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BARNARDO'S

YEAR ENDED 31 MARCH 2007

Contents

| | |
|---------------|--|
| Pages 1 - 7 | Report of Council |
| Page 8 | Statement of Council's Responsibilities |
| Page 9 | Auditors' Report to the Members of Barnardo's |
| Page 10 | Consolidated Statement of Financial Activities |
| Page 11 | Balance Sheet |
| Page 12 | Cash Flow Statement |
| Page 13 | Summary Income and Expenditure Account |
| Pages 14 - 27 | Notes to the Accounts |
| Pages 28 - 31 | Gifts and Grants received |
| Pages 32 - 33 | Council and Officers |

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FINANCIAL SUMMARY

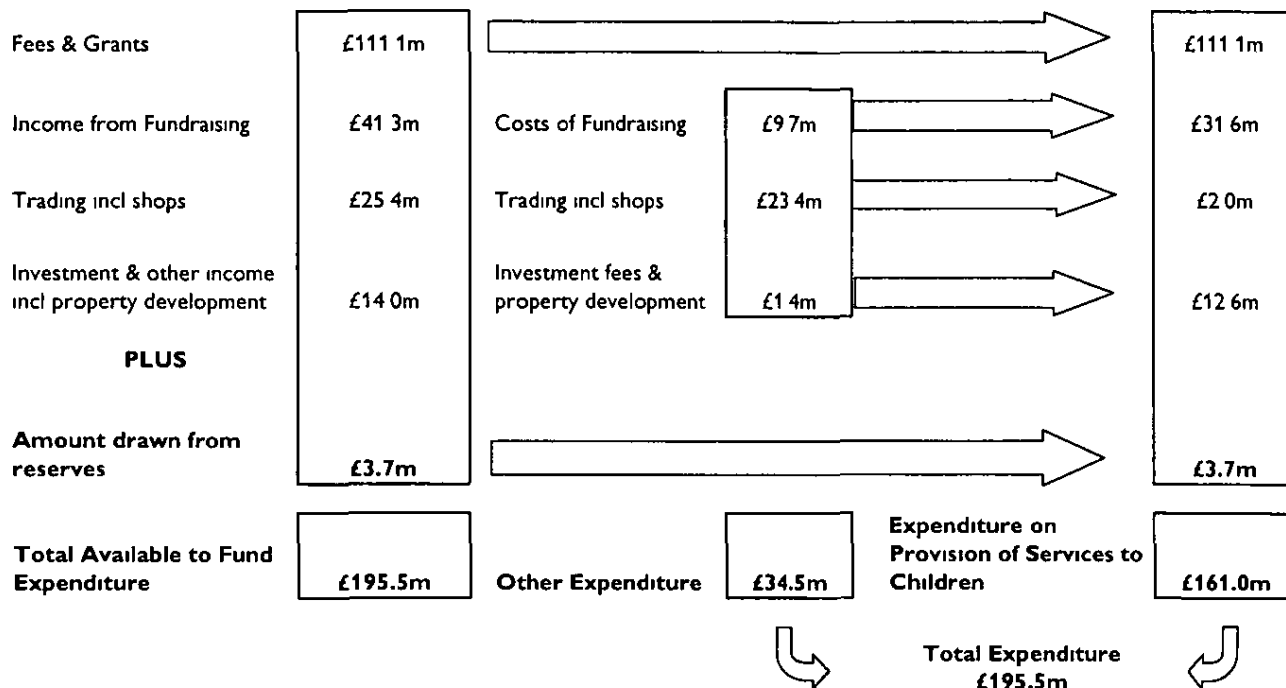
TOTAL FUNDS AVAILABLE

HOW THE FUNDS AVAILABLE ARE SPENT

Total Sources of Income:

Other Expenditure:

Expenditure on Provision of Services to Children.



Total gross income from all sources was £191.8m. Total expenditure was £195.5m in the year of which £161.0m was spent on Barnardo's work with children. The remainder comprised the costs of raising voluntary income from public donations and shops and trading activities plus a further sum being spent on property development. The cost of providing services for children of £161.0m was funded by grant and fee income from local and central government, plus net voluntary donations from fundraising and net income from shops, trading, property, and investment sources.

Much of fundraising income has to be actively acquired and does not arrive unsolicited. This costs money as fundraising is not free even for a charity which has many active volunteers.

**Barnardo's
Report of Council
Year Ended 31 March 2007**

Barnardo's vision is that the lives of all children and young people should be free from poverty, abuse and discrimination and the organisation is focussed on helping the most vulnerable children and young people transform their lives and fulfil their potential

In pursuit of its vision Barnardo's provides services in locations across the UK, directly reaching approximately 110,000 children and young people and their families, as well as having an impact on a significant additional number through a wide range of partnerships. Barnardo's 402 services, also known as projects, range from family centres providing day care for vulnerable children, to residential schools for young people with special educational needs and from short break care services for children with disabilities, to services which help young people in local authority care to manage the transition to independence.

As well as providing direct services, Barnardo's also undertakes a range of influencing work to change policy and practice to improve outcomes for children and young people, thereby benefiting many more than can be helped through its services alone. These activities are based on knowledge gained from its research and practical experience, and seek to influence central and local government and other policy-making bodies.

To fund its work, Barnardo's relies upon voluntary donations from the public, companies and trusts together with fees it generates from the provision of services to local authorities and other funding partners. Barnardo's is also heavily reliant on a force of over 11,000 volunteers who work tirelessly to raise money or provide direct support to children and young people.

Specific information on Barnardo's work can be found in the Annual Review which accompanies the Report and Accounts or on the website at www.barnardos.org.uk

STRATEGIC DIRECTION

In April 2007 Barnardo's launched a new UK Business Plan setting out the strategic direction for the organisation for the next three years. In June 2007 Barnardo's launched its new strap line 'Believe in Children', which reflects the organisation's passion never to give up on a child or young person and it is this sense of purpose which drives the strategic direction of the organisation. The revised strategy will ensure that the work of Barnardo's is focussed on the areas where it is best able to make the greatest impact in the lives of disadvantaged children and young people whether that be through direct service provision or by being an effective advocate for change.

The Plan sets out six strategic objectives

- *Moving from 'good to great' by improving the effectiveness of services to children and young people.* This will be achieved through a rigorous evaluation of service effectiveness to ensure the organisation is meeting the needs of children, young people and their families at a time and place they are most needed, together with a more structured approach to the types of service Barnardo's develops and through a strategic use of voluntary funds in service delivery;
- *Making Barnardo's influencing work more effective.* Barnardo's is looking to improve the extent to which the lessons learnt from its work on the ground lead to better outcomes for disadvantaged children;
- *Revitalising Barnardo's brand and image.* Barnardo's recognises it needs to be better at explaining to the public exactly how it works and what it stands for so that it can generate more support for its influencing work – this will be built on the back of the concept of 'Believe in Children'.
- *Implementing refreshed strategies for participation and volunteering.* The organisation will seek ways to draw service users and volunteers into an active partnership with Barnardo's to increase its influence and effectiveness,
- *Improving the cost effectiveness of support functions both at Head Office and locally.* Barnardo's will look to reduce, year on year, the proportion of its funds tied up in support activities, ensuring that those functions are providing excellent, business focussed services. Part of the strategy includes a commitment to generate income from social enterprise activity through the sale of Barnardo's knowledge capital,
- *Increasing the net return from fundraising.* The organisation will seek to reduce its dependence on legacy

**Barnardo's
Report of Council
Year Ended 31 March 2007**

income for voluntary funds by developing new income streams and increasing the involvement of staff in fundraising activity

Barnardo's intention is that at the end of the three year plan it will be seen as the UK's most influential and respected children's charity, that its work with children, young people and families will provide unbeatable quality and value for money and it will be supporting as many of the UK's disadvantaged children as resources will allow

OBJECTIVES and ACHIEVEMENTS

The year to 31 March 2007 proved to be particularly challenging as the provision of services to children and young people at a UK level underwent major upheaval. Uncertainty surrounding the establishment of Children's Trusts, the ending of the Government's Sure Start and Children's Fund programmes and major cost cutting by local authorities has made growth a difficult target to attain. Instead the environment has been one of increased competition, often for very short term work as organisations, including commercial organisations, have sought to hold their own in very uncertain times. At the same time Barnardo's experienced an unexpected downturn in legacy income which meant it fell short of its income targets despite strong performance in other areas of income generation including retail.

In last year's Annual Report Barnardo's identified a range of specific objectives for the year ended 31 March 2007

- *Increase by 6% the number of services to the most vulnerable children across the UK focussing particularly on the most disadvantaged communities* Barnardo's grew its services by 5% reaching out to more than 110,000 children and young people across the UK. During the year Barnardo's started major programmes of activity in parenting (including work with fathers), family group conferences, work in prisons and with young carers,
- *Enhance the sustainability of Barnardo's services by generating a further £1.5 million contribution to overheads from statutory and related funders, earning net voluntary income of £34.6 million and achieving a revenue surplus* Whilst it continued to be successful in securing a greater level of overhead recovery on contracts with statutory partners the downturn in legacy income meant that Barnardo's voluntary income fell short of target by £3.5 million and the organisation generated a revenue deficit of £3.7 million,
- *Demonstrate the level of impact Barnardo's services are making to children's lives by producing the first outcome measures report on all services by December 2006* By December 2006 85% of services had clear outcome measures in place against which to track progress and a programme was started to capture the outcomes in ways that can be analysed to improve overall impact and enable best practice to be replicated across similar projects,
- *Increase Barnardo's ability to influence the public agenda on children's issues by increasing awareness of the organisation by the media, the public and amongst legislators* Barnardo's has significantly increased its profile in the year to 31 March 2007 speaking out on issues such as the poor educational achievement of looked after children, the hidden crisis facing young carers and the insidious impact of child poverty in the UK notwithstanding the government's pledge to halve child poverty by 2010.

2007/8 PLANS

As noted above, the coming year will see the implementation of the new Business Plan and Barnardo's has set the following targets (with 2006/7 as the baseline)

- Increase by 6% the income generated from statutory sources in 2007/8 (a 16% growth over the life of the plan),
- 95% of services to have measured outcomes and targets to improve efficiency and effectiveness,
- 80% of services to be able to evidence how the active engagement of service users has influenced service delivery,
- Increase the active engagement of volunteers (including younger volunteers) by 5% per annum,
- Make a demonstrable impact on government legislation across all four parliaments in the UK in relation to policy affecting children and young people,
- Increase Barnardo's recognition amongst donors particularly during campaigns,
- Generate net fundraised income of £34.5 million in 2007/8,
- Reduce support function costs at Head Office and in the nations and regions as a proportion of total spend

**Barnardo's
Report of Council
Year Ended 31 March 2007**

FINANCE

Results for the year

The results for the year show Barnardo's achieved gross income of £191.8 million (2006 £193.3 million). Reported net fundraised income fell 9% on the back of a downturn in legacy income – see note 5 of the accounts. This fall in a major income stream masks significant improvements in other income sources including achieving income from Barnardo's Big Toddle in excess of £1 million. A further positive in the year has been the continued improvement of retail and trading, with net income increasing by £400,000 compared to the same period last year.

The amount Barnardo's spent directly in furtherance of the charity's objectives increased to £161.0 million (2006 - £154.8 million).

The net deficit for the year was £3.7 million, which was offset by gains on both Barnardo's own investment portfolio and the pension scheme assets resulting in an increase in net funds year on year of £4.4 million (2006 - £15.9 million).

General Reserve and risk reduction strategy

Barnardo's reserves policy strikes a balance between the need to use voluntary income to provide services for children and the need to ensure that, once a commitment has been given to a child or their family, sufficient funds exist to meet the commitment for as long as it is required and appropriate. However the organisation also needs to ensure that relatively minor disruptions to its financial plans do not result in having suddenly to cease activities in order to balance the books.

Barnardo's reserves and risk reduction strategy has been developed to address those twin objectives. The first strand involves a policy of budgeting to generate small revenue surpluses year by year so that adverse fluctuations in levels of voluntary income do not immediately impact on work with children. The intention is to budget for revenue surpluses equivalent to 5% of (net) voluntary income. Surpluses above this amount, if realised, would be available in the subsequent year to fund new operating initiatives. It will take time to achieve this level of surplus and in the immediate future the budget projects a breakeven position.

The second strand involves taking account of the risks associated with cash flow, statutory funding and the stock and property markets. Barnardo's has set a policy of maintaining reserves at a level which could absorb the loss of one month's operating cash flow, the loss of 10% of statutory income or a significant setback in the stock and property markets to which Barnardo's is exposed. The Council estimates the required level of general reserve to be in the region of £40 million which is 20% of gross revenue.

At 31 March 2007 the general reserve of Barnardo's stood at £43.5 million (2006 - £36.3 million) which is in excess of its target reserve under the policy. However, following the three-yearly valuation of Barnardo's staff pension scheme, it has been agreed that £10 million of the general reserve will be paid into the scheme by 31 March 2008 as part of a major restructuring of the scheme. (The restructuring, effective from July 2007, is designed to eliminate the actuarially calculated deficit and reduce the long term cost of providing pensions to Barnardo's staff). Further efforts will therefore be required to build the reserves up to the target level and this will be achieved largely through the realisation of surplus properties and the generation of modest revenue surpluses.

Other Funds

A fund equivalent to the net book value of the fixed assets used in Barnardo's work is set aside on the basis that it is not practicable to sell off operational properties in order to fund further work. The total funds tied up in fixed assets amounted to £37.8 million (2006 - £38.6 million) – the reduction reflecting the impact of the property realisations.

A second fund in relation to working capital represents the funds required to meet day to day operational commitments. These are all represented by net current assets. At 31 March 2007 this fund stood at £10.1 million.

**Barnardo's
Report of Council
Year Ended 31 March 2007**

(2006 - £16.4 million)

Further funds of £26.4 million (2006 - £26.6 million) were tied up in restricted and endowment funds, only the income from which has been available to fund Barnardo's work. During the year Barnardo's, under an arrangement agreed with the Charity Commission, transferred £1.7 million of the unapplied total return within the endowment funds to general funds and this sum was spent on the work of the organisation during the year, the drawdown being compensated for by the increase in market value during the year.

Overall financial health

The trustees consider that Barnardo's is well placed, as a result of the cost reduction measures implemented in recent years, together with the steps taken to reduce the risks posed by the pension fund and investment in new fundraising activities, to deliver against its plans for the year ahead.

However there continue to be risks, and the trustees will be monitoring carefully over the coming year the organisation's ability to secure new work in the face of increasing competition. In the medium term, ways will need to be found to replace income currently generated from the sale and development of surplus properties.

Investments

Barnardo's investments are held in a combination of investment funds comprising equities, fixed income securities and cash, managed by BlackRock (formerly Merrill Lynch). The equities fund is one which does not invest in companies whose products are associated with tobacco. Performance is measured against the relevant market indices and in the year to 31 March 2007 generated a total return of 8% which was 0.1% ahead of the benchmark return set. Over the longer term, the total return achieved is slightly behind the benchmark.

Commercial Activities

The results of Barnardo's subsidiary companies are summarised in Note 3 to the financial statements. In total, net income generated by the subsidiaries was £1.4 million (2006 - £3 million).

Barnardo Trading Limited generated a profit of £288,000 (2006 - £195,000) from its mail order, publishing and retail activities following a successful restructuring of the operation. Barnardo's retail and trading activities in total (including the sale of donated goods in Barnardo's shops which is accounted for as part of the charity's activities) produced a profit of £2 million.

Barnardo Developments Limited's principal activity is the development and sale of properties which are surplus to Barnardo's operational requirements. Net profit from development activities totalled £536,000 arising from sales of units in two developments in Scotland and the completion of a development in Tunbridge Wells. In addition, the activities of Barnardo Developments generated £1.1 million direct to Barnardo's from the related land sales. These are accounted for within the charity's results in the Statement of Financial Activities.

Barnardo Events Limited raises sponsorship income and runs special events in aid of Barnardo's, much of the income of which is accounted for within the charity. The company generated a profit of £240,000.

Accounts

The Council confirms that the accompanying accounts comply with statutory requirements, the requirements of the Memorandum and Articles of Association, and the requirements of the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005). The Council considers that Barnardo's has adequate resources to continue in business for the foreseeable future, and that, for this reason, it should continue to adopt the going concern basis in preparing the accounts.

**Barnardo's
Report of Council
Year Ended 31 March 2007**

STRUCTURE, GOVERNANCE and MANAGEMENT

Barnardo's is a company limited by guarantee company number 61625. It operates throughout the UK and is a charity registered in England and Wales (216250) and Scotland (SC037605). It is governed by its Memorandum and Articles of Association which set out its charitable purposes in the following terms:

- (i) the relief and assistance of children and young people in need,
- (ii) the promotion of the education of children and young people,
- (iii) the promotion among children and young people of the knowledge of the Christian faith or the faith in which they were brought up, and
- (iv) the relief of the poor, sick, handicapped and aged

The Members of Council, who are elected by the Members of Association at the Annual General Meeting, are the charity's trustees and the legal directors of the company. They serve for a three year term, after which they are eligible for re-election. New trustees are selected through open recruitment, which includes advertising in the national press. The balance of the board is reviewed with regard to its diversity and geographical spread and particular emphasis is placed on appointing individuals who can fulfil identified skill gaps within the trustee body. New appointees and existing trustees are provided with an induction programme and a range of other training opportunities to help them meet their responsibilities.

The Council meets every two months. Matters not reserved for decision by Council are delegated either to one of the Council Committees or to the Chief Executive and UK Directors (being the four senior executives who report to the Chief Executive).

The Council Committees are as follows:

- **Audit and Compliance Committee** reviews the effectiveness of Barnardo's internal financial and non-financial control and risk management systems. In addition it considers matters of corporate governance and any significant issues arising in respect of either internal or external audit arrangements.
- **Investment Committee** assists the Council in safeguarding the charity's assets and in determining investment policy including the charity's stance on ethical investment, and appoints and receives reports from the investment managers who manage the portfolio on a discretionary basis.
- **Nominations Committee** nominates, for approval by the Council and by the Members of Association, persons willing to act as Members of Council. The Committee also approves appointments to the national committees.
- **Remuneration Committee** determines the remuneration of the Chief Executive and of the four UK Directors on an annual basis. Their remuneration does not include any share options or long-term incentive scheme. The period of notice for termination of contracts of employment is six months for the Chief Executive and three months for the UK Directors. There are no pension provisions for the Chief Executive or for the UK Directors other than membership of Barnardo's Pension Scheme on the same terms as other employees.
- **Adoption Committee** meets to consider policy issues that arise in relation to adoption work. The Committee comprises three Members of Council and includes representatives from each of Barnardo's seven adoption panels and such other as are required by the Adoption Regulations.
- **Three committees** in Scotland, Northern Ireland and Wales. On each are one or two Members of Council and other individuals with local knowledge and experience. Barnardo's remains a single UK charity, but these committees are responsible, within the framework set by the Council, for overseeing the development of services, the raising of income and Barnardo's influencing work in their respective localities.

**Barnardo's
Report of Council
Year Ended 31 March 2007**

Members of Council

A list of Members of Council appears on pages 32 and 33

Mr Roger Jones retires from Council with effect from the Annual General Meeting and Council thanks him for his service to Barnardo's during his eight years in office. The following members retire at the end of their three year term of office, and offer themselves for re-election

Mr Geoffrey Barnett
Mrs Ann Hodgson
Ms Hilary Keenlyside

Management

Responsibility for operational activities is allocated to four departments. Children's Services and the Policy and Research Unit are divided geographically into nine nations/regions operating from Belfast, Birmingham, Bristol, Cardiff, Edinburgh, Leeds, Liverpool, London and Newcastle. The Marketing and Communications Department operates from the Head Office in Barkingside and also from regional offices. The Corporate Resources Department, which includes the Finance, Information Systems, People and Properties functions, is also based at Head Office and provides support services to the other three departments.

Barnardo's has three sister charities: Barnardos Republic of Ireland, Barnardos Australia and Barnardos New Zealand. They are locally registered organisations, which operate under licence, with their own governing bodies and raise money for use in their own countries. Their financial activities are not included in the accompanying accounts.

There were no transactions with related parties during the year other than contributions made to the Barnardo's Pension Scheme, which are separately disclosed within the notes to the accounts.

INTERNAL CONTROL and RISK MANAGEMENT

The Council has responsibility for ensuring that the organisation has in place an appropriate system of controls, financial and otherwise, to provide reasonable assurance that the charity is operating efficiently and effectively, its assets are safeguarded against unauthorised use or disposition, that proper records are maintained and financial information used within the charity or for publication is reliable and the charity complies with relevant laws and regulations.

The Audit and Compliance Committee examines the effectiveness of the systems of internal operational and financial controls annually and confirms the operating effectiveness of those controls to the Council. The key components of Barnardo's risk management include:

- A documented framework of delegated authority with laid out procedures for reporting decisions taken,
- An approved business plan and annual budget against which progress is reported on a regular basis, including monthly financial reporting actual results compared with budgets and forecasts,
- A formal risk management process which involves the trustees and senior managers identifying the overarching business risks that the organisation needs to address and a bottom-up approach which requires departmental heads to identify and report on the key risks (operating and financial) within their area of responsibility and the steps taken to mitigate those risks,
- An inspection and audit regime (involving both Barnardo's Corporate Audit and Inspection Unit and third party inspectors/auditors) which subjects critical areas of Barnardo's operations to regular review, the results of which are reported to management and to the Audit and Compliance Committee,
- Clear policies in relation to whistle blowing and regular reporting in relation to child protection, health and safety and complaints to ensure compliance with statutory requirements.

During the year to 31 March 2007 an exercise was undertaken to identify the business critical systems and policies

**Barnardo's
Report of Council
Year Ended 31 March 2007**

by which the management and trustees govern Barnardo's. This analysis will help inform further work in the coming financial year to ensure these critical systems are performing as anticipated

AUDITORS

In accordance with Section 384 of the Companies Act 1985 resolutions proposing the re-appointment of KPMG LLP as auditors of the Company and authorising Council to fix their remuneration will be put to the Members at the Annual General Meeting

EQUAL OPPORTUNITIES

Barnardo's is committed to providing equality of opportunity for the children, young people, families and carers with whom it works. It values and respects their diversity.

Barnardo's welcomes difference in its staff and volunteers. In accordance with its Basis and Values, Barnardo's is working to create equal access to opportunities for paid employment and voluntary involvement while continuing to base selection and promotion solely on ability to meet the requirements of the post. This is irrespective of race, colour, ethnic or national origins, religion, disability, gender, sexuality, age, marital status, responsibility for dependants, economic status or political views.

Barnardo's is committed to taking active steps to address and eliminate unfair or unlawful discrimination or prejudice where these are identified in the organisation's procedures or practices.

ENVIRONMENT

Barnardo's is an environmentally conscious organisation contributing towards a safe and healthy environment for today's children and future generations. The organisation strives to adopt environmental standards in all areas of its operation by reducing or removing environmentally damaging activities and encouraging activities that improve or conserve the environment. In practice Barnardo's seeks to minimise waste, reduce its use of materials and energy and includes environmental considerations in all of its investment decisions.

ACKNOWLEDGEMENTS

Council wishes to record its appreciation of the generosity of the many friends of Barnardo's by thanking them for their donations and bequests, and of the thousands of volunteers who give so unstintingly of their time. Barnardo's has also benefited from help received from companies, organisations, local authorities and individuals in the form of gifts in kind, free loans of property, preferential rent and part relief from rates. Particular gifts and grants are acknowledged in accordance with their terms on pages 28 to 31.



By Order of the Council
Geoffrey Barnett
Chair of Council

26 July 2007

Barnardo's
Year Ended 31 March 2007

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF BARNARDO'S IN RESPECT OF THE REPORT OF COUNCIL AND THE FINANCIAL STATEMENTS

The trustees, who are also directors for the purposes of company law, are responsible for preparing the Report of Council and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year in accordance with UK accounting standards

The group and charity's financial statements are required by law to give a true and fair view of the state of affairs of the group and charity and of the group's income and expenditure

In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charity will continue its activities

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities

The trustees who held office at the date of approval of this Report of Council confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Barnardo's
Year Ended 31 March 2007

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BARNARDO'S

We have audited the group and charity financial statements of Barnardo's for the year ended 31 March 2007 which comprise the statement of financial activities including the group income and expenditure account, the group and charity balance sheet, and the group cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity'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 charity and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

As described in the statement of trustees responsibilities on page 8, the charity trustees, who are also the directors of Barnardo's for the purposes of company law, are responsible for preparing the Report of Council and the financial statements in accordance with applicable law and UK accounting standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of Council is not consistent with the financial statements, if the group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees remuneration and other transactions is not disclosed.

We read the Report of Council and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and charitable company's affairs as at 31 March 2007 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of Council is consistent with the financial statements.

KPMG W

KPMG LLP
Chartered Accountants
Registered Auditor
Gatwick
26 July 2007

Barnardo's
Consolidated Statement of Financial Activities
Year Ended 31 March 2007

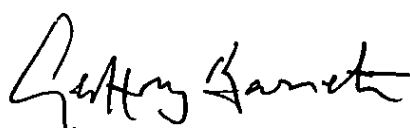
| | Note | Unrestricted Funds £000 | Restricted & endowment funds £000 | Total 2007 £000 | Total 2006 £000 |
|--|------|----------------------------|--|-----------------------|-----------------------|
| Incoming resources | | | | | |
| Incoming resources from charitable activities | | | | | |
| - Fees and grants for children's services | 4 | 104,790 | 6,332 | 111,122 | 106,797 |
| Voluntary income | 5 | 38,369 | 2,956 | 41,325 | 45,083 |
| Less Costs of generating voluntary income | | (9,687) | - | (9,687) | (10,402) |
| Net voluntary income | | 28,682 | 2,956 | 31,638 | 34,681 |
| Activities for generating funds | | | | | |
| Trading income | | 25,407 | | 25,407 | 23,399 |
| Less Costs of goods sold and other costs | | (23,442) | | (23,442) | (21,845) |
| Net income from trading | | 1,965 | - | 1,965 | 1,554 |
| Income from sale and development of properties | 6 | 9,659 | | 9,659 | 13,911 |
| Less Costs of developing and selling properties | | (1,259) | | (1,259) | (5,060) |
| Net income from property sale and developments | | 8,400 | - | 8,400 | 8,851 |
| Investment income | 7 | 3,126 | 1,207 | 4,333 | 4,097 |
| Less Investment management costs | | (107) | (79) | (186) | (217) |
| Net income from investments | | 3,019 | 1,128 | 4,147 | 3,880 |
| Net incoming resources available for charitable expenditure | | 146,856 | 10,416 | 157,272 | 155,763 |
| Charitable expenditure | | | | | |
| Charitable Activities | | | | | |
| Service provision - Direct costs | | 128,133 | 8,539 | 136,672 | 130,650 |
| Grants made | 8 | 100 | 957 | 1,057 | 1,409 |
| Other service & training costs | | 14,367 | - | 14,367 | 13,553 |
| Informing the public about our work | | 5,443 | - | 5,443 | 5,498 |
| Childcare research and education | | 2,098 | - | 2,098 | 2,202 |
| Governance costs | | 1,373 | - | 1,373 | 1,513 |
| Total charitable expenditure | | 151,514 | 9,496 | 161,010 | 154,825 |
| Net (outgoing)/incoming resources | 10 | (4,658) | 920 | (3,738) | 938 |
| Endowment funds income release | 23 | 1,650 | (1,650) | - | - |
| Profits/(Losses) on revaluation and on investment asset disposals | 11 | 1,040 | 541 | 1,581 | 6,874 |
| Actuarial gain recognised in the pension scheme | 15 | 6,600 | - | 6,600 | 8,100 |
| Net movement in funds | | 4,632 | (189) | 4,443 | 15,912 |
| Fund balances brought forward | | 30,106 | 26,576 | 56,682 | 40,770 |
| Fund balances carried forward | 23 | 34,738 | 26,387 | 61,125 | 56,682 |

| | | | | |
|---|-----------|---------|-----------|-----------|
| Note: | | | | |
| Total incoming resources | 181,351 | 10,495 | 191,846 | 193,287 |
| Total resources expended | (186,009) | (9,575) | (195,584) | (192,349) |
| Net(outgoing)/incoming resources | (4,658) | 920 | (3,738) | 938 |
| Total cost of generating funds (including fundraising, trading, property development) | (34,495) | (79) | (34,574) | (37,524) |

All of the above results relate to continuing activities. The notes on pages 14 to 27 form part of these financial statements.

Barnardo's
Balance Sheet
Year Ended 31 March 2007

| | Note | Group | | Charity | |
|---|-----------|----------------|----------------|----------------|----------------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | £000 | £000 | £000 | £000 |
| Fixed assets | | | | | |
| Tangible assets | 16 | 37,934 | 38,753 | 37,923 | 38,732 |
| Investments | 17 | 76,423 | 66,996 | 76,423 | 66,996 |
| | | 114,357 | 105,749 | 114,346 | 105,728 |
| Current assets | | | | | |
| Stocks and work in progress | 18 | 3,333 | 3,553 | - | - |
| Debtors | 19 | 18,855 | 18,487 | 20,121 | 17,789 |
| Cash and bank balances and short-term deposits | 20 | 7,270 | 12,425 | 6,768 | 12,185 |
| | | 29,458 | 34,465 | 26,889 | 29,974 |
| Creditors: Amounts falling due within one year | 21 | (26,090) | (22,332) | (21,003) | (18,277) |
| Net current assets | | 3,368 | 12,133 | 5,886 | 11,697 |
| Net assets excluding pension liability | | 117,725 | 117,882 | 120,232 | 117,425 |
| Pension liability | 15 | (56,600) | (61,200) | (56,600) | (61,200) |
| Net assets including pension liability | | 61,125 | 56,682 | 63,632 | 56,225 |
| Fund balances | | | | | |
| Restricted and endowment funds | 23(a)&(b) | 26,387 | 26,576 | 26,387 | 26,576 |
| Fixed assets fund | | 37,761 | 38,580 | 37,750 | 38,558 |
| General reserve | | 43,516 | 36,315 | 43,516 | 36,315 |
| Working capital fund | | 10,061 | 16,411 | 12,579 | 15,976 |
| Unrestricted funds excluding pension liability | | 91,338 | 91,306 | 93,845 | 90,849 |
| Total funds excluding pension reserve | | 117,725 | 117,882 | 120,232 | 117,425 |
| Pension reserve | 15 | (56,600) | (61,200) | (56,600) | (61,200) |
| Total funds | 23(c) | 61,125 | 56,682 | 63,632 | 56,225 |



Geoffrey Barnett
Chair of Council
26th July 2007



Ian Marshall
Honorary Treasurer

The notes on pages 14 to 27 form part of these financial statements

Barnardo's
Cash Flow Statement
Year Ended 31 March 2007

| | Note | 2007 | | 2006 | |
|---|------|----------|---------|---------|----------|
| | | £000 | £000 | £000 | £000 |
| Reconciliation of net (outgoing)/ incoming resources to net cash outflow from operating activities | | | | | |
| Net (outgoing)/incoming resources | | | (3,738) | | 938 |
| Depreciation charge | 16 | | 5,371 | | 4,699 |
| Net gain on disposal of tangible fixed assets | | | (8,525) | | (8,852) |
| Increase in pension liability | | | 2,000 | | 1,100 |
| Increase in debtors | | | (368) | | (3,972) |
| Increase/(Decrease) in creditors | | | 3,758 | | (159) |
| Investment income and interest | 7 | | (4,208) | | (4,097) |
| Decrease/(Increase) in stock and work in progress | | | 220 | | (33) |
| | | | ----- | | ----- |
| Net cash outflow from operating activities | | | (5,490) | | (10,376) |
| | | | ----- | | ----- |
| Cash flow statement | | | | | |
| Net cash outflow from operating activities | | | (5,490) | | (10,376) |
| Returns on investments and servicing of finance | | | | | |
| Investment income and interest | 7 | 4,208 | | 4,097 | |
| | | ----- | 4,208 | ----- | 4,097 |
| Capital expenditure and financial investment | | | | | |
| Purchase of tangible fixed assets | 16 | (5,758) | | (6,037) | |
| Purchase of investments | 17 | (13,920) | | (8,114) | |
| Sale of tangible fixed assets | | 9,731 | | 14,150 | |
| Sale of investments | 17 | 6,074 | | 1,594 | |
| | | ----- | (3,873) | ----- | 1,593 |
| | | | ----- | | ----- |
| Cash outflow before use of liquid resources | | | (5,155) | | (4,686) |
| Management of liquid resources | | | | | |
| Net cash put on deposit | | | 6,998 | | 5,740 |
| | | | ----- | | ----- |
| Increase in cash in the year | | | 1,843 | | 1,054 |
| | | | ----- | | ----- |
| Reconciliation of net cash flow to movement in net cash funds | | | | | |
| Net funds at beginning of the year | 20 | | 4,396 | | 3,342 |
| Change in net funds during the year | | | 1,843 | | 1,054 |
| | | | ----- | | ----- |
| Net funds at end of the year | 20 | | 6,239 | | 4,396 |
| | | | ----- | | ----- |

Barnardo's
Summary Income and Expenditure Account
Year Ended 31 March 2007

| | Note | 2007 | 2006 |
|--|-------|---------|---------|
| | | £000 | £000 |
| Gross income | | | |
| Gross income of continuing operations | | 152,255 | 150,277 |
| Income of non-charitable trading subsidiaries | 3 | 38,384 | 41,956 |
| | | ----- | ----- |
| | | 190,639 | 192,233 |
| | | ----- | ----- |
| Gross expenditure | | | |
| Total expenditure of continuing operations | | 157,626 | 152,350 |
| Expenditure of non-charitable trading subsidiaries | 3 | 37,001 | 38,981 |
| | | ----- | ----- |
| | | 194,627 | 191,331 |
| | | ----- | ----- |
| Net (expenditure)/income for the year before transfers and investment asset disposals | | (3,988) | 902 |
| | | ----- | ----- |
| Realised gain on disposal of investment assets | 11 | 82 | 236 |
| | | ----- | ----- |
| Net (expenditure)/income for the year | | (3,906) | 1,138 |
| | | ----- | ----- |
| Reconciliation to statement of financial activities: | | | |
| Net (expenditure)/income for the year before investment asset disposals as above | | (3,988) | 902 |
| Movement on restricted capital and endowment funds | 23(a) | 250 | 36 |
| | | ----- | ----- |
| Net (outgoing)/incoming resources | | (3,738) | 938 |
| | | ----- | ----- |

The summary income and expenditure account is presented in order to ensure compliance with the Companies Act 1985. The major difference in the figures presented from those in the consolidated statement of financial activities is that unrealised gains and losses on investments are not recognised.

In accordance with the provisions of the Companies Act 1985, a separate income and expenditure account dealing with the results of the charity only has not been presented. Net expenditure for the year of £5.3 million (2006 £1.8 million) has been dealt with in the accounts of the charity.

Barnardo's
Notes to the Accounts
Year Ended 31 March 2007

1 Accounting policies

Basis of preparation

The accounts are drawn up in accordance with applicable accounting standards, including the Statement of Recommended Practice (SORP) on Accounting and Reporting by Charities (revised 2005) and the Companies Act 1985

Monetary values are calculated under the historical cost convention, as modified by the revaluation of investments and certain properties

Basis of consolidation

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertakings, all of which were prepared to 31 March 2007. The trading results of the subsidiary undertakings as shown in note 3 are consolidated on a line by line basis within the consolidated statement of financial activities (SOFA). A separate SOFA for the charity is not presented as permitted by the SORP and the Companies Act 1985.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

Investments

Investments are stated in the balance sheet at their market value as at the balance sheet date. All movements in value arising from investment changes or revaluation are recognised in the consolidated statement of financial activities. Gains or losses on investments are calculated as the difference between the disposal proceeds and the historical cost.

Properties

Except as set out below, properties are stated in the balance sheet at their cost or value at the time of receipt less depreciation. Profits and losses on the disposal of properties are recognised in the consolidated statement of financial activities in the year of disposal.

Depreciation

- i) Depreciation of freehold and long leasehold properties is provided at the rate of two per cent per annum on their cost or value. Short leasehold properties are amortised over the period of the lease. Properties acquired and adapted for childcare purposes, whose book cost exceeds market value at the date of commissioning, are subject to a special provision whereby the excess cost is written off over three years in equal instalments.
- ii) Where a property is known to have suffered an impairment in market value, the reduction is recognised in full in the results for the year, in accordance with FRS 15 ("Tangible Fixed Assets").
- iii) Other tangible fixed assets are depreciated over their expected useful lives, which vary between one and five years.

Income

- i) Fees and grants for childcare services are accounted for on the basis of the amount receivable for the year.
- ii) Donations except in relation to legacies are accounted for at the time of receipt. Legacies have been included in the statement of financial activities where probate was granted prior to the balance sheet date and where receipt took place shortly after the year end. Other legacies notified are not accrued due to uncertainties of value and timing of receipt. The amount notified in relation to such legacies is disclosed in Note 13.
- iii) Income raised through the operation of shops and related trading activity under the charity's management is taken into account at the time of receipt. Stocks of unsold donated goods are not valued for balance sheet purposes.

Barnardo's
Notes to the Accounts
Year Ended 31 March 2007

1 Accounting policies (contd.)

Income (contd.)

- iv) Income from sale and development of properties is accounted for once the certainty of completion has been established
- v) Investment income is the amount receivable for the year

Expenditure

- i) All expenditure is accounted for on an accruals basis and irrecoverable VAT is included in the relevant cost category

Some costs incurred centrally are allocated to expenditure categories listed below on the basis of their use of corporate functions. Such allocations of support costs are made on the basis consistent with the use of resources. Further details regarding support costs are disclosed in Note 9.

- ii) Costs of generating voluntary funds are incurred in relation to staff members who are engaged in fundraising activities
- iii) Costs of generating trading income represent expenditure incurred in the operation and management of the Barnardo's chain of shops and other activities undertaken by Barnardo Trading, such as the Christmas mail order catalogue
- iv) Costs of developing and selling properties represent expenditure undertaken by Barnardo Developments Limited
- v) Direct service provision costs represent the operational costs of service delivery
- vi) Grants made include those that Barnardo's makes to other organisations and grants to young people through Barnardo's trust funds
- vii) Other service and training costs are incurred in providing regional/national and departmental management
- viii) Informing the public about our work includes the costs incurred in raising awareness of child care issues and Barnardo's activities in relation to them
- ix) Childcare research and education include policy reviews and activities to help educate wider groups about relevant childcare issues
- x) Governance costs include those incurred in the governance of Barnardo's assets and are associated with constitutional and statutory requirements

Pension costs

In accordance with FRS17 Retirement Benefits, the SOFA includes the cost of benefits accruing during the year in respect of current and past service (charged against net incoming/(outgoing) resources), the expected return on the scheme's assets and the increase in the present value of the scheme's liabilities arising from the passage of time (charged against net incoming/(outgoing) resources), actuarial gain recognised in the pension scheme (shown within net movement of funds). In accordance with FRS17, the balance sheet includes the deficit in the scheme taking assets at their year-end market values and liabilities at their actuarially calculated values discounted at year-end AA corporate bond interest rates. Further details regarding the scheme are disclosed in Note 15.

Capital grants

In accordance with the SORP for charities, grants receivable are recognised immediately in the statement of financial activities unless they are restricted to future accounting periods or may become repayable under the terms attached.

Operating leases

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

Corporation tax

The subsidiary companies gift aid all taxable profit to Barnardo's. No corporation tax liability arises in the accounts.

Barnardo's
Notes to the Accounts
Year Ended 31 March 2007

1 Accounting policies (contd.)

Fund accounting

Barnardo's has various types of funds for which it is responsible, and which require separate disclosure as follows

| | |
|--|---|
| Restricted income funds | Donations or legacies received, or income arising from such, which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the organisation |
| Restricted capital and endowment funds | Funds given to the charity where the income may be used for the charity's purposes. In accordance with the Order signed by the Charity Commission in 2003, the charity may convert a proportion of the capital gain on monies held by way of endowment into income as long as the current indexed value of the original endowment is maintained |
| Unrestricted funds | <p>Funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity, consisting of three specific types</p> <p>(1) Fixed assets fund This fund represents amounts invested in fixed assets for use by the charity</p> <p>(2) General reserve This reserve represents funds set aside as part of the organisation's risk reduction strategy. Barnardo's has set a policy of building reserves to a level that will cover one month's operating cash flow, 10% of the previous year's public sector income (received to fund Barnardo's work) and protect Barnardo's against a significant setback in the stock and property markets to which the organisation may at any one time be exposed</p> <p>(3) Working capital fund This fund represents net assets available to meet day-to-day operational commitments</p> |
| Pension reserve | In accordance with FRS17 - Retirement Benefits, the liability attributable to the Barnardo Staff Pension Scheme is shown as a reduction of total funds. No designation of funds to meet future pension commitments at the balance sheet date is in place as the organisation anticipates meeting such commitments through future cash flows, a situation that is subject to regular review in conjunction with actuarial valuations and related professional advice |
| Subordinate charities | Included in restricted and endowment funds are assets held on behalf of trusts that are constituted as separately registered charities. These have purposes which are consistent with the objects of Barnardo's and are under common control. As such, their results have been included in the consolidated statements presented |

The SORP lays down that restricted income funds should be separately disclosed in the statement of financial activities. However, in the case of Barnardo's the value of such funds is not significant. The disclosure is therefore made by way of note (Note 23)

Barnardo's
Notes to the Accounts
Year Ended 31 March 2007

2 Subsidiaries

Barnardo's owns the whole of the issued capital amounting to £20,000 (20,000 ordinary shares of £1 each) of Barnardo Holdings Limited which in turn owns the whole of the issued capital of the following principal subsidiaries

Subsidiary Undertaking

Barnardo Developments Limited
 Barnardo Events Limited
 Barnardo Trading Limited
 Barnardo Services Limited

Principal Activities

Property development
 Sponsorship & special events
 Mail order and retailing
 Childcare services

All the companies above gift aid their taxable profits to the charity

3 Trading subsidiaries' results

| | Barnardo Trading Limited £000 | Barnardo Developments Limited £000 | Barnardo Events Limited £000 | Barnardo Services Limited £000 | Total 2007 £000 | Total 2006 £000 |
|--|--|---|---|---|--------------------------------|--------------------------------|
| Turnover | 1,817 | 2,075 | 375 | 33,617 | 37,884 | 41,316 |
| Cost of sales | (1,017) | (1,259) | - | (33,617) | (35,893) | (37,578) |
| Gross profit | 800 | 816 | 375 | - | 1,991 | 3,738 |
| Admin/other costs | (512) | (434) | (135) | (27) | (1,108) | (1,403) |
| Trading profit/(loss) | 288 | 382 | 240 | (27) | 883 | 2,335 |
| Other income | - | 154 | - | 346 | 500 | 640 |
| Net Income | 288 | 536 | 240 | 319 | 1,383 | 2,975 |
| Amount payable by gift aid to Barnardo's | (288) | (536) | (240) | (319) | (1,383) | (2,975) |
| Retained profit for year | - | - | - | - | - | - |
| Retained profit brought forward | 10 | - | - | - | 10 | 10 |
| Retained profit carried forward | 10 | - | - | - | 10 | 10 |

These results have been consolidated on a line by line basis in the SOFA, after consolidation adjustments

4 Fees and grants for children's services

| | 2007 £000 | 2006 £000 |
|----------------------------|----------------------|----------------------|
| Family support & placement | 44,577 | 41,493 |
| Education | 15,997 | 14,847 |
| Disability support | 10,982 | 11,292 |
| Other services | 39,566 | 39,165 |
| | 111,122 | 106,797 |

5 Voluntary income

| | | |
|---|---------------|---------------|
| Legacies | 16,942 | 20,871 |
| Donations and gifts from the general public | 22,856 | 23,069 |
| Donations from companies and trusts | 1,527 | 1,143 |
| | 41,325 | 45,083 |

Barnardo's
Notes to the Accounts
Year Ended 31 March 2007

| | 2007 £000 | 2006 £000 |
|---|----------------|-----------------|
| 6 Income from sale and development of properties | | |
| Gain on disposal of properties | 7,584 | 6,690 |
| Turnover of Barnardo Developments Limited | 2,075 | 7,221 |
| | ----- 9,659 | ----- 13,911 |
| 7 Investment and other income | | |
| Listed investments - United Kingdom | 2,892 | 2,306 |
| Short term deposits | 748 | 874 |
| Rents and ground rents | 351 | 381 |
| Loan and other interest | 217 | 358 |
| Gain on disposal of non property fixed assets | 125 | 178 |
| | ----- 4,333 | ----- 4,097 |
| 8 Grants made | | |
| Grants to other organisations | 100 | 340 |
| Grants to young people | 957 | 1,069 |
| | ----- 1,057 | ----- 1,409 |

9 Allocation of support costs

Total resources expended include the allocation of support costs to the various expenditure categories set out in the SOFA. These support costs relate to the corporate functions of information technology, property and facilities management, human resources and finance, in addition to the support costs incurred by communications and other centralised departments that are not otherwise directly allocated. Support costs have been allocated to activities on a basis consistent with the use of resources (e.g. time spent, number of staff, asset value).

Barnardo's
Notes to the Accounts
Year Ended 31 March 2007

| | 2007 £000 | 2006 £000 |
|--|--------------|--------------|
| 10 Net (outgoing)/incoming resources | | |
| Net (outgoing)/incoming resources are stated after charging | | |
| Depreciation of tangible fixed assets | 4,859 | 4,147 |
| Depreciation on adaptations for special purposes | 512 | 552 |
| Auditors' remuneration - statutory | 58 | 56 |
| - non-audit work | 17 | 22 |
| Operating lease rentals | 7,351 | 6,714 |
| | ----- | ----- |
| 11 Gains and losses on revaluation and on investment asset disposals | | |
| Realised gains | 82 | 236 |
| Unrealised gains | 1,499 | 6,638 |
| | ----- | ----- |
| | 1,581 | 6,874 |
| | ----- | ----- |
| 12 Employees | No. | No |
| The average number of employees during the year was | | |
| Children's services | 5,291 | 5,008 |
| Fundraisers, shop managers, clerical staff and fundraising management | 1,070 | 1,003 |
| Central support services (including employees performing work for other departments) | 321 | 355 |
| Subsidiary companies | 4 | 10 |
| | ----- | ----- |
| | 6,686 | 6,376 |
| | ----- | ----- |
| Number of part-time and casual employees at year end | 3,853 | 3,554 |
| | ----- | ----- |
| The aggregate emoluments to employees in the year were | £000 | £000 |
| Wages and salaries | 103,598 | 98,165 |
| Social security costs | 7,626 | 7,223 |
| Pension costs | 9,367 | 8,823 |
| Benefits in kind (as calculated for taxation purposes) | 287 | 294 |
| | ----- | ----- |
| | 120,878 | 114,505 |
| | ----- | ----- |
| The number of staff whose emoluments fell within each of the following bands was | 2007 | 2006 |
| £60,000 to £69,999 | 6 | 8 |
| £70,000 to £79,999 | 13 | 15 |
| £80,000 to £89,999 | 3 | 1 |
| £90,000 to £99,999 | 3 | 4 |
| £120,000 to £129,999 | 1 | - |
| £150,000 to £159,999 | 1 | - |

Emoluments for this purpose include gross salary and benefits in kind

The above banding includes 24 staff (2006 24) for whom retirement benefits are accruing under the Barnardo's Staff Pension Scheme

Barnardo's
Notes to the Accounts
Year Ended 31 March 2007

| 13 Legacies | 2007 | 2006 |
|-----------------------------------|-------------|-------------|
| | £000 | £000 |
| Legacies notified but not accrued | 10,443 | 8,763 |
| | ----- | ----- |

14 Members

Barnardo's is a company limited by guarantee having no share capital and in accordance with clause 7 of the Memorandum of Association every member is liable to contribute a sum of £1 05 in the event of the company being wound up. At 31 March 2007 there were 402 members (31 March 2006 - 394)

During the year no Council member received any remuneration. Expenses incurred by trustees amounted to £9,507 (2006 - £10,131) and included travel, subsistence and other related costs. The number of Council members claiming expenses was 12 (2006 - 18)

The charity purchased insurance for Council members and officers of the company during the year to indemnify them against possible liabilities incurred by them in relation to their duties. The cost of this insurance was £30,000 (2006 - £39,900)

15 Retirement Benefits

The group operates a funded defined benefit scheme, the Barnardo Staff Pension Scheme, the assets of which are held in a specific trust separately from those of the group. Contributions are paid to the scheme as agreed with the scheme's trustees, having taken independent actuarial advice.

Details of the scheme, produced in accordance with FRS17, are set out below.

The full actuarial valuation as at 31 March 2006 was updated to 31 March 2007, by an independent qualified actuary in accordance with FRS17. As required by FRS17, the defined benefit liabilities have been measured using the projected unit method.

The following table sets out the key FRS17 assumptions used for the scheme. The table also sets out as at the accounting date the fair value of assets, a breakdown of the assets into the main asset classes, the present value of the FRS17 liabilities and the deficit of assets below the FRS17 liabilities.

| Assumptions | 2007 | 2006 | 2005 |
|-------------------------|-------------|-------------|-------------|
| | per annum | per annum | per annum |
| Price inflation | 3.0% | 2.8% | 2.7% |
| Discount rate | 5.35% | 5.1% | 5.6% |
| Pension increases (LPI) | 3.0% | 2.7% | 2.6% |
| Salary growth | 4.5% | 4.3% | 4.7% |

On the basis of the assumptions used for life expectancy, a male pensioner currently aged 60 would be expected to live for a further 25 years (2005/06 - 24 years). Allowance is made for future improvements in life expectancy.

Barnardo's
Notes to the Accounts
Year Ended 31 March 2007

15 Retirement Benefits (contd.)

Asset distribution and expected return

| | 2007 | | 2006 | | 2005 | |
|----------|-----------------|------------------|-----------------|------------------|-----------------|------------------|
| | Expected return | Fair value £m | Expected return | Fair value £m | Expected return | Fair value £m |
| Equities | 7.6% | 268.5 | 7.1% | 251.8 | 7.7% | 199.7 |
| Bonds | 4.8% | 73.2 | 4.3% | 60.0 | 4.7% | 17.9 |
| Property | 6.3% | 22.5 | 5.5% | 20.0 | 6.2% | 18.3 |
| Other | 5.4% | 5.9 | 4.5% | 9.7 | 4.7% | 39.5 |

The expected return on assets assumptions above for 2006/7 have been updated to reflect a deduction for scheme expenses. The figures below are based on these updated assumptions.

| Balance Sheet | 2007 £m | 2006 £m | 2005 £m |
|------------------------------|-------------------|-------------------|-------------------|
| Total fair value of assets | 370.1 | 341.5 | 275.4 |
| Present value of liabilities | (426.7) | (402.7) | (343.6) |
| Deficit | (56.6) | (61.2) | (68.2) |

Over the year to 31 March 2007, regular contributions by Barnardo's of £8.9m were made to the scheme and £0.5m was paid to cover the costs incurred due to early retirements. Barnardo's has agreed with the trustees that they will continue to pay contributions to the scheme at the rate of 11.6% of pensionable earnings following the actuarial valuation as at 31st March 2006, along with a lump sum of £10m payable in March 2008.

The post retirement deficit under FRS17 moved as follows during the year to 31 March 2007

| | 2007 £m | 2006 £m |
|--|-------------------|-------------------|
| Post retirement deficit at beginning of year | (61.2) | (68.2) |
| Current service cost (employee and employer) | (17.2) | (14.6) |
| Past service cost | (0.5) | (0.1) |
| Contributions (employee and employer) | 14.3 | 13.6 |
| Net pension finance credit | 1.4 | - |
| Actuarial gain | 6.6 | 8.1 |
| Post retirement deficit at year end | (56.6) | (61.2) |

The following amounts have been included within net (outgoing)/incoming resources under FRS17

| | 2007 £m | 2006 £m |
|---|-------------------|-------------------|
| Current service cost (employer's part only) | 12.3 | 9.8 |
| Past service cost | 0.5 | 0.1 |
| Total operating charge | 12.8 | 9.9 |

The following amounts have been included within net (outgoing)/incoming resources under FRS17

| | 2007 £m | 2006 £m |
|--|-------------------|-------------------|
| Expected return on pension scheme assets | 22.0 | 19.3 |
| Interest on post retirement liabilities | (20.6) | (19.3) |
| Net return to credit finance income | 1.4 | - |

Barnardo's
Notes to the Accounts
Year Ended 31 March 2007

15 Retirement Benefits (contd.)

The following amounts for 2003-2007 have been recognised under the "actuarial gain recognised in the pension scheme" heading within the statement of financial activities

| | 2007 | | 2006 | | 2005 | |
|---|-------------|------|-------------|------|-------------|------|
| | £m | | £m | | £m | |
| Actual less expected return on scheme assets | 6.5 | 2% | 44.1 | 13% | 11.1 | 4% |
| Experience (loss)/gain on scheme liabilities | (0.8) | (0%) | (0.4) | 0% | 0.2 | 0% |
| Loss due to assumption changes underlying the present value of scheme liabilities | 0.9 | 0% | (35.6) | (9%) | (7.0) | (2%) |
| Actuarial gain | <u>6.6</u> | 2% | <u>8.1</u> | 2% | <u>4.3</u> | 1% |

| | 2004 | | 2003 | |
|---|---------------|-------|---------------|-------|
| | £m | | £m | |
| Actual less expected return on scheme assets | 34.1 | 15% | (66.9) | (37%) |
| Experience (loss)/gain on scheme liabilities | 3.3 | 1% | 0.3 | 0% |
| Loss due to assumption changes underlying the present value of scheme liabilities | <u>(34.1)</u> | (11%) | <u>(7.2)</u> | (3%) |
| Actuarial gain/(loss) | <u>3.3</u> | 1% | <u>(73.8)</u> | (28%) |

The above percentages show the components as a percentage of the end of year value of the scheme's assets or liabilities, as appropriate

Barnardo's
Notes to the Accounts
Year Ended 31 March 2007

16 Tangible assets

| | Properties | Equipment & vehicles | Total |
|--------------------------|-------------------|---------------------------------|----------------|
| (a) Group: | £000 | £000 | £000 |
| <i>Cost or valuation</i> | | | |
| At beginning of year | 92,851 | 16,206 | 109,057 |
| Additions | 3,749 | 2,009 | 5,758 |
| Disposals | (4,300) | (1,910) | (6,210) |
| At end of year | 92,300 | 16,305 | 108,605 |
| <i>Depreciation</i> | | | |
| At beginning of year | 56,512 | 13,792 | 70,304 |
| Provided during year | 3,642 | 1,729 | 5,371 |
| On disposals | (3,126) | (1,878) | (5,004) |
| At end of year | 57,028 | 13,643 | 70,671 |
| Net book value | | | |
| At beginning of year | 36,339 | 2,414 | 38,753 |
| At end of year | 35,272 | 2,662 | 37,934 |
| (b) Charity: | | | |
| Net book value | | | |
| At beginning of year | 36,339 | 2,393 | 38,732 |
| At end of year | 35,272 | 2,651 | 37,923 |

| | Group & Charity | |
|---|----------------------------|---------------|
| | 2007 | 2006 |
| | £000 | £000 |
| (c) Analysis of freehold and leasehold properties: | | |
| Freeholds | 28,930 | 29,366 |
| Long leaseholds (over 50 years) | 3,514 | 3,119 |
| Short leaseholds (50 years and under) | 2,828 | 3,854 |
| | 35,272 | 36,339 |
| (d) Use of properties: | | |
| Barnardo's childcare work | 18,296 | 18,896 |
| Other (including shops, warehouses and administration) | 16,976 | 17,443 |
| | 35,272 | 36,339 |

Rental income is received from property surplus to functional requirements

Barnardo's
Notes to the Accounts
Year Ended 31 March 2007

| | Group | |
|--|---------------|---------------|
| | 2007 | 2006 |
| | £000 | £000 |
| 17 Investments | | |
| Investments at market value | 76,423 | 66,996 |
| <hr/> | | |
| Investments of the charity include £20,000 in Subsidiary undertakings (Note 2) | | |
| <i>Investments at market value</i> | | |
| At beginning of year | 66,996 | 53,602 |
| Additions | 13,920 | 8,114 |
| Disposals | (6,074) | (1,594) |
| Realised/unrealised gains | 1,581 | 6,874 |
| <hr/> | | |
| At end of year | 76,423 | 66,996 |
| <hr/> | | |
| <i>Comprising</i> | | |
| Listed investments - United Kingdom | 76,114 | 66,691 |
| Other investments | 309 | 305 |
| <hr/> | | |
| | 76,423 | 66,996 |
| <hr/> | | |
| Cost of Investments | 67,981 | 60,065 |
| <hr/> | | |

There were no individual listed investments in excess of 5% of the total portfolio value

18 Stocks and work in progress

| | | |
|------------------|-------|-------|
| Finished goods | 634 | 784 |
| Work in progress | 2,699 | 2,769 |
| <hr/> | | |
| | 3,333 | 3,553 |
| <hr/> | | |

Work in progress represent building developments at the year end No stocks or work in progress were held by the charity

| | Group | | Charity | |
|------------------------------------|--------------|-------------|----------------|-------------|
| | 2007 | 2006 | 2007 | 2006 |
| | £000 | £000 | £000 | £000 |
| 19 Debtors | | | | |
| Trade debtors | 255 | 313 | 110 | 44 |
| Statutory and related funders | 11,661 | 9,598 | 8,284 | 7,736 |
| Car loans and other staff advances | 196 | 356 | 196 | 356 |
| Taxation | 1,730 | 1,803 | 1,730 | 1,803 |
| Other debtors | 2,899 | 4,278 | 126 | 362 |
| Prepayments and accrued income | 2,114 | 2,139 | 1,540 | 1,688 |
| Amounts due from subsidiaries | - | - | 8,135 | 5,800 |
| <hr/> | | | | |
| | 18,855 | 18,487 | 20,121 | 17,789 |
| <hr/> | | | | |

Other debtors include amounts totalling £1m (2006 - £1m) which are recoverable on a phased basis in 2008/9
Amounts due from subsidiaries represent loans from the charity to Barnardo Trading Limited and Barnardo Developments Limited and temporary current account balances between the charity and two other subsidiaries (Barnardo Services Limited and Barnardo Events Limited) The loans are repayable on demand, and are secured by fixed and floating charges over the assets of the subsidiaries Interest is chargeable at rates of 1 5% to 2% above base rate

Barnardo's
Notes to the Accounts
Year Ended 31 March 2007

| | Group | Group | Charity | Charity |
|---|---------------|---------------|----------------|----------------|
| | 2007 | 2006 | 2007 | 2006 |
| | £000 | £000 | £000 | £000 |
| 20 Cash and bank balances and short-term deposits | | | | |
| Cash at bank & in hand | 6,239 | 4,396 | 5,736 | 4,156 |
| Short-term deposits | 1,031 | 8,029 | 1,032 | 8,029 |
| | 7,270 | 12,425 | 6,768 | 12,185 |
| 21 Creditors - amounts falling due within one year | | | | |
| Pension contributions | 1,138 | 1,113 | 1,138 | 1,113 |
| Other taxes and social security costs | 4,688 | 3,812 | 2,531 | 2,428 |
| Other creditors | 1,567 | 1,608 | 1,457 | 1,151 |
| Accruals | 5,626 | 5,141 | 5,444 | 4,931 |
| Trade creditors | 2,255 | 2,046 | 2,254 | 2,014 |
| Deferred income | 10,816 | 8,612 | 8,179 | 6,640 |
| | 26,090 | 22,332 | 21,003 | 18,277 |

Other creditors include £250,000 which is repayable in instalments up to 2013

Deferred income relates to fees and grants invoiced in advance from statutory and related funders

22 Commitments

| | | | | |
|--|--------------|--------------|----------------------------|----------------|
| (a) Capital Expenditure | Group | Group | Charity | Charity |
| | 2007 | 2006 | 2007 | 2006 |
| | £000 | £000 | £000 | £000 |
| Capital expenditure contracted | 1,686 | 2,644 | 1,686 | 2,644 |
| Capital expenditure authorised but not contracted for | 794 | 820 | 794 | 820 |
| (b) Land & Other Buildings | | | Group & Charity | |
| | | | 2007 | 2006 |
| | | | £000 | £000 |
| Annual commitments under non-cancellable operating leases are as follows | | | | |
| Operating Leases which expire | | | | |
| Within one year | | | 198 | 280 |
| In the second to fifth years inclusive | | | 2,409 | 2,052 |
| Over five years | | | 4,298 | 3,797 |

Barnardo's
Notes to the Accounts
Year Ended 31 March 2007

23 Fund balances

(a) Analysis of restricted & endowment funds

| | Restricted income funds | Restricted capital and endowment funds | Total 2007 |
|--|-------------------------------|---|---------------|
| | £000 | £000 | £000 |
| Incoming resources | | | |
| - Statutory income | 5,732 | - | 5,732 |
| - Fundraising income | 2,956 | - | 2,956 |
| - Big Lottery Fund | 600 | - | 600 |
| - Net income from investments and other | - | 1,207 | 1,207 |
| | 9,288 | 1,207 | 10,495 |
| Resources expended | | | |
| - Child care and community work in the UK | 8,618 | - | 8,618 |
| - Grants to young people in need | - | 957 | 957 |
| | 8,618 | 957 | 9,575 |
| Net incoming resources | 670 | 250 | 920 |
| Endowment funds income release | - | (1,650) | (1,650) |
| Gains and losses on revaluation and on investment asset disposals | | | |
| Realised gains | - | 105 | 105 |
| Unrealised gains | - | 436 | 436 |
| | - | (1,109) | (1,109) |
| Net movement in funds | 670 | (859) | (189) |
| Fund balances brought forward | 1,841 | 24,735 | 26,576 |
| Fund balances carried forward | 2,511 | 23,876 | 26,387 |

All endowment funds are permanent endowments

The restricted capital and endowment fund balances carried forward at 31 March 2007 include £22.8m in respect of endowment funds for which Barnardo's has received an Order signed by the Charity Commission enabling the unapplied total return within these endowment funds to be transferred to unrestricted funds

| | £000 |
|---|---------|
| Value of assets representing the unapplied total return within endowment funds at 1 April 2006 | 7,400 |
| Endowment funds income release during the year | (1,650) |
| Net decrease in value during the year of the unapplied total return within endowment funds | (250) |
| Value of assets representing the unapplied total return within endowment funds at 31 March 2007 | 5,500 |

Barnardo's
Notes to the Accounts
Year Ended 31 March 2007

23 Fund balances (contd.)

| | | 2007 | 2007 | 2006 | 2006 |
|---|----------------------------|------------|-------------|------------|-------------|
| (b) Categorisation of restricted & endowment funds | | No. | £000 | No. | £000 |
| Fund balances | - Educational purposes | 3 | 2,352 | 3 | 2,297 |
| | - Project buildings | 2 | 284 | 2 | 284 |
| | - Sea training | 1 | 383 | 1 | 374 |
| | - General & other purposes | 22 | 23,368 | 22 | 23,621 |
| | | 28 | 26,387 | 28 | 26,576 |

| | Unrestricted £000 | Restricted & endowments £000 | Total £000 |
|---|----------------------|------------------------------------|---------------|
| (c) Analysis of fund balances between group net assets | | | |
| Fixed assets | 37,761 | 173 | 37,934 |
| Investments | 53,242 | 23,181 | 76,423 |
| Pension liability (note 15) | (56,600) | - | (56,600) |
| Net current assets | 335 | 3,033 | 3,368 |
| Net assets as at 31 March 2007 | 34,738 | 26,387 | 61,125 |
| Net assets as at 31 March 2006 | 30,106 | 26,576 | 56,682 |
| Unrealised profits included in investments value | 1,063 | 436 | 1,499 |

24 Related parties

The trustees confirm that there have been no related party transactions during the year which require disclosure under FRS 8 ("Related Party Transactions")

25 Contingent Liabilities

There is a contingent liability in respect of the unexpired term of leases assigned to other tenants. Council considers that the possibility of a material cost accruing to the organisation is remote and consequently no provision has been included in the accounts.

GIFTS AND GRANTS RECEIVED

Corporate Donations

The following companies have given more than £100,000 over the year
NEXT plc, Rotary International, The Royal Bank of Scotland and SEGRO (formerly known as Slough Estates International), Soccer AM

The following companies have given more than £10,000 over the year
ABN AMRO, Aldi Stores Ltd, ARG Ltd, Barclays Bank plc, Carphone Warehouse, Clinton Cards plc, Execution, Field Fisher Waterhouse LLP, Goldman Sachs, Hallmark Cards, Manchester Institute of Chartered Surveyors, Merseyside Young Professionals, Mitchells & Butlers, Papa John's (UK) Ltd, Rio Tinto, ShareGift, SPIFOX, SPIFOX Too, Taylor Woodrow, Totally Phat and Uncle Ben's

The following are acknowledged in accordance with the terms of the gift or grant

Charitable Trust Grants

The Bernard Sunley Charitable Foundation - Forward Steps, Northern Ireland, £20,000
Big Lottery Fund

- Barrowmead Project Ltd – LWFC Generic Counselling Service, Bristol, £15,278
- Café West, Bradford, £11,279
- CANDL, East London, £42,798
- Carmarthenshire Young Carers, Llanelli, £5,000
- Caterpillar, Cardiff, £51,000
- CERYs, Llanelli, £5,000
- Flimby and Grasslot Breakfast Clubs, Cumbria, £19,471
- Hamara, East London, £37,906
- Khandaani Dhek Bhal, Kirklees, £24,086
- Out There, Newport, £107,008
- Orchard, Newcastle, £46,411
- Pembrokeshire Family Link, £22,492
- Safe & Sound, Rotherham, £4,208
- SECOS Project, Middlesbrough, £41,490
- Shakti Imani Inclusion Project, Bristol, £2,532
- Sherwood, Nottingham, £95,540
- Somerset Inclusion Partnership (Early Years), Somerset, £30,716
- The Base, Whitley Bay, £25,000
- Tullycarnet, Belfast, £13,221

The City Bridge Trust – SE One, London, £100,000

Comic Relief

- Hopscotch Project, Arbroath and Perth, £25,520
- SECOS Project, Middlesbrough, £15,500

The Ellerdale Trust

- Action with Young Carers, Liverpool, £10,000
- Merseyside 5 A Service, Liverpool, £10,000

The Francis C Scott Charitable Trust.

- Ewanrigg, Maryport, £29,500
- Family Place, Wigton, £30,000
- South Lakeland Families, Windermere, £14,000

The Gannochy Trust - Hopscotch Project, Perth, £15,000

Garfield Weston Foundation - Caern Project, Edinburgh, £100,000

The Henry Smith Charity - Parenting Matters Project, Belfast, £20,000

Barnardo's
Year Ended 31 March 2007

Jack Petchey Foundation - Indigo Project, Ilford, £25,000
The Jessie Spencer Trust - Sherwood Project, Nottingham, £1,000
John James Bristol Foundation - Bristol BASE, Bristol, £23,448
The Lady Hind Trust - Sherwood Project, Nottingham, £1,000
Lloyds TSB Foundation for England and Wales

- Action with Young Carers, Liverpool, £10,000
- SMART Project, Tamworth, £5,000

The Northern Rock Foundation - Ewanrigg Project, Maryport, £20,027
The Rayne Foundation - North London Young Women's Project, London, £15,000
The Robertson Trust - Freagarrach Project, Falkirk, £38,000
The ScottishPower Energy People Trust

- Merthyr 16 Plus Project, Cymru, £22,000

The Trust for Education

- B76 Hartlepool, £30,000
- Sheffield Schools (Heritage Park & Holgate Meadows), £38,000

Grants from Statutory Authorities

Cymru

Welsh Assembly Government, £1,055,485

England

Department of Health

Opportunities for Volunteering Scheme, £194,500
Section 64 Grants Scheme, Integrated Children's Services, £15,000

Department for Education and Skills

NYVO Grants Scheme, Sphere, £33,152

Parenting Fund

- The BabyFather Initiative, £11,500
 - The Community House, £49,443
 - Health Through Action, £48,169
- Youth Volunteering Strategy Team, Hard to Reach Volunteers Film, £36,000

Home Office

Victims Fund

- SE One (Young Mens), £14,250
 - Southampton Young Womens, £14,250
- Purposeful Activities Fund – Health Through Action, £20,839
Challenge Fund – Safe and Sound, £18,030
Active Community Unit – Bournemouth & Poole ChangeUp Consortium, £6,000

Local Funding Bodies

ADFAM – South Lakeland Families, £7,443
Birmingham City Council Lifelong Learning Department, The Arch, £19,440
Birmingham City Council - The Arch, £59,582
Bristol City Council – Early Years and Childcare Services

- Bristol Community Family Worker Service, £456,942
- Fulford Family Centre, £103,915
- Fulford Family Centre (Race Equality Project), £48,915
- Lawrence Weston Family Centre, £107,122

Bristol Regeneration

- Shakti Imani Inclusion Project – NRF Erondy Foundation Supplementary School, £84,851
- Shakti Imani Inclusion Project – SRB6 Family Education Inclusion Strategy, £91,803

Barnardo's
Year Ended 31 March 2007

Cumbria Community Foundation – South Lakeland Families, £10,000
Derbyshire Children's Fund - Derbyshire Family Support Services, £247,200
Halton Local Network Fund – Halton Childrens Rights, £7,000
North West Development Agency – Ewanrigg, £32,000
Oldham Childrens Fund – Asha, £7,850
Somerset County Council – Sure Start West Somerset – Somerset Inclusion Partnership, £42,000
Children's Fund Somerset – Making Inclusion A Reality (MIAR) Project, £25,742
Cumbria Children's Fund

- Ewanrigg, £25,589
- Family Place, £13,000
- South Lakeland Families, £61,035

Leicester Children's Fund - Carefree service, £45,924
Leicester City Council - Carefree service, £37,357
Leicestershire County Council - Carefree service, £96,161
Liverpool Children's Fund

- AWYC Liverpool, £49,295
- Keeping Children Safe, £82,800
- Liverpool Parenting, £289,671

National Children's Bureau – Anti-Bullying Alliance Regional Co-ordination, £19,500
National Council of Voluntary Child Care Organisations (NCVCCO)

- Children's Workforce Learning Network, £107,808
- DfES VCS Engagement Programme, £21,042

National Family & Parenting Institute – Early Learning Partnership Programme, Bristol PEEP Pilot, £52,742
Poole Children's Fund – Games, Activities & Play (GAP) Project, £20,000
Sure Start Hartcliffe, Highridge & Withywood

- Four Acres Children's Centre, £240,664
- Fulford Family Centre Sure Start Service, £64,865
- Fulford Family Centre Sure Start Counselling Service, £52,834
- Fulford Family Centre Sure Start Midwifery Service, £11,650

Sure Start Kingsweston

- Lawrence Weston Family Centre Sure Start Family Network Service, £14,256
- Lawrence Weston Family Centre Sure Start Counselling Service, £51,488
- Sea Mills Children's Centre, £226,675

Sure Start Westwood & Coldhurst – Asha, £6,200

Northern Ireland

Antrim Borough Strategy Partnership – Antrim Family Support Project, £7,931
Community Foundation For Northern Ireland – NOVA Training, £9,420
Children's Fund Unit (DHSSPS)

- DVOS, £21,394
- Family Group Conferencing, £149,601
- Home from Home Outreach Services, £107,832
- Key Worker, £123,145
- Newry Adolescent Partnership, £40,392
- NI Research & Policy, £22,000
- PACT Aftercare Support, £61,503
- Parent Support Project, £34,351
- Parenting Matters, £52,933
- Pyramid Plus, £110,674
- Young Carer's Scheme, £140,196
- Young Peoples Advice & Information Bureau, £32,403

Community Relations Council – NOVA, £78,011

Barnardo's
Year Ended 31 March 2007

Department of Education

- Edenbrook Family Services, £70,458
- Young Peoples Network, £52,211

Department for Employment & Learning - European Social Fund - Building Sustainable

Department of Health & Social Services & Public Safety

- Domestic Violence Scheme, £40,000
- NI Secondment, £2,666
- NI Trainee Social Worker, £40,499
- NI Training Support Programme, £17,532
- Under 12's, £70,152

Eastern Childcare Partnership

- Choices for Children - Play for all, £31,083
- Tuar Ceatha Chinese Lay Health, £21,563

Eastern Health & Social Services Board

- Beyond the Shadows, £49,696
- Under 12's, £692,608
- Young People's Therapeutic, £117,377

NIPPA The Childhood Fund

- Parenting in a Divided Society, £200
- Woodland Family Centre, £11,694

North & West Belfast Health & Social Services Trust

- Beyond the Shadows, £60
- Child Bereavement, £1,700
- CFC- Forward Steps, £24,000
- Leaving Care, £3,125
- PACT, £79,860
- Professional Fostering, £170,837
- Tuar Ceatha Travellers, £16,353

Prosperity – Dr B's Kitchen, £229,508

Volunteer Development Agency (CVS) – Learning Together CVS, £3,898

Western Health & Social Services Board – Investing For Health, £3,456

YESIP (SEUPB) – School Group Conferencing, £19,448

Scotland

Inverclyde Council

- Inverclyde family Support Team, £187,550
- Threshold, £214,582

Renfrewshire Council

- Community Regeneration Funding, Paisley Threads, £60,000
- Community Regeneration Funding, Youthbuild, £41,860
- Working for Families Funding, Paisley Threads, £70,000

Scottish Executive - Youth Crime Prevention Fund

- Family Matters, £43,005
- Freagarrach Family Care and After Care, £44,808
- Lighthouse, £158,404

Discretionary

Tom Parrington's Will Trust, £100

COUNCIL AND OFFICERS

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Charity Reg nos 216250, SC037605

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Her Majesty The Queen

PRESIDENT

Cherie Booth QC

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Mr John Bartle, CBE
Ms Floella Benjamin, OBE
Mrs Susan Bernerd, MBE
Rt Rev Christopher Budd
Rev Joel Edwards
Rev David Gamble
Mr Peter Hardy
Ms Rosemary Jones
Mr Raj Loomba
Lady Mackay of Clashfern
Sir Clive Martin, OBE, TD
Baroness Julia Neuberger
Mr Bruce Oldfield, OBE
Sir Cliff Richard
Judge Mota Singh
Mr Philip Taylor
Mr Leslie Thomas
Dame Gillian Wagner, DBE
Dr Rowan Williams

MEMBERS OF COUNCIL

Dr David Barnardo (retired October 2006)
Mr Geoffrey Barnett, OBE (2001) – Chair of Council
Ms Rachael Bayley (2005)
Baroness May Blood (2002)
Ms Judy Clements (2006)
Mrs Jennifer Cromack (2003)
Mr Winston Fletcher (2000)
Mrs Ann Hodgson (2003)
Mr Roger Jones (1999)
Ms Hilary Keenlyside (2001)
Mr Ian Marshall (2005) – Honorary Treasurer
Mrs Sheila Mawer (2005)
Miss Ruth Owen (2003)
Mrs Kristine (Kit) Pawson (2005)
Mr Colin Sheppard (2003)
Mr James Shera (retired October 2006)
Ms Gillian Stewart (2003) – Deputy Chair of Council

Barnardo's
Year Ended 31 March 2007

The Lady Stewartby (resigned October 2006)
Mr David Tolson (2005)
Mrs Elisabeth (Libby) Watkins (2001)

CHIEF EXECUTIVE
Martin Narey

UK DIRECTOR OF OPERATIONS
Dr Chris Hanvey

UK DIRECTOR OF MARKETING AND COMMUNICATIONS
Andrew Nebel

UK DIRECTOR OF CORPORATE RESOURCES
Ian Theodoreson

UK DIRECTOR OF POLICY AND RESEARCH
Julian Walker

COMPANY SECRETARY
Joanna Lawson

DIRECTOR OF AUDIT AND INSPECTION
Robert Patterson

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