evidence of improvements in their lives.



Young people participating in fundraising

- Using all the available data we have for each outcome we arrive at the percentages in this report.

We are also bringing in a new system for recording data from our frontline services (see page 44).

Our reach and impact highlights

In 2022/23...

Our services supported

5,570

children and young people in care.
An increase of 5% on last year.


In addition we supported **3,476**, young people with homelessness prevention information, some of whom are care-experienced or on the edge of care.

86% of children and young people in our children's homes have improved stability, meaning they are not moved from home to home.

On average, the children and young people have been living with us **two years and eight months*** so far. Our aim is to offer children a home for the duration of their childhood, where that is right for them.

80% of young people in our care services also have improved employment skills.

*excluding our residential school




Our specialist services for disabled children and young people supported

15,813

people; an increase of 27% on last year.

83% have improved communication skills, which is important for them to express themselves, communicate their wishes, needs and feelings and build relationships with others.

80% have also learnt practical life skills. This includes skills like supporting a disabled child to feed themselves, and giving disabled young people the skills and confidence to go shopping and use public transport.



Our family support services, including our online Parent Talk service, helped

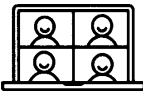
652,357

children, young people and families; an increase of 17% on the previous year.

After using our family support services* **76%** of families are functioning more effectively with improved boundaries. And **77%** of children are doing better in school.

73% of young people using our youth employment service have improved employability skills to overcome barriers to training and employment.

*Includes family hubs, children's centres, family support and intensive family support services.




Our mental health and wellbeing services supported

88,689

children, young people and families.
A decrease of 6% on last year.

99% of children and young people who accessed one-to-one support from our Staffordshire emotional wellbeing service reported progress in their goals. And **82%** of parents/carers felt their child's emotional health and wellbeing had improved as a result of our support.

We have also more than doubled our mental health support in Scotland – including expanding school counselling, early help support and The Blues – and reaching over **16,000** children, young people and families.



Using evidence-based and evidence-informed models

We are proud that our mental health and wellbeing support is proven to be effective. This includes our Blues Programme, which is rated 4+ (a significantly high score) by the Early Intervention Foundation. And our Achieving Excellence Group, which is a programme of planned activity to support the strategic development of our residential services and services for disabled children.

Other services, including residential, fostering and childcare provide support which is tailored to children's needs, evidence-based and highly effective, such as Functional Family Therapy.

Evidence-based Functional Family Therapy (FFT)

Functional Family Therapy (FFT) began in the 1970s, aiming to break down the barriers families experienced in being able to engage with family therapy. In 2012, the evidence-based model came to Scotland with an innovative partnership between Renfrewshire Council, the Big Lottery Fund and Action for Children.

Since then, the service has grown to offering support to families across 10 local authorities in Scotland.

FFT supports families who are at significant risk of family breakdown or a young person being removed from the home. That can include issues like verbal conflict, physical violence, substance misuse, childhood sexual exploitation and childhood criminal exploitation.



Therapists are skilled in trauma-informed practice and supporting families who experience a range of difficulties.

Of those using the service,

91%

of young people remain at home after taking part in FFT.



And when asked the impact that FFT has had on family life, **72-91% of parents and young people said there had been an improvement in issues like communication, behaviours, conflict levels** and the parent's ability to supervise.

We hope to expand the support offered to families across Scotland through FFT, ensuring that young people are supported to remain safely at home where possible.

Quality-assured services

We are proud that many of the interventions and programmes we deliver through our children's centres, family hubs and similar services are accredited and/or rated by external authorities – for example our specialist Headlands School being rated 'excellent' at its Estyn assessment – the Welsh equivalent of Ofsted (read more about our Headlands School on page 21). This includes our Spring nurseries and fostering services.

Quality nurseries and out-of-school clubs

We have 40 Spring nurseries and 35 Spring Oscars out-of-school clubs. Each of these settings embodies quality care as a core part of their ethos.

Through programmes like From Seed to Plate – where children take part in growing the food they later eat – the settings prioritise healthy lifestyles, outdoor play and flexibility for parents.

With 14 of our Spring nurseries located on military bases, staff are adept at helping to provide routine and familiarity to children who may move around a lot. Providing an inclusive environment and working with the needs of SEND children, whether they have received a diagnosis yet or not, is also an important and valued part of the everyday life of each of our nursery settings.

In recognition of this ethos, Sharon Thompson, Senior Operations Manager at Spring by Action for Children, won the Nursery Operations/Area Manager of the Year award at the Nursery World Awards – an award given to an individual who displays exemplary leadership and management skills in enabling consistent high quality across nurseries for the benefit of children, families, staff and the group.



We reached

8,768

children across both Spring and Oscars in 2022/23. And 97.1% of our Spring nursery sites received a 'good' and above in inspection results.



“My child has been at this nursery for just over six months now and is thriving. His confidence and his speech have come on so well. He always comes out happy and always gets excited about going to nursery. I would definitely recommend it to family and friends. The staff are lovely, and the communication is good.”

Parent from Spring Carousel nursery

Safeguarding

Ensuring the safety and wellbeing of everyone who interacts with our services comes before everything else.

Last year, we continued to provide a high level of quality in safeguarding children at risk across our services.

Every quarter, our senior managers audit children and young people's written records (case files) and the result of our audits for 2022/23 was that in 92% of case files there was evidence of practice supervision or of the management oversight of practice. This is an important indicator for us, as we can be assured our frontline staff have the support of their line managers and that our work with children and young people is of a consistently high standard.

We also involve children and young people to help inform our annual safeguarding review, looking in detail at the challenges children are facing and what they need from us.



Spotlight

The impact of our fostering services

Fostering

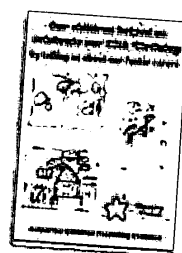
Over the last year, we have seen fewer families able to open their home to a foster child. And our frontline workers are seeing children left in dangerous situations for longer, meaning they are more in need of specialist support when we meet them.

To help face these challenges, our fostering team in Wales use a bespoke, in-house therapeutic model in their work with children. Based on attachment and trauma-based therapies, 'attachment fostering' helps children to process their history of trauma and abuse, and look at how this impacts their behaviour and their emotional development. And from this, they make a plan that creates psychological safety. The therapy works with a view to them finding long-term belonging, and to becoming full family members within the homes in which they are placed. The fostering team in Wales are working towards being a centre of excellence for providing child-centred language and care.

Also within our fostering services in England, The Big Welcome – our online digital profile system of foster carers – continues to help ease anxiety and support placement decisions for children needing foster care. It is a tool that allows young people to see where they will be living, their bedroom, any pets they might live with, and the general environment. The young person can also then ask the prospective foster parent any questions they might have.



Fostering Scotland continues to prioritise therapeutic parenting training for our foster carers and staff, drawing on external sources such as Professor Richard Rose and Coram BAAF, as well as Changing Minds. And we have also focused on mental health support, commissioning trainers within Action for Children to deliver Ask/Tell Suicide awareness training, as well as publicising free mental health improvement and self-care training events. And we had some wonderful feedback from young people within the Fostering Scotland service, saying things like; "I feel loved by mum and dad."



In Northern Ireland we also specialise in helping foster families provide long-term, stable care – that means going beyond the age of 18, and really becoming an alternative family for the young person.

Helping us to do this is our PACE training, also known as Dyadic Developmental Practice, or DDP. This trauma-informed practice has been provided to all fostering team members in Northern Ireland, and we have started to roll this out to foster parents in the country too. We have also collaborated with Action Mental Health's Our Generation cross-border project, providing new thematic approaches to trauma to help us deepen our trauma-informed care in Northern Ireland.

Strategic goal three:

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

We work to improve children's lives by influencing policy change. We maximise our impact by focusing on areas where there is the greatest need, an opportunity to influence change, and where Action for Children has specific and relevant expertise and evidence.

We work together across the organisation to build the evidence base for change, by making the most of our service delivery data and insight, and by making sure we include the voices of children and young people in all of our work.

Over the last year, we have had successes across several key areas of work for the charity.

Giving more children the best start in life

The early years of children's lives are the most important for their development. We have successfully advocated for greater focus on the importance of the early years in policy making, and for specific changes so parents and their children get better support.

In England, the government announced £300 million for 75 new family hubs. That included £50 million for parenting support services for parents of children under two years old.

This is something we had been calling for in our research 'Beyond Reach', showing how many parents missed out on crucial early years services. We were particularly pleased that the government published detailed expectations for new family hubs, meaning there will be greater consistency in provision across the country – we made the case for a 'minimum service guarantee'.

We are playing a wider role in promoting the importance of early years through our work with our Patron, the Princess of Wales, and her Royal Foundation Centre for Early Childhood. Imran Hussain, our Director of Policy and Campaigns, is an expert adviser to the Centre and we have been able to shape their work which will play a big part in making sure young children receive greater attention from policy makers.

And in Northern Ireland, we were invited to the All-Party Group on Mental Health in February 2023, presenting evidence on the importance of investing in the early years and the need for better and earlier infant mental health support for families.

Helping to fix the children's social care system

In the UK, 108,000 children are in care at any one point. We have campaigned successfully to influence overdue attention on, and improvements to, the way children's social care is delivered across the country.

We put children and young people with care experience at the centre of the Westminster government's work on children's social care by leading the 'It's Our Care' coalition Day of Action. We worked with six other charities to support over 90 care-experienced young people to travel to Westminster to make sure their voices were heard in the government's response to the Independent Review of Children's Social Care.

Young people met directly with MPs, ministers, shadow ministers, and senior officials. Their work was the starting gun for a much greater focus on the importance of listening to children by the Department for Education.

We were an active part of the Independent Review of Children's Social Care in England by Josh MacAlister, hosting a visit for Josh and his team in Newcastle where he met with families and staff as part of his review of the social care system.

Both this review and the government strategy for social care in England, 'Safe and Stable Homes Built on Love', supported our key recommendation that the system needs to be genuinely built on early intervention. Our research, 'Early help is a crucial public service' was one of the few pieces of charity research quoted by the government to make the case for a new approach to family support, which they will trial in 12 local authorities in England. We worked closely with officials to ensure early help was one of the key proposals in the government's new strategy.



Better family support could mean hundreds of thousands of children a year have a better chance of thriving, and tens of thousands have a better chance of growing up at home.

In Scotland, we continued to shape the implementation of The Promise. We have built a staff network of 'Promise Champions' and we successfully advocated to ensure that children's social care was excluded from the proposed National Care Service.

In Northern Ireland, we were asked to join the Carer Poverty Commission, which seeks to deliver new research on the scale and drivers among unpaid carers, to inform future policy development for the Northern Ireland Executive. We are working to make sure the voices and experiences of young carers are represented within this process.

And we have fed into the review process led by Professor Ray Jones on Children's Social Care in Northern Ireland, and are now actively working with others in the sector to highlight how important its learning and recommendations will be to ensure better outcomes for children and young people in the country. We also presented important evidence to the Health Committee that ensured the vital Adoption and Children's Bill passed before the last mandate ended.

Currently, over 80% of care homes for children and young people in Wales are run for profit by the private sector. As part of the Co-operation Agreement between the Welsh government and Plaid Cymru, there is a clear commitment to 'eliminate private profit from the care of children looked after'.

The Welsh government wants to make sure that public money invested in the care of looked after children does not profit individuals or corporate entities, but is only spent on children's services to deliver better experiences and outcomes for children and young people. We want primary legislation that permits only not-for-profit providers to register with Care Inspectorate Wales (CIW) as a care home service for children or a fostering service, and gave evidence in February 2023 to the Senedd committee exploring 'radical reform of the looked-after children's system'. This would mean that only not-for-profit providers would be able to care for children within Wales. This commitment is part of our wider work to redesign how we look after children and young people – to do the best for young people, their families and communities.

We have responded to Welsh government consultations and we are currently an integral part of key strategic government stakeholder panels for this complex issue. It is a huge opportunity for Action for Children to influence a major shift in policy that could benefit many children in Wales.

And finally, to help our fostering families with the cost of living crisis, we were able to support them with a grant of £75 in January 2023.

Fighting child poverty

Across Action for Children, we know that financial pressures on families make it more likely that they and their children will need additional support. Poverty can also make it harder to provide the support families need as they face an uphill struggle just to make ends meet.

We have continued to work across all four nations to reduce child poverty, and to reduce the number of children going without essentials. We campaigned and advocated for an increase in the Scottish Child Payment, resulting in a confirmed increase to £25 per week from 14 November 2022, while we also joined 120 organisations, who wrote to the First Minister asking her to double Scottish Child Payment bridging payment. This resulted in a payment worth £260 to struggling families.

In Wales and Northern Ireland, we have succeeded in putting pressure on national governments to update their plans for reducing child poverty. In Wales, alongside other charities and the End Child Poverty Network Cymru, we have been campaigning vigorously to the Welsh government for them to update their child poverty strategy from 2017. It has now agreed to this, and invited us to be a member of its external reference group which is looking at a revised child poverty strategy. We also submitted evidence to the Department for Communities draft Anti-Poverty Strategy team on developing a Child Payment in Northern Ireland.

We have been a leading voice in the public debate on the inadequacy of benefit levels and the repeated failure to increase benefits in line with inflation. We were pleased that the government listened to us and others by making benefits rise in line with inflation in April 2023. This will make a huge difference to low-income families with children. Our call for a new, independent body to advise ministers on benefit increases has been picked up by other organisations as a mechanism to embed fairness into benefit decisions for the future.

We have published a series of reports highlighting the lived experience of child poverty, including new analysis of Action for Children's Crisis Fund and a flagship report highlighting that around half of children growing up in poverty in the UK live in homes where their parents face significant barriers to work.

Supporting exploited children

Building on our experience of supporting children in the justice system, we have successfully shaped the Children's Care and Justice Bill in Scotland and the decriminalisation of exploited children in Wales.

In Scotland, our Chief Executive, Paul Carberry, is a member of the Youth Justice Improvement Board and the Scottish Government's Serious Organised Crime Taskforce, and is a ministerial adviser on raising the Minimum Age of Criminal Responsibility and chairs the Community Confidence workstream.

This influence has brought about a recent pilot scheme aimed at protecting children and young people from being exploited by serious organised crime groups and is being developed by the Scottish prosecution service alongside Action for Children and other partners. Its aim will be to raise awareness of criminal exploitation and encourage relevant agencies to share information in order to increase early intervention.

Nothing About Me Without Me:
Young people's participation

Integrating the voices of young people in our work is a top priority. Across the charity, we are working to make sure children and young people are an integral part in the process of planning, identifying needs, finding solutions, and implementing new programmes and governance.

Our Young Carers Service in Northern Ireland produced research led by young carers using our services, based on their experiences within the education system. We launched the Young Carers in Education report with engagement from a wide range of Members of Legislative Assembly (MLAs), the Northern Ireland Children's Commissioner, and a large number of educational stakeholders. It includes direct recommendations from young carers to decision-makers.

We also recruited 26 young people aged 13 – 25 to be part of our brand new Young Ambassador Board. Alongside our care-experienced young people on our Wales and Northern Ireland committees, The Young Ambassadors will help shape our work, and amplify the wider views of young people by bringing their perspectives and ideas into strategic discussions and decision making. They will also participate in action projects to tell us what young people care about.

Here are some more examples of what young people helped us do last year:

- Recruited staff and trustees, including the Chief Executive.



- Decided which new ideas to invest in as part of our Dragons' Den.
- Provided information for our safeguarding review.
- Contributed content for our supporter communications.
- Met with the Princess of Wales, our Patron.
- Joined advisory committees in Wales and Northern Ireland.
- Shared their experiences with government during 'It's Our Care' day of Action, and at key supporter events.
- And gave their views on the government's response to the Independent Review of Children's Social Care (read more above).



Meet some of our new Young Ambassadors



“Action for Children has helped me greatly over the last few years so when the opportunity to become a Young Ambassador was brought up to me, I was eager to join and be able to help others like me as well as experience new opportunities. I look forward to seeing where this role takes me and to hopefully make some changes along the way!”

Bethany Northern Ireland



“I wanted to become a Young Ambassador as I've always wanted to help young people and I feel as though this is a great opportunity to do so. I have also been lucky enough to do work experience with the Greenock Action for Children team and witness first hand how much help they provide which made me want to help young people even more.”

Chloe Scotland

“I am very passionate about helping children, as I would like to pursue a career in paediatrics. I am also a member of my borough's youth council so through becoming an Action for Children Ambassador, I am hoping on gaining a deeper insight into issues children face in the UK today and instigating change.”

Mithraya England



“I wanted to join the Young Ambassadors Board because growing up – partly due to being a young carer – when I've seen people who have needs that need to be met or someone whose voice isn't being heard I'd take it onto myself to make sure they get what they need and are heard where possible. I always say if I can at least make one person smile, it's worth however much amount of work, time or energy put into it. Make every second count, do something out of your comfort zone to help someone out – you never will know what the ripple effect may be.”

Noah Wales

Nothing
about me,
without me

Strategic goal four: Attract, develop and retain brilliant staff and volunteers

Our people make Action for Children who we are. That is why it is vital we support staff and volunteer wellbeing, help them progress professionally, and proactively make sure everyone is seen, heard and valued.

Last year, we made great strides to improve how we do things, from staff and volunteer wellbeing, to their development. We are delighted to have achieved a number of accreditations that recognise our commitment to our staff and volunteers, and help us make Action for Children an inclusive organisation and a great place to work.

Developing staff and reaching potential

INVESTORS IN PEOPLE®
We invest in people Silver

We were thrilled to be awarded **silver level accreditation in Investors in People**.

Our range of staff network groups, the Diversity and Inclusion Learning Pathways, the Management Competency Framework, our Mental Health First Aiders and wellbeing champions are just some of the measures contributing to this accreditation.

Paul Devoy, CEO of Investors in People, said: **"We'd like to congratulate Action for Children. Silver accreditation on 'We invest in people' is a remarkable effort for any organisation, and places Action for Children in fine company with a host of organisations that understand the value of people."**

And Mike Knight, our Chief People Officer said: **"Only 15% of organisations achieve silver level. It reinforces our position as an employer of choice and it also means all of us are making active efforts to ensure our working practices are fair, inclusive and consistent."**

As well as this achievement, we have also piloted a talent development programme, **Developing Potential**, for a cohort of staff who have the potential and desire to move into a management role.

We are now **officially a care leavers' friendly employer, achieving gold partner status across the UK**. The Care Leaver Covenant is an inclusion programme that supports care leavers aged 16-25 to live independently. Supporting care leavers is very important to us, as a charity that works directly to support children within the care system. We are really proud to be part of this vital work, with the John Lewis Partnership helping us, too.

And we have also been **recognised in the Apprenticeship Top 100 Employer Awards 2022**.



Developing leaders, culture and wellbeing

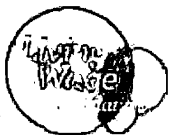
We have developed a range of learning pathways for our residential workforce, to support excellent service delivery in our children's homes. Staff and managers can gain a comprehensive set of knowledge and skills to help young people with the range of issues which they face as a result of their earlier adverse experiences.

We have also introduced our Management Competency Framework for senior leaders into this year's staff review process.

When it comes to wellbeing, our strategy runs until the end of 2023, building on our range of existing wellbeing resources and backed up by a year-by-year action plan with clear organisational targets to support the wellbeing of all our staff. This year we have organised monthly health and wellbeing webinars, which have been recorded to enable all staff to access them. There have been several sessions of chair yoga which have seen some departments and services join as groups, and we have organised various webinars for World Mental Health Week. We have worked closely with our Employee Assistance Programme provider to increase employee awareness of the benefits available and the new additions to the service provided which has increased their usage. And as part of the Work Well Live Well programme, we launched a monthly staff newsletter sharing information, resources, events and news about health and wellbeing at Action for Children in Northern Ireland.

Being a great place to work

Our Board of Trustees and our Executive Leadership Team know how tirelessly our staff work supporting children, young people and families who need our help now more than ever. We know the cost of living crisis affects our staff, too. We support staff with these financial challenges by paying them a real living wage as our **lowest pay is now aligned with that of the Living Wage Foundation**. In April 2022 this saw some of our lowest paid staff receive more than a 10% pay increase.



We have revamped our **staff discount benefits**, with Reward Gateway and Blue Light membership. And they can join an **ever-increasing number of staff networks** that represent more groups and allies.

The charity has been **awarded the Investing in Young People (IYYP) Platinum Award**, the highest accreditation level available to an organisation in Scotland. Action for Children is one of only 10 organisations to achieve the award which recognises a strong commitment to harnessing the talent of young people and providing a pathway for them to progress in the charity.

We **continue to hold Investing in Volunteers accreditation**, which we will be looking to renew in 2023. Volunteers have contributed significantly to our work, by helping us improve our volunteer resources and plan new processes.



Receiving our Investors in Young People Award

In 2022/23, our 1,006 volunteers gave an estimated 33,376* hours of support, for which we are so grateful.

We have also been developing a Volunteer Strategy for 2023-26, which will help us to replenish and re-engage with new cohorts of volunteers and support a broad range of activities across the organisation. This strategy sets out our goals for revitalising volunteering, the steps we will take to achieve those goals and the support we will need from the organisation to be successful.

This includes working in partnership with survey specialists People Insight to deliver the first ever external independent volunteer survey for Action for Children – Your Voice Matters. We designed it to find out how volunteers feel about volunteering here, their experience with us and how we communicate and engage with them. These results were shared internally to help teams make positive changes.

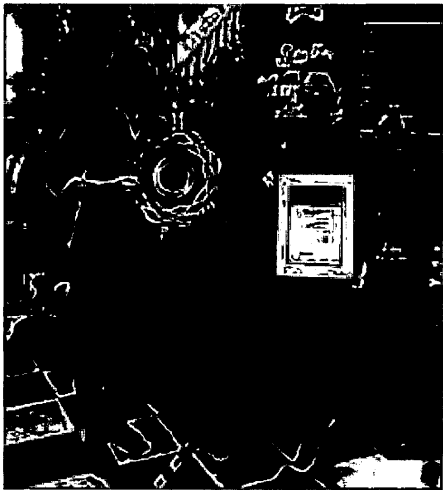
*Figure is calculated using the average number of volunteer hours from the previous year, multiplied by the current number of volunteers.

Proactive anti-racism, diversity and representation

We are committed to promoting equality, valuing diversity and working inclusively across the whole organisation. We have developed a **Diversity and Inclusion Learning Pathway** for all staff to use, as well as additional suggested learning for managers to help us continue our progress towards our aims.

Last year, we continued our work to **become an anti-racist organisation**, by delivering our action plan objectives. This includes delivery of an anti-racism training pilot, an anti-racism terminology guide to empower staff to use inclusive language and provided ongoing learning through webinars, resources and external speakers. Also, we have established National Diversity and Inclusion working groups for each nation, creating clear objectives in line with the organisation's anti-racism action plan.

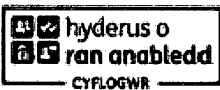
We are committed to **reducing our gender pay gap** over the next few years. This is within our target of 5% either side of a 0% gender pay gap (which would be where men and women earn the same across both averages).



Receiving our bronze diversity accreditation

We are delighted that **Action for Children Northern Ireland has been awarded Diversity Mark bronze accreditation**, recognising our commitment to build a more diverse and inclusive workplace in which colleagues and service users feel valued, respected and have equal access to opportunities.

As part of our commitment to inclusion, we continue to prioritise our **Disability Confident Employer status**.



The Disability Confident scheme is creating a movement of change, encouraging employers to take action to improve how they recruit, retain and develop people with a disability.

We have completed the Disability Confident self-assessment and are taking all of the core actions to be a Disability Confident employer, working with our recruitment team, managers and working group.

We have already taken positive action in our recruitment, such as actively looking to recruit disabled staff. And we have also simplified our reasonable adjustment process, to make it easier for staff and managers to access.

Award-winning staff

Action for Children fostering social worker, Fiona Hewitt, won the 'Outstanding Contribution – Social Worker Award' at The Fostering Network's annual awards ceremony.



Fiona – a Northern Ireland fostering social worker – was nominated for the prestigious award by her manager, David, who said: **"Fiona is an extraordinary social worker who gives her all to ensure children can achieve the best they can. She is not only an inspiration to our entire fostering service, but everyone working with children in care."**

Strategic goal five: Inspire support for vision and mission

We want to engage more people with our cause and work, so that we can help more vulnerable children across the UK.

We are really proud to have generated **2.4 billion opportunities to see** across all of our media work between April 2022 and March 2023. This is thanks to some key successes.

Last year, we featured in the iconic John Lewis Christmas advert with our brand visible in both John Lewis and Waitrose stores. This incredible partnership helped us reach new audiences with an important message about children in care, and helped increase our Christmas fundraising and brand awareness. But this was not the only partnership to help us reach new supporters. At Christmas we also partnered with The Telegraph to share stories from our services and staff, generating 155 pieces of coverage and 268 million opportunities to read about our work.

Outside of these incredible partnerships we continued to engage our staff, supporters and networks to champion our cause right across the UK. News stories, regional events, celebrity ambassadors and fundraising campaigns provided year-round opportunities to talk about our cause. Our flagship fundraising campaign, Secret Santa (featured on page 43), was also featured on TV for the first time last year, allowing us to reach a bigger audience than ever before.

Partnership with The Telegraph

Action for Children was thrilled to be one of four charity partners for The Telegraph's Christmas Charity Appeal. The Appeal raised £726,000 – the second-highest amount raised by readers in the last 10 years – with £120,000 for Action for Children's work.

The Appeal resulted in a stream of in-depth, positive articles about our work both in print and online.

Articles showcased a range of services from Parent Talk, to Nightstop (a homelessness service), a Young Carers service and Blues (mental health support), to name a few. Celebrity supporter, Ronnie Archer Morgan – a presenter on the BBC's *Antique Roadshow* – grew up in one of our children's homes and spoke at The Telegraph's carol concert, to inspire support and raise money for our work.



Ronnie Archer Morgan (centre) with Amanda Taylor (right), Operational Director, who was at the concert with her daughter Alice, who is also pictured.

Boycott your Bed

Staff, supporters and networks came together to champion our cause and fundraising during Boycott your Bed. They gave up the comfort of their own beds to take part in our annual sleep out which generated widespread media coverage and raised over £600,000. It was a brilliant success with events held right across the UK.

1. In London, teams from Salesforce, Microsoft, Accenture, CMC Markets and many more, slept out at Trinity Square Gardens where they were joined by actors Jessica Hynes and Jenny Agutter.
2. In Belfast, employees from businesses including MCS Group, Version 1, Civica, BT and Liberty IT bedded down for the night in their sleeping bags at Stormont Estate.
3. Leeds Millennium Square was the location for employees from Harvey Nash, DTP, Burberry, Irwin Mitchell and others.



4. At the same time, staff from Scottish Enterprise, CCL Logistics, Morton Fraser, Be-IT, BJSS, Pentest and other businesses braved a chilly Scottish night in Glasgow's Blythswood Square Gardens.
5. Our corporate partner Iceland Foods put a different spin on things by hosting their own Boycott your Bed event at Zipworld in North Wales. Executive Chairman Richard Walker, and Group Sales Director Paul Dhaliwal were suspended on a zipline for an uncomfortable but memorable night's sleep on a port-a-ledge, with other Iceland colleagues sleeping on large trampolines inside a cave!

Alongside these live events, people across the country braved a sleepless night to take on a range of activities while they stayed awake. From movie nights to a visit to a ghost room at a haunted castle, we loved seeing what our supporters got up to with their extra 12 hours.

Laver Cup

We were thrilled that our Patron, the Princess of Wales, chose us to be one of two charities to benefit from ticket sales and brand visibility at the prestigious tennis event, the Laver Cup practice day. Our mascot, Cosmo (pictured below) wowed the crowds and the event raised £189,964 in ticket sales and corporate sponsorship for Action for Children.

Oliver, aged eight, from Norfolk, went to the tournament with his mum Christina who said: "We had an amazing time. Oliver was so excited to tell everyone about his trip, he has even taken his hat, his t-shirt, the ball and tube tickets into school today to tell them all about it."

6. Eleven children, accompanied by their parents, carers and staff, were treated to some of the best seats in the O2 in London for the Laver Cup practice day.
7. Our mascot, Cosmo, made an impression on the 16,000 spectators who were gathered to watch Roger Federer, Andy Murray, Rafael Nadal and Novak Djokovic on the courts.



Spotlight

John Lewis Partnership

We were thrilled to join forces with the John Lewis Partnership to support their long-term commitment to young people who are in care and have care experience. John Lewis used its biggest moment of the year – [their Christmas Advert](#) – to spotlight care-experienced children. This momentous act helped young people who have experienced care as children to feel seen and inspired the public to come together for children in care. **The campaign was featured in 1,004 articles, generating almost 30.1m estimated views.**

“John Lewis doing this is really just showing us that we are cared about and we matter.”

Rachel, Action for Children campaigner

We also benefitted from staff and customer fundraising which raised an incredible £637,771. This is funding three critical and life-changing programmes. We are extending the reach of both our Wrap programme (essential therapeutic support to help prevent foster placements breaking down) and our Transition Worker programme (vital care and guidance for young people transitioning from care into independent living), and a new employability product will be co-designed by young people with care experience to help them find a meaningful next step.

The John Lewis Partnership also provided extra special opportunities for the children in our care over Christmas. They transformed the communal spaces at two of our residential children's homes, children



Rhys with Caroline from Action for Children

and their caregivers were invited into John Lewis stores to enjoy magical Santa's Grotto experiences and VIP shopping trips, and they donated Christmas decorations and gift vouchers for young people in residential homes.

Watch the care home transformation: [John Lewis & Action for Children's Residential Home Makeover on YouTube](#)

“It's an honour to have a big company like John Lewis do all this for us and I'd like to say a big thank you to them for making it feel more like a home!”

Rhys, who has lived at the home for over three years.

“[The children] each loved their day and said they felt really special and couldn't believe the amazing experience and gifts they were given! A massive thank you to John Lewis for giving our young people some fantastic memories to treasure.”

Rachel Matthewson, Registered Manager, Westacres, Action for Children

An amazing

£637,771

raised by John Lewis' staff and customers



Strategic goal six:

Increase financial contribution from fundraising, nurseries and childcare

Despite a challenging year externally, we raised almost £18.6 million in voluntary income and are pleased to have performed 15% better than our internal targets. This was largely driven by the huge generosity of gifts in wills, and our successful Christmas fundraising propelled by the John Lewis Partnership.

We also invested in marketing for our nurseries and childcare which meant we saw the strongest year for income to date at £15.8 million. We increased our reach by communicating about our flexible provision for families and commitment to children with special educational needs and disabilities (SEND). Reaching more families meant this commercial arm could deliver a greater contribution to the charity to help particularly vulnerable children, while giving more children access to high quality childcare (read more on page 28).

Setting the stage for fundraising growth

Last year we aligned our resources behind the forms of fundraising which have the greatest future growth potential for voluntary income over the next three years. This meant growing our capabilities for partnerships, major donors, trusts and legacy giving and investing in our Christmas fundraising. Our

fundraising addressed the cost of living crisis both in terms of illustrating the harsh impact on children and their families and acknowledging our generous supporters' loyalty in this challenging context. Digital continues to be central to our approach and having a broad portfolio of different fundraising streams allows us to flex if the external context requires it.

Legacy income continues to provide a critical income stream for us with £4.6 million received last year, as well as growth opportunity. Across the sector, legacies are continuing to experience a high rate of growth, and are predicted to reach £5 billion per year by 2030. We are prioritising legacy marketing to reach and inspire even more supporters. In 2022-23 our free will campaigns reflected this sector growth, generating more than £800k in online pledged legacy income.

Last year showed just how much impact we can have when working in partnership. Our regional team focused on developing our corporate pipeline based on high value opportunities and we are going into 2023/24 with an additional £2 million plus of value of opportunities. And our corporate partnerships delivered wide-reaching impact and fundraising (read more on page 44).

Our established relationship with the Methodist Church continued to be strong last year. Its generous supporters continued to raise much-needed funds and awareness of Action for Children's work through services and events. We are exploring opportunities to work with younger groups within the church, and

deepening engagement with existing groups through a strategic, tailored stewardship journey.

Our new Vice Presidents Programme

In December we launched our Vice President accolade which has been awarded to Ken Deeks MBE and Lynda Myles-Till MBE for exceptional commitment, contribution and impact for children.



Ken founded Byte Night, our largest annual fundraising event, which is now known as Boycott your Bed. Since he first got involved with us, he has helped raise nearly £14 million to support our work.



Lynda has supported Action For Children since 1988, and is the Founder and Chair of our annual Spring Ladies Lunch, which raises in excess of £100,000 each year. Lynda has also spearheaded a number of major fundraising events and initiatives.

Ken and Lynda were previously Ambassadors for Action for Children and have been awarded MBEs for their services to young people through their support of the charity. We are proud that Ken and Lynda are part of the Action for Children family, and hope to invite more exceptional supporters to become Vice Presidents in the future.



Exceptional events

Last year was a fantastic year for fundraising events. With the disruption caused by the pandemic behind us, we have been able to successfully deliver a full event portfolio, raising vital funds and showcasing our work.

Boycott your Bed

Our annual corporate fundraising event sees teams give up the comfort of their own beds to take part in our annual sleep out. Read more about this year's amazing event on page 38.

The Ultimate News Quiz

In March 400 guests from the news broadcast industry and the corporate sector battled it out in a current affairs quiz. Dermot O'Leary, Louis Theroux and Vanessa Feltz were among the famous faces taking part, with hosts Dan Walker and Sally Nugent joined by Jeremy Vine for the auction. The event raised an incredible £250,000.

Never Mind the Business

Our hugely popular long-running corporate music quiz made its return to Glasgow and Swansea after two years' absence, raising £171,000. Over 900 guests across both events put their music trivia knowledge to the test in the quiz, with guests in Glasgow enjoying a brilliant live performance from pop band The Hoosiers.

Spring Ladies Lunch

In March guests enjoyed a sumptuous lunch hosted by Di Stewart, a fashion show from rising star Chanel Joan Elkayam and the chance to hear inspiring stories from Action for Children young campaigner Rachel, and long-term supporter Ronnie Archer Morgan.

The Spring Ladies Lunch raised an impressive £107,000.

Partner event: Salesforce gala

In November, we were delighted to benefit from the Raising the Future gala dinner organised by one of our close partners, Salesforce. Guests from Salesforce and their clients celebrated Action for Children's work and raised an incredible £100,000.

Gleneagles Golf Day

The 20th anniversary of the Gleneagles Golf Day, sponsored by Save & Invest, saw 21 teams enjoy golf at the world-famous Gleneagles golf course in Auchterarder, Scotland, raising £78,000. The pandemic delayed the anniversary instalment of this long-running annual fundraiser, which started back in 2000 and has now raised over £1 million. Young people and staff from Dundee Youth Housing joined guests for the evening event in the ballroom, where the young people shared their stories about how Action for Children has helped them.

Kiltwalk

Our biggest ever Kiltwalk team raised over £36,000. 210 supporters took part in events in Glasgow, Dundee, Aberdeen and Edinburgh, including company teams from Morton Fraser, Edrington Group, HSBC, McLaughlin & Harvey, Channel Bakers and our own staff. We became a Pit Stop partner at the Kiltwalks in Glasgow and Edinburgh for the first time, where our enthusiastic volunteers and mascot Cosmo cheered walkers on to reach the finish line.

Woman of Influence Awards

Our long-standing awards returned to Glasgow on 12 March, to encourage, support and recognise influential women in Scotland, including Scottish Commonwealth Champion and three-time Olympian Eilish McColgan who was announced as the winner.

Thank you events

We also enjoyed bringing people together to celebrate being part of the Action for Children family. Our annual Stephenson Awards recognised the shining stars across our incredible staff, supporters, volunteers and service users. The Old Boys and Girls annual reunion lunch took place for those who grew up in one of our homes. And our supporter receptions at Home House and the Foundling Museum celebrated some of our supporters who make our work possible.

Thank you to everyone who supports us and helps bring our events to life.



Fundraising compliance and complaints

We are registered with the Fundraising Regulator and follow its Code of Practice and Promise. We aim to maintain high standards for fundraising including being clear, open and honest with supporters, and respecting their privacy and communications preferences. In 2022/23 we received 56 complaints about our fundraising processes, which were dealt with in line with our Fundraising Complaints Procedures. The majority (16) were about the way we acknowledge donations and we will continue to reduce this number and ensure gifts are acknowledged quickly. Others complaints included the length of time it took to receive an item or the communications they received.

Proud to be partnered with :



In 2022, we launched our new corporate partnership with **Giggling Squid**, the Thai restaurant group, to support vulnerable children and families across the UK. Employees have raised vital funds with activities like the Great North Run, a trek from Harrogate to Brighton and by climbing Mount Snowdon. Customers showed their support too by getting involved in special restaurant promotions and by donating to our Secret Santa campaign.



In 2022, the 'CMC Markets Education and Enrichment Fund' supported 260 vulnerable children and young people in London via 1,208 grants for enriching activities and for buying educational essentials. This has helped to improve young people's social skills and reduce their feelings of isolation. CMC Markets also supported Action for Children with volunteering and fundraising and were the largest corporate team to take part in Boycott your Bed 2022, raising over £30,000.



In our first year of partnership, **Arcadis** colleagues took part in a range of successful fundraising including five trek events across the UK which raised over £13,000. All funds raised supported the redevelopment of Birmingham Community Children's Centre's outdoor play area and the roll out of the Breaking the Cycle Programme in Cumbria which supports children and young people who have experienced domestic abuse.



Starling Bank

Our newly launched partnership with **Starling Bank** is supporting our Parent Talk service to develop new informative website content to help families manage their finances and encourage conversations about money. From offering support on how to navigate the deepening cost of living crisis to helping families manage the costs of having a child with additional needs, Starling Bank's support will provide a lifeline to families in need of our help.



In December 2022, we launched an exciting three-year partnership with leading organic baby and toddler food brand **Ella's Kitchen**. Ella's Kitchen is supporting little ones and their families through fundraising, amplifying our voice through policy and campaigns work and much, much more. We are thrilled to be working with them to change the lives of vulnerable children across the UK.



Our longstanding partnership with **Turner & Townsend** continues to support the Education Fund which breaks down barriers to education for children and young people. We delivered over 1,600 grants last year which covered the cost of essential items including school uniforms, shoes and winter coats. Turner & Townsend also provided vital pro bono support with Action for Children's programme to develop new residential children's homes across the UK.



In 2022, we were chosen as **Iceland Foods Charitable Foundation's** lead charity partner. Iceland colleagues took on some incredible challenges including the London Marathon and a sponsored sleep out event in a cave in North Wales. Since the beginning of our partnership in 2020, the fundraising total has surpassed £1 million for the Crisis Fund, providing vital financial support for families to cover the costs of essentials like food, fuel and kitchenware.



Our partnership with **Dell Technologies** continues to support Action for Children's Inspire IT programme. Together, we bridge the digital divide by connecting digitally isolated young people with technology. Our partnership also supports children and young people to gain valuable digital skills that enable them to access education and employment opportunities.

JOHN LEWIS
PARTNERSHIP

By working with **John Lewis Partnership** we will be supporting their long-term commitment to young people who are in care and have care experience. John Lewis used its Christmas Advert to spotlight care-experienced children and transformed the communal spaces at two of our residential children's homes. They also raised £637,771 which is funding three life-changing programmes: Wrap, Transition Workers and a new Employability Programme.



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Spotlight

Secret Santa

Secret Santa 2022 was a huge success. The campaign has raised £1.7 million (including Gift Aid) to date with almost 35,000 donors. And it was seen widely across the UK having achieved 360 million opportunities to see.

Driving this success was our new TV advert which positively impacted all our advertising and helped increase brand awareness. And a new look and feel aligned our Secret Santa campaign with our core brand and stood out in the busy marketplace.

Watch our TV advert on [YouTube](#)

Against a backdrop of the cost of living crisis our campaign was relevant and urgent, and our supporters could see that Action for Children's work was more vital than ever. Bringing this to life was Nathan's story, which was central to the campaign.

When Nathan was young, his mother passed away. He went to live with his grandmother, who is retired and lives off her pension. Christmas is tough for Grandmother Paula and 10-year-old Nathan. Paula said: "It's a really hard time for us both. I was so worried that Nathan wouldn't have any presents to open on Christmas morning."

At Christmas, Paula struggled to make ends meet so she was referred to Action for Children and we put together a hamper for Nathan with lots of goodies. The story of Nathan's magical Christmas was featured across our channels and made into an animated film to show viewers the difference they could make, at Christmas, to a vulnerable child. Watch Nathan's story on [YouTube](#)

Secret Santa in the community

Our Action Squads and regional corporate partners had lots of branded materials to fundraise in their area. We also had a pop up shop in Tower Bridge and took over the window panels of Bottle in Highgate (1) to build campaign awareness through mass community promotion.

Mass media coverage

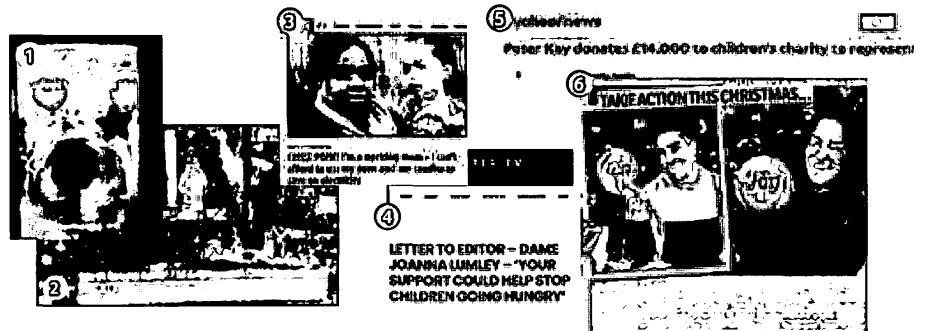
We were thrilled when ITV's This Morning (2) got in touch to showcase our Secret Santa Campaign in their 'Best Christmas Stocking Filler for 2022'.

The John Lewis Partnership and Telegraph Appeal laid strong brand foundations to launch a news story. Our research revealed a quarter of children were willing to donate their gift or pocket money to help their parents cover costs of the festive season (3). The news story resulted in 162 pieces which helped show the impact of the crisis on children and families.

As always, our celebrity family were instrumental in making Secret Santa a success. Dame Joanna Lumley (4) showed her support by writing a letter to editors urging the public to support the appeal, and Larry Lamb featured as the voice on our TV advert. Comedian Peter Kay donated £14,000 to the campaign, which was £1 for every ticket at his London O2 gig (5).

Lots of celebrities also featured in our photoshoot in December, children's wishes from the front line, that landed in 24 national and 119 regional press (6). Each celebrity represented a warm wish for children collected straight from our frontline workers who provide vital services for struggling children, young people and their families across the UK.

Thank you to everyone who became a Secret Santa for a vulnerable child in 2022!



Strategic goal seven: Deliver best value by improving efficiencies

Improving our systems, environments and ways of working helps us to do our work more efficiently. Here is what we have worked on last year.

New recording system for children's services

We are starting work to develop a new children's services recording system, which will make it easier for services to record details of the children and families that we provide services for, and the progress and impact of our work with them.

The new cloud-based solution will include up-to-date features to meet the needs of our current services, and will also be more cost-effective to run. Last year, we started looking at available options, with a view to selecting a new system which would be introduced in the new financial year.

Technology as the backbone to our work

As technology becomes a bigger part of our lives every year, young people's lives are more directly impacted by the direct provision of Information Technology (IT) for local authorities.

Whether it is the new super-fast internet lines we are installing in our services to ensure that every child has access to technology for things like school work and social activities, or the new Electronic Medication Systems we are looking to implement in our residential homes to help better manage the health and wellbeing of our most vulnerable children – IT is making a big difference.

New people and finance system

For the last 12 months, we have been planning the implementation of a major migration from our existing finance and HR software packages, to a new system – Oracle.

Previously, we have used many different systems to manage our finance and HR needs. These are less cost-efficient, and do not provide all the services that newer systems can.

Our vision is to have one integrated people and finance system that transforms the way Action for Children works, allowing staff and volunteers to complete tasks like logging expenses, booking and approving leave, and recording contracts and personal information.

The new system also allows many actions to be automated, as well as staff to access the system on their smartphone for the first time.

This is critical for many of our frontline carers and volunteers, who often have limited desktop access at their places of work.

Managing contracts

We are strengthening our approach to managing contracts, using technology to streamline processes and provide our people with the tools and information they need to manage risk and deliver high-quality support. This will improve the sustainability of our work and make sure we are able to reach and help more vulnerable children, young people and families.

Strengthening our estate

In our Estates Team, we strengthened the Regional Facilities Team, creating one team per nation.

With the easing of restrictions post-pandemic and the re-opening of more of our buildings, we wanted to assess the current state of our property estate. This necessitates identifying remedial works including essential maintenance required. With new leadership in place from early 2023, a programme of work has now been drawn up and the team will be working closely with contractors to ensure we are across exactly what is needed to bring the estate in line with sector standards.



Making the best use of our property portfolio

We strive to make best use of our property portfolio, and are looking at ways to achieve this:

- Properties no longer required could be repurposed as children's homes and nurseries.
- We are reviewing our building stock to determine if properties can be repurposed or sold. Sale receipts would be re-invested into our pension fund, cash reserves and into our business.
- Properties not in immediate demand could present themselves as let or rental opportunities. These would be offered with adequate break clauses to tenants to maximise income to the charity.
- We have started building renovation works, and continue to bring properties up to standard. Major works have been completed at a service in Bristol, a service delivery centre in Bristol and Wrexham and there are improvement works underway throughout the portfolio.

Next year, our focus will continue to be on improvement and then developing the property strategy, reviewing how we use major assets, and deciding how we move forward with re-provisioning or releasing those assets.



Our focus

for 2023-24

Looking back at the last year helps us to plan ahead for the next.

We will continue to work within the framework of our strategy, which is structured around seven goals within our four core service areas.

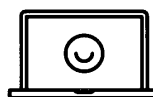
Here are just a few highlights of what we will be focusing on for the coming 12 months.

More safe and happy childhoods

Read more about our strategy [here](#).



Growing the number of our residential children's homes.



Investing in improving the efficiency of our systems and processes.



Continuing to include the voices of children and young people in our work.



Expanding family support, disability and child criminal exploitation services by developing key areas and models.



Creating innovative new ways to fundraise, and to grow our partnerships.



Attracting, developing and retaining brilliant staff.



Developing new and robust ways to measure and record our impact.



Increasing the impact of our policy campaigns and influencing, building public support and political backing across the UK.



Expanding our media and press coverage, maintaining and growing our active supporter base, and increasing awareness of our brand.

Financial review

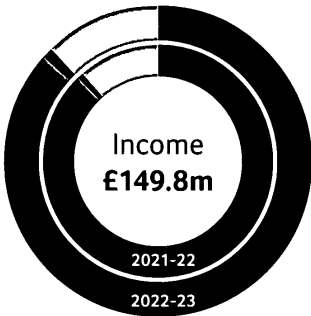
Our activity in 2022/23 helped us achieve a total income of £149.8m (2021/22 £142.6m), an increase of £7.2m on the previous year. Our expenditure was also up at £149.4m (2021/22 £139.4m), which is an increase of £10.1m on the previous year.

Net gain for the year, before investment and pension valuation movements, was £0.4m (2021/22 £3.2m).

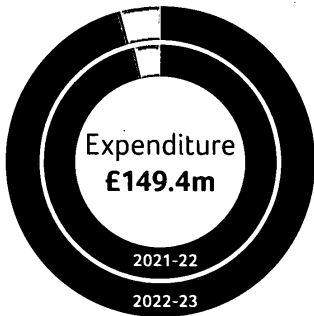
Although we saw the effect of price increases in utility bills, an increase in salary costs and general inflationary increases (which were not budgeted), we managed to offset these by reducing non pay expenditure, and thanks to a surplus in operational activities and fundraising.

We continued to work towards our ambitious new strategy, including investing in growing our residential services (Goal one), increasing the financial contribution from fundraising (Goal six) and improving our backend systems (Goal seven). The expenditure from goal seven resulted in us making a planned deficit in 2022-23 due to investment in our STAIRS programme (read more on page 47). We planned to make a loss of £4m but due to careful spending and a surplus in operating income we made a smaller loss of £3.1m.

Starting the new financial year with a new Chief Executive, we will continue to prioritise financial



Income	2022-23	2021-22
Charitable Activities	£129.9m	£125.4m
Donation and Legacies	£18.6m	£16.2m
Investment Income	£1.3m	£0.9m
Other	£0.0m	£0.1m
Total	£149.8m	£142.6m



Expenditure	2022-23	2021-22
Charitable Activities	£143.1m	£134.0m
Cost of Raising Funds	£6.3m	£5.3m
Other	£0.0m	£0.1m
Total	£149.4m	£139.4m

stability and sustainability in order to grow as planned.

We will also begin to see the benefits of the new finance system which will go live in 2023/24 (more on page 44). It will streamline the way we work and improve the financial information we receive to help make sure money is used responsibly to support our vision of creating more safe and happy childhoods.

For every £1 we spend:

- 85p helps children, young people and families.
- 4p on fundraising.
- 11p on admin.



Income and expenditure

In 2022/23 we generated a total income of £149.8m (2021/22 £142.6m). We are particularly pleased to report good performance in both fundraising and commercial, despite challenges presented by the cost of living crisis. Our total charitable expenditure was £143.1m (2021/22 £139.4m). Like most organisations, we experienced price rises that increased our expenditure, but we took measures to manage these in order to end the year in a stable position.

Donations and legacies

We are continually grateful for the generosity and loyalty of our supporters and partners who help us make a difference for children. In 2022/23 we raised £18.6m in voluntary income from donations and legacies. Of this, £12.6m (2021/22 £12.9m) was unrestricted income thanks to the continued loyalty of regular donors and supporters. And £6.0m (2021/22 £6.3m) was restricted to specific programmes such as our mental health work and children in care. Total fundraising expenditure was £6.3m (2021/22 £5.3m).

Our flagship fundraising campaign, Secret Santa, exceeded its targets raising £1.7m (including Gift Aid). This was in part due to us investing in TV advertising for Secret Santa for the first time. Our partnership with John Lewis also helped to uplift our Christmas fundraising as well as providing significant brand awareness for Action for Children by featuring us in their Christmas advert (read more on page 43).

Our special events have fully recovered after the pandemic now, with gala events such as Ultimate

News Quiz, Spring Ladies Lunch and Woman of Influence raising over £400,000 in March 2023.

We are incredibly grateful to the supporters who left us a gift in their will last year. Legacy income was £4.7m, which is £0.8m more than the previous year.

Overall, we are pleased to have performed £2.4m or 15% better than budgeted, particularly in a tough fundraising climate due to the cost of living crisis.

Charitable activities

Total income from charitable activities was £129.9m in 2022-23 (2021/22 £125.4m) with expenditure at £143.1m (2021/22 £134.0m).

Contract services run by our subsidiary Action for Children Services Ltd and consolidated into the group financial statements continue to make a positive financial contribution to our overall charitable activities. Income was up last year at £66.8m (£62.5m 2021-22), which helped offset inflationary increases. Expenditure was £65.1m (2021/22 £61.0m) as we invested in our residential growth programme, meaning overall contribution to charitable activities was down.

The process of purchasing, readying and staffing the properties ahead of regulatory inspections can take around 12-15 months. This means we have significant expenditure in that period before we work in partnership with local authorities to place children and are able to generate a return to cover costs. However, this is a necessary investment in our mission, to provide safe and loving homes to children who need them.

Income from our commercial areas – including nurseries and out of school clubs – have bounced back after the pandemic and are now growing with an income of £15.8m in 2022/23 (2021/22 £15.0m). Increasing costs had an impact, in particular wage increases and increases in the cost of food for children, meaning expenditure was £15.4m (2021/22 £14.9m). Despite this, we end the year in a strong position due to income being over target.

Balance sheet

Our total funds at the end of the year were down on the previous year at £80.8m (2021/22 £84.0m) with unrestricted funds also down on 2021/22 by £2.8m to £62.3m. Some £42.5m of the unrestricted income is either designated or tied to assets supporting our activities. This leaves the balance of £19.8m (2021/22 £27.2m) constituting the charity's free reserves. Tangible fixed asset additions in the year amounted to £5.9m with £5.2m being assets in the course of construction. The total cash balance at the end of the year was £20.4m with £13.7m of this placed on notice deposits. The group maximises the interest earned on surplus cash by investing in term deposits.



Trading subsidiaries and associated charities

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

The National Children's Home (charity number 215301) is an unincorporated trust. It holds functional endowments and receives legacies left in our former name. This trust only administers the functional endowments of Action for Children, and all income is used to help us achieve our mission. This endowment is due to be transferred to Action for Children Ltd in 2023/24.

The Nicholas Galperin Trust (charity number 210618) supports young people under the age of 25. This endowment is due to be transferred to Action for Children Ltd in 2023/24.

Action for Children Services Limited (company number 2332388) provides welfare and educational services. New contracts with local authorities are placed through the company, and turnover increased by 6.8% in 2022/23, to £66.8m. The company made a profit of £1.7m (2021/22 £1.6m), and Gift Aid will be paid to Action for Children so that no corporation tax is due.

Action for Children Trading Limited (company number 3776025) is a subsidiary for our fundraising and trading activities. The company made no profit in 2022/23. The trading activities were transferred to Action for Children Developments Limited during 2022/23 and the company is due to be wound up during 2023/24.

Action for Children Developments Limited (company number 6842765) is a company limited by guarantee. The company looks after commercial trading, property transactions and other developments that support Action for Children's mission. The company also runs children's nurseries under the trading name 'Spring'. The company made a profit of £0.3m (2021/22 loss £0.3m).

Out-of-School Scotland Limited (OSCARS) (company number SC264619) is a subsidiary that provides after-school clubs, breakfast clubs and holiday camps. The company made a profit of £0.3m (2021/22 £0.4m).

Charity Funds Trust and charity law require that we present our funds in the following categories: **Restricted funds**, which include legacies, donations and other income that can only be used for particular purposes. Where these funds are held on trust, to be kept for our benefit as a capital fund, they are classed as endowment funds. These funds are for scholarships and general use. On 31 March 2023 our endowment funds were £11.0m (2021/22 £11.7m). Specific-purpose funds were £7.5m (2021/22 £7.3m).

Unrestricted funds of £62.3m (2021/22 £65.0m) comprise the general fund, of which a part has been categorised as designated funds, with the remainder being undesignated.

Designated funds of £22.3m (2021/22 £17.4m), represent both a capital fund equivalent to the net book value of tangible fixed assets used to support operational work and a charged asset fund representing the market value of those investments over which the Pension Fund has a charge of £20.2m (2021/22 £20.2m). The total value of the assets

charged to the Pension Fund is £40m. This comprises the charged asset fund of £20.2m together with operational properties within the capital fund with a market value of £19.8m. The remainder of the general fund of £19.8m is undesignated and constitutes the charity's free reserves. The pension reserve would represent the difference between the fair values of pension assets and liabilities on the FRS 102 basis. However, this surplus is not recognised in the accounts, on the basis that such surplus cannot be released back on an unconditional basis.

Reserves policy

Our Finance Committee reviews our reserves policy and the level of free reserves every year. This is shown in the financial statements as the general fund and fair value reserve, excluding designated funds. The review is then approved by the Board of Trustees and a risk-appraisal approach – determining the likelihood of future costs, potential liabilities and risks – is used to work out the general reserves needed. This is based on the latest business and financial plan, and risks include a loss of income from partners and voluntary donations, and changes to costs.

The trustees strive to make sure we have sufficient free reserves to protect Action for Children's financial stability. This gives us a safety net should income and expenditure need to be rebalanced. Taking into consideration our strategic plans, and economic and market conditions, we plan to hold general reserves excluding designated funds above £14.0m.

The ideal minimum free reserves in a period of no investments should be £16m. We recognise that we are currently in an investment phase due

to the residential programme and technology investments. Our intention is to reach this position when not in a phase of investment.

With the current charity's free reserves standing at £19.8m, the trustees believe the charity will have sufficient reserves to meet future requirements. Our financial plan and reserves policy include Pension Fund contribution costs. The accounting disclosure required for pension liabilities is included in the balance sheet, which can be found in note 6.

Investments

Our investments provide the reserves we need to manage future developments, risks and uncertainties. One of our main objectives is to keep an asset allocation model that matches the timing of potential liabilities, within reserves, to appropriate investment assets. The investment policy and statement of investment principles is based on this model, and was reviewed and updated in 2021/22.

Many of our investments are managed by the Central Finance Board (CFB) of the Methodist Church which has an ethical investment approach that aligns with our mission and values. The CFB's ethical approach excludes companies deemed inappropriate, such as those involved with alcohol, tobacco, pornography and armaments, or those who use child labour. And it works closely with other church-based organisations to maximise the influence they have over the companies they invest in. The CFB is also compliant with the Financial Reporting Council's UK Stewardship Code.

Our investment committee make decisions and measure the performance of the CFB fund against

an agreed benchmark. In 2022/23, our investments overperformed by 0.1% above the benchmark. The main general fund performance for the year decreased by 5.3%. Performance is regularly reviewed by our investment committee and discussed with the CFB. The investment committee also looks at external benchmarking to ensure our funds generate appropriate returns. The portfolio was 1.2% ahead of the 'Steady Growth' index and 1.6% ahead of the 'Balanced Asset' index. Investment income increased to £1.3m in 2022/23 compared to £0.9m in 2021/22.

Pensions

The Action for Children Pension Fund is a Hybrid pension scheme. It has a Defined Contribution section which is available for employees to join at any time. The Charity also has a funding obligation in respect of the historic Defined Benefit part of the scheme.

The Pension Fund value is showing a surplus position of £37.1m (2021/22 £81.3m) on the FRS 102 basis. However, as the charity does not have an unconditional right to the surplus arising from this valuation, it has not been recognised in the financial statements.

The FRS 102 valuation is governed by the accounting disclosure requirements and is different from the triennial actuarial valuation which was last completed as at 31 March 2021.

At the 31 March 2021 triennial valuation, the pension surplus was £1.0m, which is a funding level of slightly over 100%. However, we take a more cautious approach to agree contribution requirements.



This materially reduces the investment risk to which the Pension Fund is exposed, improves the security of members' benefits and provides better protection for the charity against future funding risks. We call this a 'sustainable target' approach.

Under the sustainability target at 31 March 2021 there was a deficit of £60.2m, a funding level of 92%. For the last 13 years we have been paying a deficit reduction contribution on an annual basis, as agreed with the Pension Fund Trustees. In 2022/23, the payment was £1.67m. A revised deficit recovery plan was agreed as part of the 2021 triennial valuation which was completed during 2022/23. This has meant that, in practice, Action for Children overpaid expected deficit reduction contributions in the year to 31 March 2023. These overpayments are to count as prepayments of the deficit reduction contributions due over the year ending 31 March 2024.





Going concern

The cost of living crisis has put pressure on our activities and services this year, but Action for Children continues to show resilience. The organisation made a net loss for the year of (£3.1m). Pay inflation has impacted market salary levels, increasing the pressure on many charities. During this period, the Executive Leadership Team worked closely with the Board of Trustees to regularly monitor the situation, considering the cash position and the impact on reserves.

The Trustees continue to believe that the group and its entities are going concerns and therefore the going concern basis is appropriate for the preparation of the Annual Report and Accounts. A paper setting out the approach taken by the Trustees and rationale for this assessment has been prepared. In reaching this assessment the Trustees have considered the factors, risks and uncertainties that may impact the group's operations in the next year. This assessment is supported by detailed financial modelling, including the 2023/24 and 2024/25 financial plans, sensitivity analysis, and quantification of potential risks on the group's reserves and liquidity positions.

Action for Children's financial projections are reflected in the group's 2023/24 budget, and indicative forecast for 2024/25. The operating budget for 2023/24 is balanced, before investments of £4.8m in specific development projects (which have been agreed to be funded from existing unrestricted reserves).

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

The Action for Children Charity's group unrestricted reserves and cash balances are healthy, with a 31 March 2023 consolidated cash and cash equivalent balance of £20.4m (2021/22 £31.7m). Group restricted reserves stand at £18.5m (2021/22 £18.9m) with group unrestricted reserves of £62.3m (2021/22 £65.0m). Actual cashflow declined in line with the reserves-funded project investments and planned capital spend. The indicative forecast prepared for 2024/25 covers the period after March 2024, up to 12 months from expected date of signature of the financial statements, and shows an improved financial outlook with increased contribution across income streams. There are no material risks identified in 2024/25 that would impact the going concern assessment. The focus of this assessment is therefore on 2023/24, with an expectation that should risks emerge in the current financial year, these would be addressed and 2024/25 budgets adjusted to ensure our on-going financial sustainability. In summary, based on the budgets and cashflow projections prepared, and the group's healthy reserves and cash balances, the going concern basis for preparation of the financial statements is deemed appropriate.

Managing risk

Our Board of Trustees regularly consider the major risks the charity is exposed to. They make sure they are confident in our established systems and procedures in order to manage those risks effectively, in line with Action for Children's risk appetite.

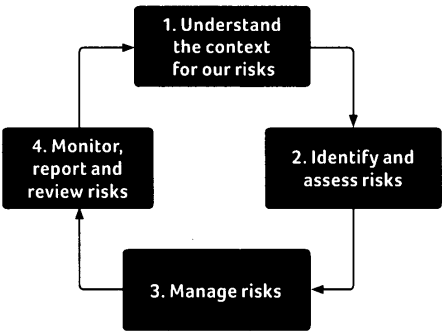
Risk management provides the framework within which Action for Children can deliver its strategic objectives.

Our approach to managing risk

Everyone at Action for Children is viewed as a 'risk manager'. Our staff, contractors, volunteers and external service providers are all critical to managing risk. We help our people to understand their risk management responsibilities with clear policies and procedures.

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

We follow a four-stage process to continuously identify, assess, manage and monitor our risks. This helps us to deliver our strategic objectives, improve performance, and maximise the value and effectiveness of the services we provide.



We are committed to ongoing improvement in our risk management processes. In 2022/23 we incorporated data on risks into our quarterly business plan reporting to the Board, and introduced active discussion of emerging risks with the Board and senior leadership at the outset of our annual planning process.

Clear accountability

Our Risk Management Policy sets out a clear governance structure, with defined roles and responsibilities for risk management.

Our Board of Trustees has overall responsibility for risk management and ensuring that an effective system of internal controls is in place.

This is supported by the activities of the Audit and Risk Committee who regularly review the charity's corporate risk register and oversee risk management and audit activity, including delivery of the Annual Internal Audit Plan.

Risk Environment

Organisational context

We protect and support children, young people and families – and their safety is our priority. Across the organisation, we continuously strive to improve our working practices and to learn lessons from both our successes and challenges. We are also taking steps to use technology to make our processes more robust and efficient, including the implementation of a new finance and people system.

Some of our services are, by nature, conducted in a high-risk environment. We know risk cannot be completely eliminated from our frontline activities but we aim to reduce risk as far as possible to keep our people and service users safe.

To support risk-based decision-making, we are evolving our risk appetite statement to include more explicit acknowledgment of variations in our risk appetite across different activities.

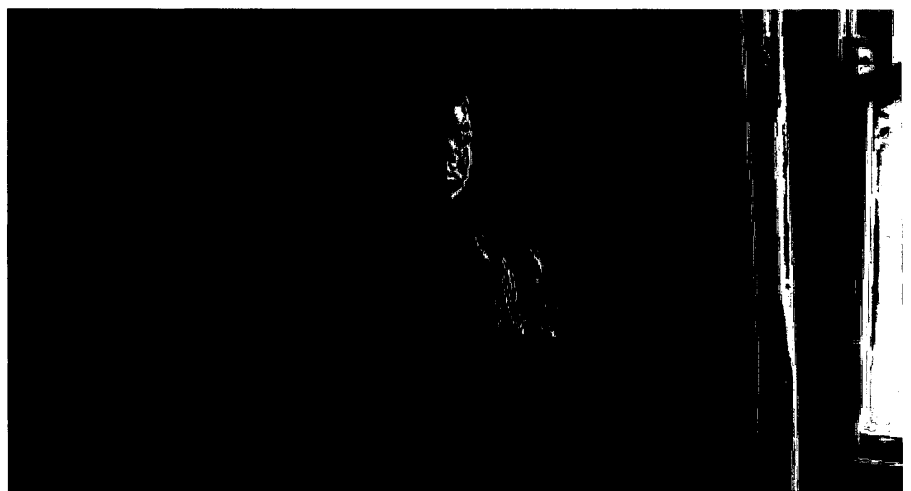
Our income is reliant on government contracts and voluntary donations. The nature of these income sources, in a competitive and highly regulated environment, increases the levels of uncertainty we operate within.

Our people are core to what we do; delivery of our impactful services depends on them. We are exceptionally proud of our experienced, passionate and dedicated staff, who worked tirelessly to support families through the pandemic and continue to support them through its aftermath and now during the cost of living crisis. Their health, safety and wellbeing is at the heart of our approach to managing risks and our 2020-23 Wellbeing Strategy.

Effective management of risks related to recruitment, retention and reward is a priority, including sustainability of salary costs.

A volatile external environment

The external environment remains challenging, with a number of significant interconnected risks. The economic outlook presents an ongoing risk to our ability to deliver services within budget as the cost of living crisis drives increased demand for services, wage inflation and increased costs in other expenditure areas such as energy. At the same time, pressures on public finances present a risk of reduced funding for children's services.



Our key stakeholders, partners and local government face similar challenges and we are campaigning, together where we can, to highlight funding gaps.

Over the past 12 months, our Executive Leadership Team have closely monitored and managed risks posed by the cost of living crisis and other external events including rising or increased running costs, potential power outages, impacts of the pandemic and the challenging UK labour market.

We remain vigilant to indicators of increased risk, including predictions for energy supplies/shortages for winter 2023/24, and changes in the funding landscape and UK labour market. We have implemented mitigating controls to minimise the impact and improve our preparedness for these scenarios. We also test our business continuity arrangements periodically and use these exercises to improve our processes and resilience.

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

Principal Risks

The principal risks to our strategic objectives are set out below. The Board of Trustees have ultimate oversight of the management of all risks, and where Board Sub-Committees have additional oversight responsibilities, this is identified.

Risk	Mitigations include	Accountability and oversight
Delivery of Strategy Risk of resource prioritisation and/or operational infrastructure not aligning with and supporting delivery of Action for Children's mission and strategic goals.	<ul style="list-style-type: none"> - Strategic goals have been defined and the strategy has been clearly communicated to all staff. - Business plans have been developed at an organisational level and within local areas setting out priorities for the year ahead alongside associated milestones and metrics. Progress against our business plans and strategic goals is regularly monitored through ELT and the Board to ensure that we are on track with delivery. - Key projects within the business plan have programme boards with oversight and escalation of issues to ELT. - The 2023/24 planning process has been oriented around the strategic goals and explicitly includes assessment of key risks. 	Accountable: CEO Overseen by: Audit and Risk Committee
Safeguarding Children and young people we support may come to harm as a result of our actions or inaction.	<ul style="list-style-type: none"> - Comprehensive safeguarding framework including clear policies, procedures, reporting mechanisms and supporting guidance. - Dedicated Safeguarding Team led by Director of Safeguarding, reporting directly to the Managing Director of Children's Services and with an additional reporting line to our designated safeguarding trustee. - Strict controls and oversight structures are in place around supervision of staff working with children. These efforts are supported by our dedicated Safeguarding Team and second line audit activity as well as our 'Safer Recruitment' procedures. - Oversight of safeguarding activities and monitoring by our Children's Services Committee, led by our Chief Executive. - Whistleblowing and serious incident procedures ensure proper investigation and reporting of any serious incidents, and Early Warning Indicator Reports help us to minimise serious incidents. - Periodic internal audit coverage of key safeguarding controls to provide independent assurance. - Formal mandatory safeguarding training for all employees and trustees, supplemented by guidance and live monthly Q&A sessions for all staff on a variety of safeguarding topics. 	Accountable: Managing Director of Children's Services Overseen by: Children's Services Committee; CEO

Risk	Mitigations include	Accountability and oversight
People and capabilities Risk of failure to attract, recruit and retain sufficient staff and skillsets resulting in gaps in capability and capacity which could prevent the delivery of our objectives and services.	<ul style="list-style-type: none"> - In-house recruitment function with clear KPIs which are reported to the Recruitment Steering Group, and included in quarterly People reporting to our Executive Leadership Team and updates to the Children's Services Committee, Governance, People and Remuneration Committee and Board. - Regular performance appraisals and a comprehensive training programme to support staff development, and Management Competency Framework and resources to enable leaders and managers to support their own development as well as their teams'. - Robust framework of policies, processes, resources and staff networks to support staff and their learning and development – aligned with external standards and accreditations including Investors in People – Silver; Disability Confident employer status; Investors in Young People – Platinum; Care Leaver Friendly Employer – Gold Partner. - 2020-23 Wellbeing Strategy with a year-by-year action plan to support the health and wellbeing of everyone at Action for Children. 	Accountable: Director of Finance Overseen by: Governance, People and Remuneration Committee; CEO
Financial sustainability Risk of failure to achieve long-term financial sustainability and/or deliver quality services with the available funding.	<ul style="list-style-type: none"> - Robust financial control and reporting framework in place to facilitate expenditure control; monitoring of liquidity and cash position and adherence to our Reserves Policy; and ongoing monitoring and reporting of business development performance and pipeline. We also use financial modelling and regularly review our forecasts and assumptions. - Contract Management Project underway to strengthen contract management processes, including processes for determining and monitoring service delivery costs. - Long-term strategy in place to address the pension deficit by 2029. Adherence to our pension fund investment strategy limits the downside risk to Action for Children in relation to our pensions liabilities and assets. - Assurance on our financial position and going concern, and risk-based internal audit coverage of financial controls; with implementation of recommendations from auditors as they arise to strengthen financial controls. 	Accountable: Director of Finance Overseen by: Finance Committee; CEO

Risk	Mitigations include	Accountability and oversight
Safe Spaces Risk of failure to ensure a safe and compliant environment for all of our people and service users.	<ul style="list-style-type: none"> - Action plan underway to address known property management challenges and strengthen processes and reporting. - Specialist Health and Safety and Property teams overseen by our dedicated Health and Safety Committee to support effective risk management and keep staff, volunteers and the people who use our services and buildings safe. - Review of Health and Safety Key Performance Indicators (KPIs) and updates at the Children's Services Committee and quarterly oversight of Health and Safety reporting at Audit and Risk Committee. - Mandatory annual Health and Safety training for all staff, with additional courses required for roles with a higher risk profile. - Health and Safety reporting system to capture risk assessments, incidents and near misses. 	Accountable: Managing Director of Children's Services Overseen by: Audit and Risk Committee; Children's Services Committee; CEO
Information and cyber security Risk of significant data protection or information security failure, including cyber-attack, resulting in data breach, disruption to operations, reputational damage and/or financial loss.	<ul style="list-style-type: none"> - Information security and data governance structures are established to manage data protection and security controls and initiatives. - Information security and data protection are included in the mandatory annual training and induction for all employees and volunteers, and compliance is monitored and reported. - Security is strengthened by our Security Operations Centre, regular penetration testing, Security Events Incident Management System, data backups, software patching and by adopting secure-by-design principles to minimise risks relating to information and cyber security attacks. - We hold Cyber Essentials Plus accreditation and are Payment Card Industry Data Security Standards compliant. 	Accountable: Director of Finance Overseen by: Audit and Risk Committee; CEO
Reputation Risk of failure to protect the charity's reputation and/or manage reputational impacts of serious or high-profile incidents.	<ul style="list-style-type: none"> - Communication plans proactively engage and share key messages with main stakeholders, including trade unions, donors, commissioners and regulators. - Action for Children Policy Framework ensures ongoing review and update of key policies including: Ethical Framework; Complaints; Data Protection; Safeguarding; Business Continuity; Serious Incident Reporting; and Whistleblowing. - Donation Acceptance and Refusal Policy scrutinises large donations prior to acceptance. The Code of Conduct policy governs behaviour when representing the charity. Celebrity relationships are closely managed to ensure they align with the charity's values. 	Accountable: Managing Director of Fundraising, Communications and Policy Overseen by: Audit and Risk Committee; CEO

Legal structure and governance

Governance at Action for Children

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

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

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

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

Our Board of Trustees

Our Board is made up of 10 trustees, listed on page 96. The Board meets six times a year and holds occasional ad-hoc meetings when necessary. Trustees visit services to get a better understanding of the work we are doing and the difference we make to children, young people and families.

All of our trustees give their time voluntarily and receive no rewards or benefits from Action for Children. They get involved because they believe in what we do and want to make a real difference.

Any expenses claimed by the trustees are set out in our financial statements. The average attendance figure of current trustees in post last year was 93%.

Board effectiveness

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

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

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

Every year the Board conducts a review of the skills of our trustees and a review of its own – and the Chair's – performance.

A Board evaluation was carried out in September 2022. This included: an assessment of the role and composition of the Board; our strategy; performance management; management of the business; talent and succession; investments; stakeholder engagement; committees; risks; Board behaviours; culture; and diversity and inclusion. The Board takes the learning forward so that it is constantly improving its effectiveness.

Diversity and inclusion

The Board believes that a balance of experience, skills, knowledge and backgrounds provides a variety of different perspectives and enhances decision-making. Each year, new trustee appointments are evaluated against the existing skills, knowledge and experience on the Board. The term 'diversity' includes the nine protected characteristics of the Equality Act 2010, as well as different backgrounds, life experiences, career paths and diversity of thought.

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

Diversity was also considered as part of the annual board evaluation process in September 2022. The Board has a dedicated Trustee Champion for diversity and inclusion.

We are working hard to create a fully inclusive culture. Our Diversity and Inclusion strategy addresses the recommendations of the Code and articulates our ambitions for the future. This includes becoming an anti-racist organisation. We worked with our staff networks on the development of the strategy and continue to monitor its implementation. You can read more on page 36.

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

Board committees

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



The Board also delegates some areas of its work to sub-committees:

Finance Committee

Oversees our finances and maintains the short and long-term viability of Action for Children. The Committee also advises the Board on appropriate financial strategy. The Investment sub-committee informs its oversight of investments.

Audit and Risk Committee

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

Governance, People and Remuneration Committee

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

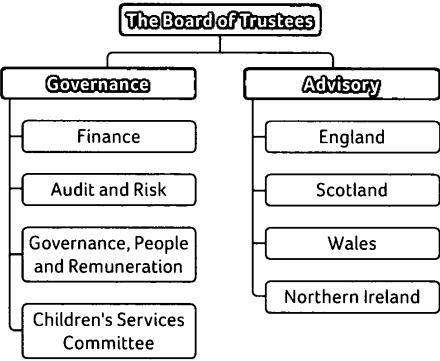
Children's Services Committee

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

The National Advisory Committees

They guide what we do in each nation and offer advice to the Board of Trustees. The Committees also help us to build deep and long-lasting connections in each of the nations we work in.

Governance framework



How we organise our work

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

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

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

Working sustainably – our carbon reporting

We are committed to sustainability

We have moved to a new provider of energy, which means that 100% of our gas and electricity usage is now fully sustainable. And all our electricity is now either solar or wind sourced.

The data reported here shows that our emissions have gone up this year. So it is important we explain why.

Firstly, we have opened new buildings and acquired others as part of our growth programme. That means that we have more buildings to heat and light than we did last year.

Secondly, our fleet emissions will have seen an increase as people travel more now that all Covid restrictions have been lifted.

And lastly, we faced a particularly cold winter last year, meaning we will have used more energy to keep our children's homes, centres, and places of work warm and safe.

But there are actions we are taking to make sure this increase is managed going forward:

- Our fleet offering is up for review soon. That means we currently have older models of cars, vans and mini buses in use. As part of that review, we will look into more sustainable options for our vehicles, such as hybrid models.

Our consumption and emission figures for the last year:

Energy type	2022/23		2021/22	
	Consumption	Emissions	Consumption	Emissions
Gas	10,217,808 KWh	1,871.49 tonnes CO2e	8,703,075 KWh	1,594.06 tonnes CO2e
Electricity	3,429,786 KWh	728.24 tonnes CO2e	2,586,682 KWh	597.78 tonnes CO2e
Fleet	105,262 Litres	262.36 tonnes CO2e	61,253.99 Litres	150.81 tonnes CO2e
Total emissions		2,862.09 tonnes CO2e		2,342.65 tonnes CO2e
Emissions offset by recycling waste		628.3 tonnes CO2e		636.7 tonnes CO2e
Net emissions		2,233.79 tonnes CO2e		1,705.95 tonnes CO2e

- We are exploring where they may be opportunities to invest in solar power at some of our properties.
- And we are continuing to work with Turner & Townsend who, as part of our partnership, are helping us to keep sustainability at the heart of our decision making when it comes to our properties. And we are also working with them to conduct an audit of our services from an environmental perspective.

Green Action staff network

Our Green Action staff network provides a knowledge sharing, informative platform for people to share and learn. The network also works to influence wider Action for Children sustainability policies, and encourage staff to take initiatives in the office and their homes. The network will be an important part of our future planning to manage our emissions and make a meaningful impact on our carbon footprint.

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

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

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

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

As part of their induction, trustees are briefed on their duties, which are fulfilled partly through the governance structure detailed on page 58.

These include embracing our vision of a safe and happy childhood for every child in the UK, and promoting our values to be passionate, ambitious, collaborative and inclusive, which are the foundation of everything we do. The Board has been working closely with our Executive Leadership Team to secure our future financial sustainability.

Engaging with our staff

Engaging with employees on a regular basis is vital. The Board and Executive Leadership Team keep in touch with staff through regular team meetings, our intranet, weekly and monthly emails, and all-staff meetings. We also hold six-monthly roadshows that give people the chance to ask questions and provide feedback. For information on how we engage with staff see page 34.



We have shared good news stories, promoted our wellbeing hub, and encouraged people to take annual leave.

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

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

This information, which reaches the Board through reports at meetings, gives the trustees an overview of our culture and how people engagement affects performance. The Governance, People and Remuneration Committee reviews feedback from staff and volunteer surveys, as well as other projects linked to wellbeing at work, equality, and diversity and inclusion to make sure that any concerns are brought to the attention of trustees. The trustee member of the Governance, People and Remuneration Committee, Lynne Atkin, is a champion of diversity and inclusion, and regularly meets with staff network groups. The Chair of the Board of Trustees also communicates with staff through email updates.

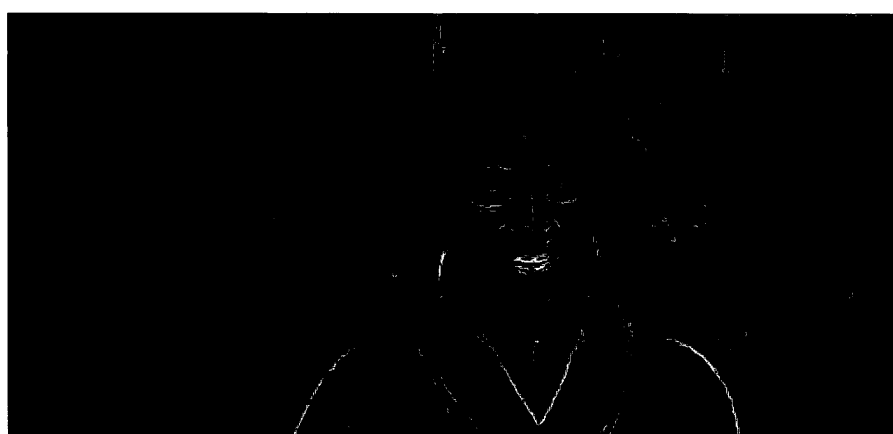
Engaging with volunteers

The trustees recognise the huge value volunteers bring in supporting projects, services and departments and engage with volunteers through our National Advisory Committees. In March 2023, our trustees held an event to strengthen their engagement with our volunteer members, centred on their experience and updating them on our strategy. This helped us to move towards our goal of 'One Action for Children' and aligning our committees behind a common direction of travel and set of priorities. This gives an insight into the work we do, our services across the nations, and the difference volunteers make. Our volunteers receive a volunteer newsletter and are supported by volunteer managers who meet regularly through our Volunteer Managers Network (read more about volunteering on page 35).

Engaging with suppliers, customers and others

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

Trustees are committed to building strong relationships with the children, young people and families we support. They are mindful that we can only be a vital lifeline if we engage effectively, collaborate and put their views at the heart of our services.



Young people, who are represented on our National Advisory Committee and Young Ambassadors Board, help us to recruit trustees and senior staff, and inform our service design and delivery and campaigns.

All of our partners are expected to comply with the requirements of any professional standards or trade bodies, as well as all applicable laws, statutes, regulations and codes of practice relating to safeguarding, anti-bribery and anti-corruption. Our Donation Acceptance Policy ensures we do not compromise our mission, values and charitable purpose when raising money. For more on our fundraising compliance, see page 57. Our vision and values are also promoted to partners and new providers to make sure they understand what we stand for as a charity.

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

The trustees also review, at their bi-monthly board meetings, financial and operational performance. They are responsible for establishing and maintaining an effective system of internal controls to detect, prevent and manage risks. They are also responsible for reviewing legal and regulatory compliance. For more on our Risk Management Framework, and how we identify and manage risks in all our activities, head to page 52.

Integrity

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

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

To make sure we meet legal and sector standards, we do not work with any organisations:

- That compromise our vision, mission values and charitable objectives.
- That conflict with our principles and policies.
- That undermine our services to children.
- That undermine our commitment to safeguarding.
- That undermine our commitment to diversity.
- That operate in markets known to damage children and families.
- That treat the environment in an unsustainable way.
- That conflict with the ethical principles developed by NCVO and the principles of the Charity Governance Code.
- Whose actions breach the UN Convention on the Rights of the Child.
- That compromise our roots in the Methodist Church.

Modern Slavery Act 2015

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

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

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

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

To achieve this last year, we:

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

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of our governing documents.

The trustees are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

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

The trustees are responsible for maintaining the integrity of the corporate and financial information included on the charitable company's website. UK legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Trustees' Annual Report (incorporating the strategic report) was approved and signed on behalf of the trustees on 27 July 2023.

DocuSigned by:

Sarika Patel
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Sarika Patel,
Chair of the Board of Trustees

Independent auditor's report

Opinion

We have audited the financial statements of Action for Children (the "charitable company") and its subsidiaries (the "group") for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Statement of Financial Position, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; the financial reporting standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2023 and of the group's 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- The parent company has not kept adequate accounting records; or
- The parent company financial statements are not in agreement with the accounting records and returns; or

- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 63, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation and employment legislation.

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

N. Hashemi

Naziar Hashemi
Senior Statutory Auditor

For and on behalf of
Crowe UK LLP
Statutory Auditor

London

Date 27 September 2023



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Consolidated statement of financial activities for the year ended 31 March 2023

(incorporating the income and expenditure account)

	Notes	2023			Restricted funds		Total funds 2023	2022			Restricted funds		Total funds 2022
		General	Designated	Total Unrestricted funds	Specific purpose	Endow-ment		General	Designated	Total Unrestricted funds	Specific purpose	Endow-ment	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Income and endowments													
Income from donations and legacies	3	12,544	-	12,544	6,030	-	18,574	9,922	-	9,922	6,313	-	16,235
Investment income		1,250	-	1,250	92	-	1,342	842	-	842	77	-	919
Income from charitable activities:													
Family Support		31,701	-	31,701	21	-	31,722	30,572	-	30,572	-	-	30,572
Children In Care		34,989	-	34,989	159	-	35,148	27,291	-	27,291	-	-	27,291
Disabled Children & Young People		26,637	-	26,637	100	-	26,737	36,089	-	36,089	-	-	36,089
Mental Health & Wellbeing		36,146	-	36,146	104	-	36,250	31,455	-	31,455	-	-	31,455
		129,473	-	129,473	384	-	129,857	125,407	-	125,407	-	-	125,407
Other income													
Net loss on disposal of fixed assets		14	-	14	-	-	14	(27)	-	(27)	-	-	(27)
Government grants		-	-	-	-	-	-	114	-	114	-	-	114
Total income and endowments		143,281	-	143,281	6,506	-	149,787	136,258	-	136,258	6,390	-	142,648
Expenditure													
Expenditure on raising funds	4,5	6,329	-	6,329	-	-	6,329	5,311	-	5,311	-	-	5,311
Expenditure on charitable activities													
Family Support		35,063	-	35,063	1,473	-	36,536	32,239	-	32,239	1,325	-	33,564
Children In Care		34,658	-	34,658	2,220	-	36,878	27,361	-	27,361	329	-	27,690
Disabled Children & Young People		29,211	-	29,211	340	-	29,551	36,801	-	36,801	1,816	-	38,617
Mental Health & Wellbeing		37,228	-	37,228	2,246	-	39,474	31,669	-	31,669	1,987	-	33,656
Campaigning & Public Policy		611	-	611	11	-	622	516	-	516	-	-	516
		136,771	-	136,771	6,290	-	143,061	128,586	-	128,586	5,457	-	134,043
Total expenditure		143,100	-	143,100	6,290	-	149,390	133,897	-	133,897	5,457	-	139,354
Net (loss)/gain on investments	9	(1,058)	-	(1,058)	-	(664)	(1,722)	534	-	534	-	851	1,385
Net (loss)/income for the year before transfers		(877)	-	(877)	216	(664)	(1,325)	2,895	-	2,895	933	851	4,679
Transfers between funds	14	(4,708)	4,708	-	-	-	-	1,022	(1,030)	(8)	8	-	-
Net (loss)/income for the year before other recognised gains and losses		(5,585)	4,708	(877)	216	(664)	(1,325)	3,917	(1,030)	2,887	941	851	4,679
Other recognised losses													
Actuarial loss on pension liability		(1,893)	-	(1,893)	-	-	(1,893)	(3,047)	-	(3,047)	-	-	(3,047)
Net movement in funds		(7,478)	4,708	(2,770)	216	(664)	(3,218)	870	(1,030)	(160)	941	851	1,632
Funds brought forward	14	27,292	37,780	65,072	7,262	11,687	84,021	26,422	38,810	65,232	6,321	10,836	82,389
Funds carried forward		19,814	42,488	62,302	7,478	11,023	80,803	27,292	37,780	65,072	7,262	11,687	84,021

Action for Children financial statements for the year ended 31 March 2023

Statement of Financial Position as at 31 March 2023

	Notes	Group		Charity	
		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	7	22,309	17,497	22,309	17,497
Intangible fixed assets	8	644	873	644	873
Investments	9	39,565	41,346	28,282	29,400
		62,518	59,716	51,235	47,770
Current assets					
Debtors	10	20,483	18,608	12,635	11,629
Notice deposits		13,734	18,359	13,269	18,024
Cash		6,632	13,375	5,875	11,244
		40,849	50,342	31,779	40,897
Creditors: amounts falling due within one year	11	(20,306)	(23,705)	(11,827)	(14,512)
Net current assets		20,543	26,637	19,952	26,385
Total assets less current liabilities		83,061	86,353	71,187	74,155
Provisions for liabilities	12	(2,258)	(2,332)	(2,258)	(2,332)
Net assets		80,803	84,021	68,929	71,823
Funds	14				
Restricted funds:					
Endowments		11,023	11,687		
Specific purpose		7,477	7,262	7,191	7,068
Total restricted funds		18,500	18,949	7,191	7,068
Unrestricted funds:		62,303	65,072	61,738	64,755
Total funds	14,15	80,803	84,021	68,929	71,823

These accounts were approved by the Board of Trustees on 27 July 2023 and signed on its behalf.

DocuSigned by:

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 Sarika Patel
 Chair

DocuSigned by:

 FE9F84653A10421...
 Peter Curran
 Trustee

Company number 04764232

Action for Children financial statements for the year ended 31 March 2023

Consolidated cash flow statement

	Group	
	2023	2022
	£'000	£'000
Net cash outflow from operating activities (below)	(7,506)	(471)
Cash flows from investing activities:		
Interest received	155	4
Dividends received	541	444
Rental income from investment properties	646	471
Proceeds of sale of tangible fixed assets	701	393
Proceeds of sale of investment properties	-	1,305
Purchase of tangible fixed assets	(5,965)	(804)
Proceeds of sale of investments	570	400
Purchase of investments	(510)	(400)
Net cash provided by/(used in) investing activities	(3,862)	1,813
Change in cash and cash equivalents in the year	(11,368)	1,342
Cash and cash equivalents brought forward as at 1st April	31,734	30,392
Cash and cash equivalents carried forward as at 31 March	20,366	31,734

Reconciliation of net expenditure to net cash outflow from operating activities

	2023	2022
	£'000	£'000
Net (expenditure)/income for the year (as per the statement of financial activities)	(1,325)	4,679
Adjustments for:		
Depreciation and amortisation charges	695	890
Net (loss)/gains on investments	1,722	(1,385)
Investment income	(1,342)	(919)
Net (gains)/loss on disposal of tangible fixed assets	(14)	27
Pension current service and administration cost	1,458	1,272
Pension employer contributions	(3,351)	(4,319)
Decrease in debtors	(1,876)	55
(Decrease)/increase in creditors	(3,399)	(221)
(Decrease)/increase in provision for liabilities	(74)	(550)
Net cash inflow/(outflow)	(7,505)	(471)

Analysis of cash and cash equivalents

	2023	2022
	£'000	£'000
Cash in hand	6,632	13,375
Notice deposits (less than 3 months)	13,734	18,359
Total cash and cash equivalents	20,366	31,734

Analysis of changes in net debt

	2023	2022
	£'000	£'000
Total cash and cash equivalents b/fwd	31,734	30,392
Cashflows	(11,368)	1,342
Total cash and cash equivalents b/fwd	20,366	31,734

Notes to the financial statements

1. Basis of preparation

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

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

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

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

Going concern

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

The Trustees have approved a balanced operating budget for the 2023/24 financial year (before investments in growth plans and infrastructure projects), and reviewed indicative forecasts for the 2024/25 financial year. Scenario modelling has been undertaken to assess risks to the budget and forecasts, including impacts of cash and reserves positions. The Group has a strong balance sheet with unrestricted reserves at 31 March 2023 of £62.3 million (2022 £65.1 million) with anticipated substantial cash balances in the period. The Trustees are satisfied that the current financial strength of cash balances and reserves will allow timely remedial actions to be taken as necessary to minimise impact.

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

2. Accounting policies

The principal accounting policies applied in the preparation of the Group and Charity financial statements are set out below.

Basis of consolidation

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

Accounting estimates and judgements

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

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

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

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

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

Income

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

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

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

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

Expenditure

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

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

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

Governance costs

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

Retirement benefits

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

The costs of providing defined benefit pensions are treated in accordance with FRS 102. The following elements are charged to the SOFA: the service cost of pension provision relating to the period, together with the costs of any benefits relating to past service (allocated to staff costs); the pension finance cost, which is a charge equal to the increase in the present value of the pension fund's liabilities at the previous year end, less a credit equivalent to the pension fund's long-term expected return on assets; and the actuarial gain or loss on the pension fund's assets and liabilities (allocated to other recognised and the actuarial gain or loss on the pension fund's assets and liabilities (allocated to other recognised present value of accrued pension liabilities is shown as an asset or liability on the balance sheet, except that an asset is only recognised where the Charity has the sole right to determine the use of surplus of assets over liabilities.

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

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

Leases

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

Value Added Tax

As part of Action for Children's activities is classified as exempt or non-business activities for the purposes of VAT, Action for Children is unable to reclaim all the VAT that it suffers on its operating costs. Expenditure in these financial statements is therefore shown inclusive of VAT paid and not reclaimable.

Funds

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

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

The fair value reserve is the amount by which the fair value of investments exceeds their historical cost (excluding the endowment funds).

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

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

Tangible fixed assets

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

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

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

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

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

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

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

Intangible fixed assets

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

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

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

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

Investments

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

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

Gains or losses arising during the year are disclosed in the consolidated statement of financial activities within other recognised gains and losses in the year and in note 9.

Cash equivalents

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

Debtors

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

Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amounts after allowing for trade discounts due.

Cashflow

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

Government grants

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

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

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

3. Income and endowments

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

Donations and legacies	Group	
	2023	2022
	£'000	£'000
Donations	13,934	12,364
Legacies	4,640	3,871
	18,574	16,235

Specific purpose receipts included above are £6,030,000 for donations (2022: £6,313,000).

Trustee donations during the year were £2,975 (Sarika Patel- Boycott your Bed campaign); £25 per month (Leslie Evans) and Secret Santa donation (Charles Geekie).

Charity income

Total incoming resources for the charity were £134,227,000 (2022: £127,770,000). The net deficit for the charity was (£2,893,000) (2022: surplus £759,000).

Gift Aid payments received are included under Donations. Management fees received are included under Income from Charitable Activities in the Charity Statement of Financial Activities.

Subsidiaries and associated charities

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

A summary of the results for the year ended 31 March 2023 is given below:

	Trading subsidiaries				Associated charities			
	Services	Trading	OSCARS	Developments	NCH	Nicholas Galperin	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	66,760	-	2,110	13,770	-	-	82,640	77,591
Cost of sales	(65,031)	-	(1,612)	(11,666)	-	-	(78,309)	(73,764)
Gross profit	1,729	-	498	2,104	-	-	4,331	3,827
Charitable activities	-	-	-	-	-	(117)	(117)	(96)
Administration costs	(22)	-	(198)	(1,844)	2	-	(2,062)	(2,128)
Surplus/(deficit) on ordinary activities before investment income	1,707	-	300	260	2	(117)	2,152	1,603
Investment income	-	-	-	-	192	119	311	278
Net (losses)/gains on investment assets	-	-	-	-	(423)	(242)	(665)	850
Surplus/(deficit) on ordinary activities before tax	1,707	-	300	260	(229)	(240)	1,798	2,731
Tax on ordinary activities	-	-	-	-	-	-	-	-
Retained earnings brought forward	-	-	-	(297)	8,037	4,347	12,087	11,263
Donations under Gift Aid	(1,707)	-	(300)	-	-	-	(2,007)	(1,906)
Retained earnings carried forward	-	-	-	(37)	7,808	4,107	11,878	12,088

3. Income and endowments (continued)

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

	Trading subsidiaries				Associated charities			
	Services	Trading	OSCARS	Developments	NCH	Nicholas Galperin	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets					7,173	4,110	11,283	11,947
Current assets	10,881	-	1,156	1,255	637	465	14,394	14,027
Creditors	(10,881)	-	(1,156)	(1,292)	(2)	(468)	(13,799)	(13,886)
Net assets	-	-	-	(37)	7,808	4,107	11,878	12,088

Investment income

	Group	
	2023	2022
	£'000	£'000
CFB funds – UK	480	407
CFB funds – overseas	61	37
Interest income	155	4
Income from securities	696	448
Rental income from investment properties	646	471
	1,342	919

Government grants

	Group	
	2023	2022
	£'000	£'000
Government Job Retention Scheme	-	114
Department for Education	-	-
	-	114

4. Expenditure

	2023			2022		
	Direct costs	Support costs	Total	Direct costs	Support costs	Total
Group	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds						
Donations	5,492	532	6,024	4,493	614	5,107
Legacies	237	16	252	133	19	152
	5,729	548	6,277	4,626	633	5,259
Investment management costs	52	-	52	52	-	52
	5,781	548	6,329	4,678	633	5,311
Expenditure on charitable activities						
Family Support	31,638	4,898	36,536	29,544	4,020	33,564
Children In Care	34,005	2,873	36,878	25,052	2,638	27,690
Disabled Children & Young People	25,205	4,346	29,551	34,452	4,165	38,617
Mental Health & Wellbeing	35,573	3,901	39,474	30,992	2,664	33,656
Campaigning & Public Policy*	581	41	622	473	43	516
	127,002	16,059	143,061	120,513	13,530	134,043
Total expenditure	132,783	16,607	149,390	125,191	14,163	139,354

The charity's policy is to allocate support costs of various functions to the activities above based on the costs of those activities. Support costs by category include Technology £7.2m, Property £3.2m, Finance £2.3m, Strategy £0.8m, HR £1.1m, Other £2.2m. Details of governance costs are detailed later in this note.

Trustee costs

Three trustees were reimbursed travel expenses totalling £1,235 (2022 two recipients of £270).

The charity purchased insurance for trustees and officers during the year to indemnify them against possible liabilities incurred by them in relation to their duties. The cost of this insurance was £5,426 (2022: £2,296).

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

	2023	2022
	£'000	£'000
Fees payable to the auditors of Action for Children		
In respect of the charity audit	85	91
In respect of subsidiary and associated trust audits	26	26
	111	117
In respect of certificates for project partners	-	-
In respect of tax and other advice	-	-
Value added tax		
As stated in the accounting policy, Action for Children is unable to reclaim all the value added tax which it suffers on its purchases of goods and services. During the year the cost of irrecoverable value added tax amounted to:	2,301	1,780
Rentals under operating leases		
Plant and machinery	6	15
Land and buildings	2,224	1,866
	2,230	1,881
Depreciation	695	890
Governance costs		
Staff costs	506	439
Internal and external audit fees	221	178
Legal fees	75	81
Other costs	70	24
	872	722

Governance costs are included within support costs.

5. Employees' emoluments

Staff costs comprise:	2023	2022
	£	£
Wages and salaries	90,929	84,447
Redundancy costs	67	763
Termination payments	-	-
Temporary staff costs	2,767	2,385
Social security costs	7,784	6,828
Commercial Director	426	398
Action for Children Pension Fund – defined benefit current service cost	-	8
Action for Children Pension Fund – defined contribution cost	4,048	3,722
Teachers', Local Government Pension Schemes and NHS Pension Fund contributions	559	463
	106,580	99,014

Included in the redundancy costs is £0 (2022 £359,999) of ex gratia redundancy payments made in line with Action for Children's redundancy policy. Such payments are made at the discretion of senior management and are non-contractual.

Other than the Action for Children Pension Fund, the charity participates in a number of defined benefit schemes, where the accounting treatment is as for defined contribution plans.

The Teachers' Pension Scheme and the NHS Pension Fund are unfunded schemes. Liabilities in addition to ongoing contributions potentially arise with redundancy or early retirement. But that is a risk controlled by the charity, and provision is made for the full liability if the occurrence arises.

The charity also has admitted body status in various Local Government Pension Schemes (LGPS), which may potentially carry a risk to the charity. Action for Children ensures that potential risks outside its control are passed back to the relevant local authority. This is in line with the Department for Communities and Local Government guidance dated December 2009: "Admitted body status provisions in the Local Government Pension Scheme when services are transferred from a local authority or other scheme employer." The local authority retains the actuarial, mortality, inflation, regulatory changes, discount rate and investment return risks.

The average number of employees during the year was:	2023	2022
	No.	No.
Fundraising	151	137
Charitable activities	4,061	4,178
Support services	217	183
	4,429	4,498
Number of full time equivalents at year end	3,128	3,133

The number of staff whose emoluments fell within each of the following bands was:	2023	2022
£60,001 to £70,000	27	17
£70,001 to £80,000	19	22
£80,001 to £90,000	4	3
£90,001 to £100,000	3	3
£110,001 to £120,000	2	1
£120,001 to £130,000	1	1
£130,001 to £140,000	1	2
£150,000 to £160,000	1	1

Of the staff listed above, 54 were accruing benefits under the Action for Children Pension Fund defined contribution section (in 2022 it was 47). The amount of contribution paid in respect of these staff to the scheme was £191,848 (2022 £191,848).

The total emoluments paid in 2022/23 and the current annual salaries of existing key management personnel are shown below. In the bandings above, where these staff are also included, the required definition of emoluments is total gross pay plus any benefits in kind. The analysis below also includes employer pension and national insurance contributions and termination payments.

	Total emolument 2022/23	Current annual salary
	£	£
Chief Executive Officer – started 06/03/2023	12,759	10,798
Chief Executive Officer – left 05/03/2023	179,659	157,833
Managing Director – Children's Services	152,347	134,000
Managing Director Fundraising, Communications and Policy – started 05/09/2022	81,303	68,667
Managing Director Fundraising, Communications and Policy – left 02/10/2022	82,587	64,149
Chief Financial Officer	153,415	126,933
Chief People Officer	116,598	97,850
Commercial Director	96,991	81,400
	875,659	741,630

The total cost of key management personnel was £875,659 (2022 £827,120)

6. Pensions

Action for Children provides pension benefits mainly through the Action for Children Pension Fund. The assets of the Pension Fund are held in a separate trustee administered fund. Current staff are members of the defined contribution section of the Pension Fund, into which new employees are auto-enrolled.

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

Membership of the Pension Fund at 31 March 2023 was:	2023	2022
Active members – defined benefit section	-	-
Active members – defined contribution section	2,990	2,922
	2,990	2,922
Deferred members	9,467	8,988
Pensioner members	2,978	2,881
	15,435	14,791

As at 31 March 2023, there were no active members still accruing benefits under the defined benefit section.

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

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

Further, Action for Children pays a 2% contribution for all active members into the defined benefit section to cover death in service and to meet the administration costs of the Pension Fund. The total employer contribution to the defined benefits section of the Action for Children Pension Fund for the year was £3,319,000 (2022 : £4,319,000).

UK legislation requires that pension schemes are funded prudently. The last agreed triennial funding valuation of the fund was carried out by a qualified actuary as at 31 March 2021 and shows a deficit of £60.2m (on the Trustees sustainable target basis). The deficit recovery plan, accepted by the Pensions Regulator, is underpinned by a Memorandum of Understanding to regularly communicate and share information between the employer and the Pension Fund. Action for Children has paid deficit contributions of £1.67m for the year to 31 March 2023. The deficit reduction contributions are reflected in the charity's business plans and the assessment of the charity's reserves policy.

In addition there is a charge in favour of the Pension Fund over certain assets owned by Action for Children in the event of default. The Memorandum of Understanding includes agreement that up to 50% of the proceeds from sale of the properties owned by the charity is to be paid to the Pension Fund if the proceeds are not invested by the Charity within an agreed period.

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

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

The FRS 102 position shown below is a surplus of £37.1m a funding level of 108%. The ongoing valuation basis is used in agreeing contribution levels and the recovery plan. Although movements in the FRS 102 valuation show in the statement of financial activity and feed through to the balance sheet total, they do not change the general fund. It is the general fund that is directly linked to the reserve policy and important in assessing the charity's ability to manage its future operations. The deficit contributions are reflected in the charity's business plans and the assessment of the charity's reserve policy.

FRS 102 valuation

Under FRS 102 the amount of any surplus should be restricted so that it is no more than the economic benefits that could be realised by the Charity, either in the form of future refunds or reductions in future contributions. As the Charity does not have an unconditional right to the surplus arising on the FRS 102 valuation of the pension fund, the surplus of £37.1m (shown below), has not been recognised in the financial statements.

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

6. Pensions (continued)

Financial assumptions % pa	2023	2022
Inflation - RPI	3.30	3.60
Inflation - CPI	2.50	2.80
Rate of increase in salaries	2.00	2.00
RPI min 0%	3.35	3.60
RPI min 0% max 2.5%	2.05	2.30
CPI min 0% max 3%	2.00	2.30
Discount rate	4.75	2.75

The duration of the Fund is approximately 16 years based on initial results of the 31 March 2021 funding valuation.

Demographic assumptions	Value at 2023	Value at 2022
Mortality base table adopted	S3 tables (S3MA for males, S3PFA_M for females) and scaling factors of 116% for male non-pensioners, 111% for female non-pensioners and 106% for female non-pensioners and 106% for pensioners	S3 tables (S3MA for males, S3PFA_M for females) and scaling factors of 110% for male non-pensioners, 105% for female non-pensioners and 100% for pensioners
Mortality future improvements adopted	Improvements in line with CMI 2021, with a smoothing parameter of 7.0, an initial improvements parameter of 0.5 for males and females, and a long term rate of improvement of 1.5% pa	Improvements in line with CMI 2021, with a smoothing parameter of 7.0, an initial improvements parameter of 0.5 for males and females, and a long term rate of improvement of 1.5% pa
Life expectancy for male currently aged 60	26.9	27.3
Life expectancy for female currently aged 60	29.0	29.3
Life expectancy at 60 for male currently aged 40	28.1	28.4
Life expectancy at 60 for female currently aged 40	30.5	30.8
Transfer take-up	Nil	Nil
GMP equalisation	0.8% allowance included in the Defined Benefit Obligation (DBO) reflecting Aon's best estimate in respect of the cost of GMP equalisation (regardless of actual method being implemented)	0.3% allowance included in the Defined Benefit Obligation (DBO) reflecting Hymans Robertson's best estimate in respect of the cost of GMP equalisation (regardless of actual method being implemented)
Cash commutation	Pre 2002/Post 2002 members assumed to exchange 20%/5% of their pension for a cash lump sum at retirement	Pre 2002/Post 2002 members assumed to exchange 20%/5% of their pension for a cash lump sum at retirement

The mortality assumptions are based on the recent actual mortality experience of Fund members and allow for expected future improvements in mortality rates.

6. Pensions (continued)

Balance sheet position

	2023		2022	
	Value	Asset allocation	Value	Asset allocation
	£'000	%	£'000	%
Alternatives	153,200	%	162,300	23.6
Loans	324,300	30.8	517,800	75.3
Cash	19,987	65.2	7,408	1.1
Equity securities	-	4.0	-	-
Other	-	-	-	-
Total fair value of assets	497,487	-	687,508	-
Actuarial value of liabilities	(460,396)	100.0	(606,189)	100.0
Surplus for FRS 102 purposes	37,091	-	81,319	-
Derecognition of surplus	(37,091)	-	(81,319)	-
	-	-	-	-

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

Analysis of amounts charged to the Statement of Financial Activities

	2023	2022
	£'000	£'000
Service Cost		8
Current service cost	-	-
Past service cost (including curtailments)	-	-
Settlement cost	-	1,264
Administration expenses	1,458	-
Interest on net defined benefit liability/(assets)	-	-
Financing Cost		
Pension expense recognised in profit and loss	1,458	1,272
Return on Fund assets (in excess of)/below that recognised in net interest	189,963	(19,787)
Liability (gains)/losses arising during the year	(141,579)	(22,270)
Change in effect of the asset ceiling	(46,491)	45,104
Total recognised actuarial (loss)	1,893	3,047

6. Pensions (continued)

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

	2023			2022		
	Assets	Liabilities	Fund	Assets	Liabilities	Fund
	£'000	£'000	£'000	£'000	£'000	£'000
Assets/(liabilities) at the start of the year	687,508	(606,189)	81,319	669,999	(634,542)	35,457
Interest income (expense)	18,671	(16,408)	2,263	13,586	(12,828)	758
Current service cost	-	-	-	-	(8)	(8)
Administration costs	-	(1,458)	(1,458)	-	(1,264)	(1,264)
Past service cost (including curtailments)	-	-	-	-	-	-
Contributions by Fund participants	-	-	-	-	-	-
Contributions by the employer	3,351	-	3,351	4,319	-	4,319
Actuarial gain/(loss)	(189,963)	141,579	(48,384)	19,787	22,270	42,057
Net benefits paid out	(22,080)	22,080	-	(20,183)	20,183	-
Assets/(liabilities) at the end of the year	497,487	(460,396)	37,091	687,508	(606,189)	81,319

6. Pensions (continued)

Actual Return On Fund Assets

	2023	2022
	£'000	£'000
Interest income on fund assets	18,671	13,586
Remeasurement gain/loss on fund assets	(189,963)	19,787
Actual return on fund assets	(171,292)	33,373

Sensitivity of the Pension Fund liabilities

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

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

	Change	New value
	£000s	£000s
Following a 0.5% p.a. decrease in the discount rate		
Assets of the Fund at 31 Mar 2023	-	497,487
DBO at 31 Mar 2023	(32,000)	(492,396)
Surplus/(deficit) at 31 Mar 2023	(32,000)	5,091
Following a 0.5% p.a. decrease in the inflation assumption		
Assets of the Fund at 31 Mar 2023	-	497,487
DBO at 31 Mar 2023	(27,604)	(488,000)
Surplus/(deficit) at 31 Mar 2023	(27,604)	9,487
Following a one-year increase in life expectancy		
Assets of the Fund at 31 Mar 2023	-	497,487
DBO at 31 Mar 2023	(14,370)	(474,766)
Surplus/(deficit) at 31 Mar 2023	(14,370)	22,721

7. Tangible fixed assets

Group and charity	Assets in the course of construction	Freehold land and buildings	Leasehold land and buildings	Computers and equipment	Furniture and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2022	1,437	25,454	3,816	13,969	3,457	1,754	49,887
Additions	5,202	637	-	25	58	15	5,937
Transfers	(645)	645	-	-	-	-	-
Disposals	(42)	(600)	-	-	-	-	(642)
At 31 March 2023	5,952	26,136	3,816	13,994	3,515	1,769	55,182
Depreciation							
At 1 April 2022	-	10,162	3,177	13,858	3,451	1,742	32,390
Charges for year	-	375	87	43	3	7	515
Disposals	-	(32)	-	-	-	-	(32)
At 31 March 2023	-	10,505	3,264	13,901	3,454	1,749	32,873
Net book value:							
At 31 March 2023	5,952	15,631	552	93	61	20	22,309
At 31 March 2022	1,437	15,292	639	111	6	12	17,497

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

The cost of the land, which is not depreciated, was £3,757,320 (2022 £4,709,000).

Of the total cost or valuation of leasehold land and buildings £2,415,000 (2022 £2,253,000) relates to leases due to expire within 50 years or less.

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

Capital commitments for contracts placed in respect of capital expenditure less amounts incurred to 31 March 2023 amounted to £626,000 (2022 £1,908,000).

Commitments to operating lease payments were:

	2023	2022
	£'000	£'000
Within one year	729	740
Between one and five years	1,081	1,377
After five years	140	99
	1,950	2,216

8. Intangible fixed assets

Group and charity	2023	2022
	£'000	£'000
At 1 April	874	1,216
Goodwill written off during the year	(50)	(114)
Depreciation charged for the year	(180)	(229)
Net book value at 31 March	644	873

9. Investments

Value at 31 March	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Securities				
Units in funds managed by the Central Finance Board of the Methodist Church:				
CFB UK equity fund	3,510	4,233	3,510	4,233
CFB overseas fund	4,023	4,002	4,023	4,002
CFB gilt fund	492	333	492	333
CFB corporate bond fund	1,237	1,043	1,237	1,043
CFB short fixed interest fund	1,387	1,489	1,387	1,489
CFB managed fund	11,283	11,946	-	-
CFB inflation linked	-	-	-	-
CFB deposit fund	1,788	2,008	1,788	2,008
	23,720	25,054	12,437	13,108
Unlisted equities	5	5	5	5
	23,725	25,059	12,442	13,113
Investments in subsidiaries	-	-	-	-
	23,725	25,059	12,442	13,113
Investment properties	15,840	16,287	15,840	16,287
Total investments	39,565	41,346	28,282	29,400

All investments are held in the UK.

Investments are valued at current market value, but where listed shares have a limited market their fair value is reviewed. Unlisted investments are valued at cost or, if donated to Action for Children, at valuation at the time of donation.

Investments in subsidiaries are valued at the higher of cost and estimated value at the time of acquisition less any diminution in value.

Investment properties are valued at the end of each year on the basis of open market value, by external firms of chartered surveyors.

The historical cost or earliest known valuations of investments held at 31 March 2023 were:

Securities £13,182,873 (2022 £13,022,883)

Investment properties £6,060,018 (2022 £6,349,000)

Investment gains and losses	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Securities				
Market value at 1 April	25,059	23,757	13,113	12,662
Acquisitions during the year	510	400	510	400
Sale proceeds of disposals during the year	(570)	(400)	(570)	(400)
Net investment losses in SOFA - realised	0	-	-	-
Net investment gains/(losses) in SOFA - unrealised	(1,274)	1,302	(611)	451
Market value at 31 March	23,725	25,059	12,442	25,059
Investment properties				
Market value at 1 April	16,287	17,454	16,287	17,454
Reclassification from fixed assets at book value	-	-	-	-
Sale proceeds of disposals during the year	-	(1,305)	-	(1,305)
Net investment losses in SOFA - realised	-	55	-	55
Net investment gains in SOFA - unrealised	(447)	83	(447)	83
Market value at 31 March	15,840	16,287	15,840	16,287

The investment property revaluations as at 31 March 2023 are on the basis of independent valuations carried out by Sanderson Weatherall. The valuations were conducted on the basis of fair value in use.

Investments in subsidiaries

- (i) Action for Children Services Limited is a wholly owned company registered in England and Wales handling the primary purpose trading activities of Action for Children. The investment comprises shares at a cost of £100 (2022 £100). The company registration number is 02332388.
- (ii) Action for Children Trading Limited is a wholly owned company registered in England and Wales handling fundraising trading activities of Action for Children. The investment comprises shares at a cost of £100 (2022 £100). The company registration number is 03776025.
- (iii) Action for Children Developments Limited is a wholly owned company registered in England and Wales handling nursery and new developmental activities of Action for Children. It is limited by guarantee. The company registration number is 06842765.
- (iv) Out of School Scotland Limited is a wholly owned company registered in Scotland and provides holiday camps and after school clubs. The investment comprises one hundred shares at a nominal value of £100 (2022 £100). The company registration number is SC264619.
- (v) Action for Children (Scotland) Limited is a wholly owned company registered in Scotland. The investment comprises one share at a cost of £1 (2022 £1) and it has not traded. The company registration number is SC526474.
- (vi) Action for Children (Wales) Limited is a wholly owned company registered in England and Wales. The investment comprises one share at a cost of £1 (2022 £1) and it has not traded. The company registration number is 10011497.
- (vii) Action for Children (Northern Ireland) Limited is a wholly owned company registered in Northern Ireland. The investment comprises one share at a cost of £1 (2022 £1) and it has not traded. The company registration number is NI638222.
- (viii) St Barts Day Nurseries Limited is a wholly owned company registered in England and Wales. The company registration number is 11010289. The company has not traded since incorporation. (ix) Cairdretir Company Limited is a wholly owned company limited by guarantee in the Republic of Ireland. The company registration number is 669758. The company has not traded since incorporation.

10. Debtors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade receivables	13,187	12,948	2,960	3,964
Prepayments	1,253	837	1,174	793
Accrued income	5,961	4,600	4,926	3,352
Amounts owed by subsidiary undertakings	-	(29)	3,540	3,460
Other	82	252	35	60
	20,483	18,608	12,635	11,629

11. Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade payables	1,613	954	1,313	943
Tax and Social Security	3,809	4,030	3,656	3,840
Other creditors	1,316	2,938	723	2,247
Accruals	3,635	4,513	3,309	3,640
Deferred income	9,933	11,299	2,826	3,842
Amounts owed to subsidiary undertakings	-	(29)	-	-
	20,306	23,705	11,827	14,512

The group deferred income balance has moved as follows during the year 2022/23

	£'000
Balance at 1 April 2022	11,299
Released during the year	(1,922)
Provided at 31 March 2023	556
Balance at 31 March 2023	9,933

12. Provisions for liabilities

Group and charity

	Onerous leases	Dilapidations	Redundancies	Total
	£'000	£'000	£'000	£'000
At 1 April 2022	606	1,398	328	2,332
Additional provision in the year	-	394	-	394
Provision utilised	(91)	(49)	(328)	(468)
At 31 March 2023	515	1,743	-	2,258

13. Analysis of group net assets between funds

	Fund balances at 31 March 2023 are represented by:					2022				
	Restricted		Unrestricted		Group balance sheet total	Restricted		Unrestricted		Group balance sheet total
	Endowment funds	Specific purpose funds	Designated funds	General Fund		Endowment funds	Specific purpose funds	Designated funds	General Fund	
Tangible fixed assets	-	-	22,309	-	22,309	-	-	17,497	-	17,497
Intangible fixed assets	-	-	-	644	644	-	-	-	873	873
Investments	11,023	-	20,179	8,363	39,565	11,687	-	20,283	9,376	41,346
Debtors	-	-	-	20,483	20,483	-	-	-	18,608	18,608
Cash and short term deposits	-	7,477	-	12,889	20,366	-	7,262	-	24,472	31,734
Other liabilities and provisions	-	-	-	(22,564)	(22,564)	-	-	-	(26,037)	(26,037)
Total funds	11,023	7,477	42,488	19,815	80,803	11,687	7,262	37,780	27,292	84,021

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

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

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

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

For the capital fund this is principally depreciation, offset by new purchases, and the release of the provision for capital grants. The charged asset fund is the value of the charity assets charged to the Pension Fund less the value of operational properties which are already part of the capital fund.

14. Group statement of fund movements

	2023					
	Brought forward	Income	Expenditure	Transfers	Gains and losses	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment funds						
Annual Income fund	3,312	-	-	-	(184)	3,128
Lincoln City & County Home	100	-	-	-	(6)	94
Nicholas Galperin Trust	4,094	-	-	-	(242)	3,852
Scholarship fund	479	-	-	-	(26)	452
Sheila Mildred Gage	17	-	-	-	(1)	16
Sidney Charles Salter	405	-	-	-	(23)	382
St Leonard's Convalescent Home	3,280	-	-	-	(182)	3,098
	11,687	0	0	0	(665)	11,023
Corporate partners						
Advent International - support for Emergency Fund, ParentTalk and the Sandwell Family Partners	51	-	-	20	-	71
CBRE - corporate partnership funding programmes supporting young people in foster care	316	16	(106)	-	-	226
Dell (Inspire IT) - corporate partnership funding a digital inclusion programme	224	201	(101)	-	-	324
FirstGroup - corporate partnership funding mental health support	175	47	(137)	-	-	85
Iceland - support for our Christmas Emergency Fund	-	408	(408)	-	-	-
John Lewis Partnership - supporting children and young people in care	-	639	(120)	-	-	519
Royal Mail (The Blues Programme) - funding for the 'Blues' mental health programme	188	3	(115)	(43)	-	33
Trusts and Statutory funders						
Big Lottery Fund - note 16 - (The National Lottery Community Fund) - TNLCF support a range of AFC programmes	907	1,117	(1,571)	2	-	455
CAF Covid Relief Fund - three-year programme to support young carers	493	671	(608)	10	-	566
Devon County Council	209	232	(304)	-	-	137
Inspiring Scotland - Youth Action Fund	-	188	(67)	-	-	121
Moondance Foundations - programme supporting girls and young women in Pembrokeshire	34	80	(102)	-	-	12
Nominet - Big Welcome digital programme	45	13	(59)	-	-	(1)
Robertson Trust - STAY programme	-	164	(200)	53	-	17
South Wales Police and Crime Commissioner	85	133	(103)	-	-	115
Sport England - programme supporting children and families through access to sport	-	206	(99)	(6)	-	101
Welsh Government - 'Bouncing Back' mental health programme	59	424	(372)	44	-	155
St Leonard's Convalescent Home (CO 105)	193	92	-	-	-	284
Other funders						
Emergency Fund - emergency appeal supporting families in crisis as a result of Covid-19	267	179	(128)	4	-	322
Other projects less than £100,000 donation in year	4,016	1,693	(1,691)	(84)	-	3,934
Specific purpose funds	7,262	6,506	(6,291)	0	0	7,477
Capital Fund	17,497	-	-	4,812	-	22,309
Charged asset fund	20,283	-	-	(104)	-	20,179
General	27,292	143,281	(144,992)	(4,708)	(1,058)	19,815
	65,072	143,281	(144,992)	-	(1,058)	62,303
Pension reserve	-	-	1,893	-	(1,893)	-
Total - unrestricted	65,072	143,281	(143,099)	-	(2,951)	62,303
Total Funds	84,021	149,787	(149,390)	-	(3,615)	80,803

14. Group statement of fund movements

	2022					Carried forward
	Brought forward	Income	Expenditure	Transfers	Gains and losses	
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment funds						
Annual Income fund	3,076	-	-	-	236	3,312
Lincoln City & County Home	93	-	-	-	7	100
Nicholas Galperin Trust	3,782	-	-	-	312	4,094
Scholarship fund	445	-	-	-	34	479
Sheila Mildred Gage	16	-	-	-	1	17
Sidney Charles Salter	377	-	-	-	28	405
St Leonard's Convalescent Home	3,047	-	-	-	233	3,280
	10,836	0	0	0	851	11,687
Corporate partners						
Advent International - support for Emergency Fund, ParentTalk and the Sandwell Family Partners	72	-	(21)	-	-	51
Barclays Foundation - Emergency Fund	-	100	(100)	-	-	-
CBRE - corporate partnership funding programmes supporting young people in foster care	380	20	(104)	20	-	316
Dell (Inspire IT) - corporate partnership funding a digital inclusion programme	165	232	(173)	-	-	224
FirstGroup - corporate partnership funding mental health support	155	163	(130)	(13)	-	175
Iceland - support for our Christmas Emergency Fund	-	300	(300)	-	-	-
Royal Mail (The Blues Programme) - funding for the 'Blues' mental health programme	133	125	(50)	(20)	-	188
Trusts and Statutory funders						
Big Lottery Fund - note 16 - (The National Lottery Community Fund) - TNLCF support a range of AfC programmes	588	2,033	(1,714)	-	-	907
CAF Covid Relief Fund - three-year programme to support young carers	169	671	(360)	13	-	493
Devon County Council	-	363	(176)	22	-	209
Moondance Foundations - programme supporting girls and young women in Pembrokeshire	-	165	(167)	36	-	34
Nominet - Big Welcome digital programme	-	121	(76)	-	-	45
South Wales Police and Crime Commissioner	-	130	(66)	21	-	85
Welsh Government - 'Bouncing Back' mental health programme	29	181	(151)	-	-	59
St Leonard's Convalescent Home (CO 105)	116	77	-	-	-	193
Other funders						
Emergency Fund - emergency appeal supporting families in crisis as a result of Covid-19	340	71	(144)	-	-	267
Other projects less than £100,000 donation in year	4,174	1,738	(1,825)	(71)	-	4,016
Specific purpose funds	6,321	6,390	(5,457)	8	0	7,262
Capital Fund	17,715	-	-	(218)	-	17,497
Charged asset fund	21,095	-	-	(812)	-	20,283
General	26,422	136,258	(136,944)	1,022	534	27,292
	65,232	136,258	(136,944)	(8)	534	65,072
Pension reserve	-	-	3,047	-	(3,047)	-
Total - unrestricted	65,232	136,258	(133,897)	(8)	(2,513)	65,072
Total Funds	82,389	142,748	(139,454)	-	(1,662)	84,021

15. Charity statement of fund movements

	2023					
	Brought forward	Income	Expenditure	Transfers	Gains and losses	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate partners						
Advent International - support for Emergency Fund, ParentTalk and the Sandwell Family Partners	51	-	-	20	-	71
CBRE - corporate partnership funding programmes supporting young people in foster care	316	16	(106)	-	-	226
Dell (Inspire IT) - corporate partnership funding a digital inclusion programme	224	201	(101)	-	-	324
FirstGroup - corporate partnership funding mental health support	175	47	(137)	-	-	85
Iceland - support for our Christmas Emergency Fund	-	408	(408)	-	-	-
John Lewis Partnership	-	639	(120)	-	-	519
Royal Mail (The Blues Programme) - funding for the 'Blues' mental health programme	188	3	(115)	(43)	-	33
Trusts and Statutory funders						
Big Lottery Fund - note 16 - (The National Lottery Community Fund) – TNLCF support a range of AfC programmes	907	1,117	(1,571)	2	-	455
CAF Covid Relief Fund - three-years programme to support young carers	493	671	(608)	10	-	566
Devon County Council	209	232	(304)	-	-	137
Inspiring Scotland - Youth Action Fund	-	188	(67)	-	-	121
Moondance Foundations - programme supporting girls and young women in Pembrokeshire	34	80	(102)	-	-	12
Nominet - Big Welcome digital programme	45	13	(59)	-	-	(1)
Robertson Trust - STAY programme	-	164	(200)	53	-	17
South Wales Police and Crime Commissioner	85	133	(103)	-	-	115
Sport England - programme supporting children and families through access to sport	-	206	(99)	(6)	-	102
Welsh Government - 'Bouncing Back' mental health programme	59	424	(372)	44	-	155
Other funders						
Emergency Fund - emergency appeal supporting families in crisis as a result of Covid-19	267	179	(128)	4	-	322
Other projects less than £100,000 donation in year	4,015	1,693	(1,691)	(84)	-	3,933
Specific purpose funds	7,068	6,414	(6,291)	-	-	7,191
Capital Fund	17,497	-	-	4,812	-	22,309
Charged asset fund	20,283	-	-	(104)	-	20,179
General	26,975	127,807	(129,766)	(4,708)	(1,058)	19,250
	64,755	127,807	(129,766)	-	(1,058)	61,738
Pension reserve	-	-	1,893	-	(1,893)	-
Total - unrestricted	64,755	127,807	(127,873)	-	(2,951)	61,738
Total Funds	71,823	134,221	(134,164)	-	(2,951)	68,929

15. Charity statement of fund movements

	2022					
	Brought forward	Income	Expenditure	Transfers	Gains and losses	Carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate partners						
Advent International - support for Emergency Fund, ParentTalk and the Sandwell Family Partners	72	-	(21)	-	-	51
CBRE - corporate partnership funding programmes supporting young people in foster care	380	20	(104)	20	-	316
Dell (Inspire IT) - corporate partnership funding a digital inclusion programme	165	232	(173)	-	-	224
FirstGroup - corporate partnership funding mental health support	155	163	(130)	(13)	-	175
Iceland - support for our Christmas Emergency Fund	-	300	(300)	-	-	-
Royal Mail (The Blues Programme) - funding for the 'Blues' mental health programme	133	125	(50)	(20)	-	188
Trusts and Statutory funders						
Big Lottery Fund - note 16 - (The National Lottery Community Fund) – TNLCF support a range of AfC programmes	588	2,033	(1,714)	-	-	907
CAF Covid Relief Fund - three-year programme to support young carers	169	671	(360)	13	-	493
Devon County Council	-	363	(176)	22	-	209
Moondance Foundations - programme supporting girls and young women in Pembrokeshire	-	165	(167)	36	-	34
Nominet - Big Welcome digital programme	-	121	(76)	-	-	45
South Wales Police and Crime Commissioner	-	130	(66)	21	-	85
Welsh Government - 'Bouncing Back' mental health programme	29	181	(151)	-	-	59
St Leonard's Convalescent Home	116	-	-	(116)	-	-
Other funders						
Emergency Fund - emergency appeal supporting families in crisis as a result of Covid-19	340	71	(144)	-	-	267
Other projects less than £100,000 donation in year	4,174	1,738	(1,825)	(72)	-	4,015
Specific purpose funds	6,321	6,313	(5,457)	(109)	-	7,068
Capital Fund	17,715	-	-	(218)	-	17,497
Charged asset fund	21,095	-	-	(812)	-	20,283
General	25,933	121,363	(121,994)	1,139	534	26,975
	64,743	121,363	(121,994)	109	534	64,755
Pension reserve	-	-	3,047	-	(3,047)	-
Total - unrestricted	64,743	121,363	(118,947)	109	(2,513)	64,755
Total Funds	71,064	127,676	(124,404)	-	(2,513)	71,823

16. Group statement of fund movements, further detail

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

	Brought forward	Incoming resources	Outgoing resources	Transfers	Carried forward
	£'000	£'000	£'000	£'000	£'000
Chat & Play England	(2)	-	2	-	0
Early Action Youth Homelessness	96	-	(97)	-	(1)
Family Support Volunteers	(2)	-	2	-	-
Newcastle DV Counselling Service	47	-	(47)	-	0
Side Step National Programme	664	989	(1,249)	-	404
Skills for Living	13	-	-	-	13
Young Adult Carers Support (Empowering Young People)	78	128	(165)	-	41
Young Fathers' Network (Clackmannanshire & Perth)	13	-	(13)	-	(0)
	907	1,117	(1,567)	-	456

17. Taxation

Action for Children, as a charity, is exempt from taxation of income and gains falling within Section 478 if they are applied to its charitable objects. No tax charge arises in any of the subsidiary entities included in the group accounts due to their policy of gifting all taxable profits to Action for Children each year.

18. Contingent liabilities

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

19. Related parties

All transactions with subsidiaries, associated charities and trustees are disclosed in the financial statements. No trustees of AfC are also trustees of the pension fund.

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

- Action for Children Services Limited: £66,302,443 (2022: £62,194,660)
- Action for Children Trading Limited: ENIL (2022: ENIL)
- Action for Children Developments Limited: £449,841 (2022: £361,000)
- Out of School Scotland Limited: £416,593 (2022: £342,796)
- National Children's Home ENIL (2022: NIL)
- Nicholas Galperin Trust ENIL (2022: NIL)

Our legal and administration details

Registered office

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

Banker

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

External auditors

Crowe UK LLP
55 Ludgate Hill
London
EC4M 7JW

Internal auditors

RSM
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Investment managers

Central Finance Board
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- Leslie Evans (from 1 August 2022)
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- Managing Director Fundraising, Communications and Policy: Nicholas Jones (until 5 September 2022)
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- Chief People Officer: Michael Knight
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- Director of Strategy and Implementation: Richard Bryars (from 1 May 2023)
- Interim Director of Commercial, Property and IT: Jo French (from 1 May 2023)

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- Zara Duffy
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- Odhran McGeown
(young person co-opted member)
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- Jansen Ryder
- Amanda Naylor
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40% of the world's
children live in the LDC
live in poverty

with less than \$1 a day

and less than

access to

Thank you

Programs in India



at risk
very food
use
staff
ed

Our thanks

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

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**An enormous
thank you**

We want to say thank you to all the young people, families and staff who support our work, including our new Young Ambassadors Board.

And our celebrity family who use their skills, influence and platforms to help vulnerable children by supporting us.

We also want to take this opportunity to honour the memory of all our incredible supporters who generously bequeathed a gift in their will to Action for Children.

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Action for Children

3 The Boulevard
Ascot Road
Watford
WD18 8AG

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