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Annual Report and Accounts 2008

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FINANCIAL SUMMARY

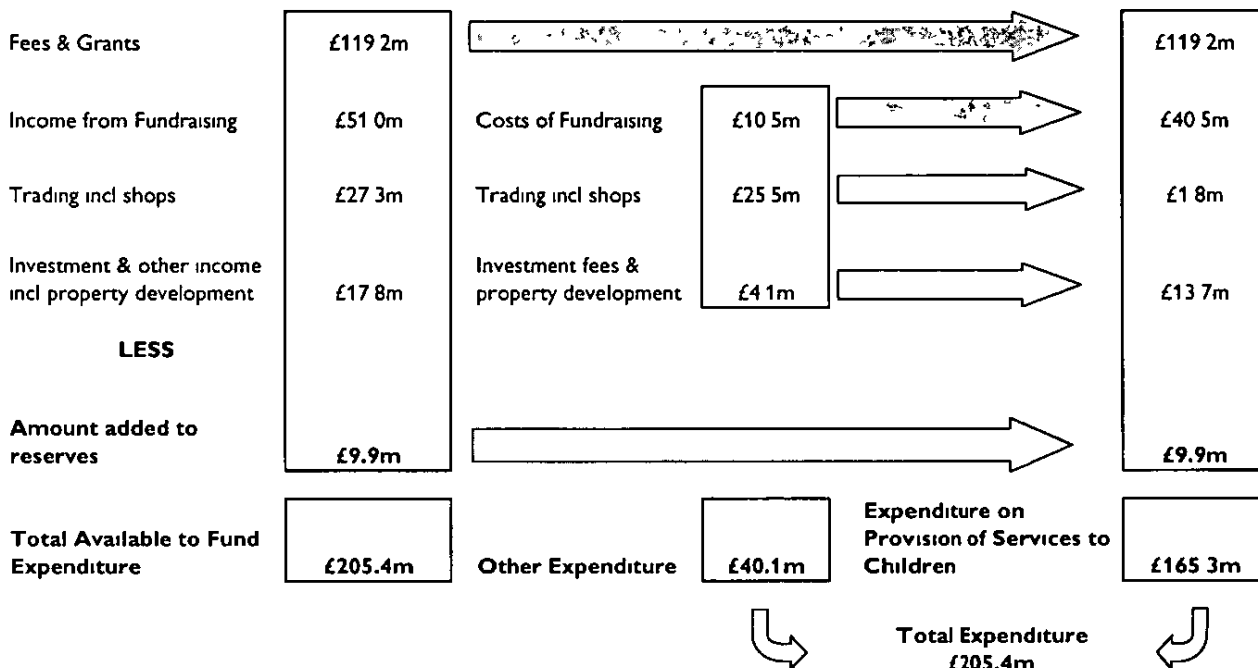
TOTAL FUNDS AVAILABLE

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 £215.3m of which £9.9m has been added to reserves

Total expenditure was £205.4m in the year of which £165.3m 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 £165.3m 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
YEAR ENDED 31 MARCH 2008

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**Barnardo's
Report of Council
Year Ended 31 March 2008**

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. We believe in the potential in every child and young person, no matter who they are, what they have done or what they have been through. We will support them, stand up for them and bring out the best in each and every child

In pursuit of its vision Barnardo's provides services in locations across the UK, reaching over 100,000 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 383 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 government 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 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 its UK Business Plan setting out the strategic direction for the organisation for the next three years. In June 2007 Barnardo's revealed 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. This is the first opportunity to report back formally on progress against the objectives set out in the Plan. The strategy is designed to 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 is being 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 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 is being built on the back of the concept of 'Believe in Children',
- *Implementing refreshed strategies for participation and volunteering* The organisation is seeking ways to draw service users and volunteers into a fruitful and constructive 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

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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 intellectual capital,

- *Increasing the net return from fundraising* The organisation is looking to reduce its dependence on legacy 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, 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

In last year's Annual Report Barnardo's identified a range of specific objectives for the year ended 31 March 2008. The following specifically addresses each of these objectives

- *Increase by 6% the income generated from statutory sources in 2007/8* - Barnardo's grew its income generated from statutory sources by 7.3% in the year which is particularly significant given the increased competition for contracts from both public and private sector providers. The growth has come both from expanding existing types of services and also from developing new services. The opening of new Young Carers, Family Support, Participation and Sexual Exploitation services has extended Barnardo's reach to meet the needs of more children through established service types. However Barnardo's has also expanded its activities into new areas of activity including winning contracts to run Children's Centres in Cumbria, Worcestershire and the South West and from contracts to deliver vocational training schemes,
- *95% of services to have measured outcomes and targets to improve efficiency and effectiveness* - At 31 March 92% of services had measured outcomes and targets built into their plans against which progress can be measured. Work is continuing to develop standard measures across the different service types to enable comparative performance to be measured to improve efficiency and effectiveness;
- *80% of services to be able to evidence how the active engagement of service users has influenced service delivery* - Four out of every five services now have clear targets in place relating to the active participation of service users which is important because the constructive participation of users in the design and delivery of services is likely to achieve sustainable outcomes,
- *Increase the active engagement of volunteers (including younger volunteers) by 5% per annum* - Barnardo's has grown its volunteer support by 10% over the financial year. Significantly the organisation has been able to increase the number of younger volunteers (under the age of 25) by almost 16% through increased engagement with student groups and participation in the national Dare to Care campaign,
- *Make a demonstrable impact on government legislation across all four parliaments in the UK in relation to policy affecting children and young people* - Barnardo's, through its influencing and lobbying, has directly contributed to a number of changes in government policy or legislation including changes to legislation for managing child sex offenders, improved provisions for children in care and leaving care, and better protection of the welfare of children subject to immigration control. As a leading member of the End Child Poverty coalition Barnardo's successfully lobbied for measures in the March 2008 Budget which will bring 250,000 children out of poverty,
- *Increase Barnardo's recognition amongst donors particularly during campaigns* - Tracking shows that donor recognition (an important ingredient in both income generation and increasing the impact of lobbying) does increase significantly during campaigns but that more effort is needed to sustain and build upon that awareness;
- *Generate net fundraised income (after the cost of informing the public about its work) of £34.5 million in 2007/8* - Net fundraised income (including retail) exceeded budget by £2.8m, principally arising from a recovery in legacy income, which contributed to an overall revenue surplus part of which will be injected into new service delivery during 2008,
- *Reduce support function costs at Head Office and in the nations and regions as a proportion of total spend* - A major overhaul of Barnardo's Human Resources and Learning & Development functions was concluded which will result in a more business-focussed service, whilst improving efficiency and competitiveness

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2008/9 PLANS

Looking ahead the targets for the coming year build on progress made in 2007/8 as follows

- Barnardo's will aim to increase the amount of income generated from statutory sources by 4.5% in 2008/9, contributing to the 16% growth target for the period 2007-2010 and increasing the proportion of expenditure funded from statutory sources. This will prove a testing target given the reduced Children's Fund monies from March 2008,
- Following a review of 'safeguarding' practice in all Barnardo's services in autumn 2007 the organisation has specifically set itself the task of bringing the mean score for the 20% poorest performing services in the 2007/8 audit up to the average for all services in that audit, and significantly increase the mean scores for all services,
- Once again Barnardo's will seek to grow the numbers of active volunteers, including younger volunteers, by a further 5% over the course of 2008/9,
- Over the three year period of the plan Barnardo's will seek to achieve a total of at least 20 changes in legislation or government policy across the four nations' jurisdictions, including at least one each year in each of our priority campaigning areas and one each year which will improve outcomes for Black and Minority Ethnic children and young people,
- Between 2008 and 2010 Barnardo's will work to improve sustained spontaneous awareness of the organisation;
- Barnardo's will generate a net contribution from fundraising and retail operations (after the cost of informing the public about its work) of £35.3m in 2008/9;
- Barnardo's will continue to reduce support function costs at head office and at Regional and National Offices as a percentage of total expenditure,
- Barnardo's will start to measure its environmental impact with a view to setting specific targets for improvement in future years,
- The organisation will implement a race equality strategy encompassing every aspect of its work – from service delivery and staffing, through campaigning, fundraising and communications to improve its work with the diverse communities served

PUBLIC BENEFIT

In setting its plans and priorities for areas of work the trustees of Barnardo's have had regard to the guidance from the Charity Commission on the provision of public benefit. The summary of Barnardo's strategic plan and the analysis of achievements against that plan, together with the more specific examples of Barnardo's activities set out in the Annual Review which complements this report, demonstrate how Barnardo's has sought to fulfil its principal charitable objective, that of the relief and assistance of children and young people in need.

FINANCE

Results for the year

The results for the year show Barnardo's achieved gross income of £215.3 million (2007: £191.8 million). Reported net voluntary income increased 28% driven principally by a major recovery in legacy income – see note 5 of the accounts. Retail performance struggled in line with a general downturn experienced by most retailers and net income fell by £144,000 compared to 2007.

The amount Barnardo's spent directly in furtherance of the charity's objectives increased to £165.3 million (2007: £161.0 million).

The net operating surplus for the year was £9.9 million (2007: deficit £3.7 million) was offset by falls in the market value of Barnardo's investment portfolio and the pension scheme assets resulting in an increase in net funds year on year of £2.1 million (2007: £4.4 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

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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 fund both revenue and net capital expenditure within any financial year. Surpluses generated in one year can be used in the following year to fund new initiatives or to top up reserves if required (see below). Some of the surplus generated in 2007/8 will be used to invest in a fundraising campaign in 2008/9, and to provide the seed corn financing for new services to children.

The second strand involves taking account of the risks associated with cash flow, voluntary and 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. This cushion means that Barnardo's is not vulnerable to the effects of short term fluctuations in income, allowing it time to make structural adjustments if needed. The Council estimates the required level of general reserve to be in the region of £40 million, which is 19% of gross revenue.

At 31 March 2008 the general reserve of Barnardo's stood at £42.5 million (2007: £43.5 million) which is after the impact of a £10m injection of reserves into the pension fund in March 2008 following a major restructuring of the pension scheme in 2007. (The restructuring, effective from July 2007, is designed to reduce the long term cost of providing pensions to Barnardo's staff).

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 £36.7 million (2007: £37.8 million) – the reduction reflecting the impact of 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 2008 this fund stood at £7.0 million (2007: £10.1 million).

Further funds of £24.9 million (2007: £26.4 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 £550,000 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.

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, new 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. 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 2008 it fell in value by 0.3% which was 3% better than the benchmark return. Over the longer term (five years), the total return achieved is slightly ahead of the benchmark at 10.9% per annum.

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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 £3.5 million (2007 £1 4 million)

Barnardo Trading Limited generated a profit of £391,000 (2007. £288,000) 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 £1 8 million (2007 £2 0 million)

Barnardo Developments Limited's principal activity is the development and sale of properties which are surplus to operational requirements. Net profit from development activities totalled £2 7 million (2007 £536,000) arising from sales of units in developments in Scotland, Taunton and Croydon in London.

Barnardo Events Limited raises sponsorship income and runs special events in support of Barnardo's, much of the income of which is accounted for within the charity. The company generated a profit of £242,000 (2007. £240,000).

A further subsidiary, Barnardo Social Enterprise Limited, started operating in 2007 to generate income from the sale of Barnardo's intellectual capital (through conferences, publishing, consultancy and training). In this start up year the subsidiary generated a net loss of £246,000 but the Trustees believe the longer term prospect for the business remains positive.

Accounts

The trustees confirm 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 trustees consider 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.

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. 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.

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. During the year the governance arrangements were reviewed and the decision taken to streamline the work of Council and reduce the number of members over the next few years.

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 senior executives who report to the Chief Executive).

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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 and the annual accounts before submission to the full Council. 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. It also approves loan arrangements for the subsidiary companies and ensures an appropriate return on capital invested in non-operational properties
- **Nominations Committee** reviews the make-up of Council and recommends action to Council to address identified requirements and it may appoint the panel of trustees to handle trustee recruitment. It manages relationships with the Members of Association and may appoint National Committee members
- **Remuneration Committee** determines the remuneration of the Chief Executive and of the 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
- **Family Placement Scrutiny Committee** is responsible for adoption and family placement work within Barnardo's. It considers reports, proposals and recommendations prior to their submission to Council. It also ensures that the adoption agency and family placement work operate in accordance with the law and organisational policy.
- **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

President

At the last Annual General Meeting Barnardo's President, Cherie Booth QC completed her term in office and Council wishes to place on record their gratitude for the commitment and enthusiasm she brought to the role. At the same time Council were delighted to be able to welcome Her Royal Highness The Duchess of Cornwall as the new President of Barnardo's.

Members of Council

A list of Members of Council appears on pages 31 and 32

Three trustees, Mrs Jennifer Cromack, Miss Ruth Owen and Mrs Libby Watkins retired from Council during the year and Council thanks them for their dedicated service. The following retire at the end of their three year term of office, and offer themselves for re-election:

Ms Rachael Bayley
Baroness May Blood
Mr Ian Marshall
Mrs Sheila Mawer
Mrs Kit Pawson

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Mr David Tolson

Since the last Annual General Meeting Ms Eleanor Williams was appointed as a Member of Council and offers herself for re-election

Management

Responsibility for operational activities is allocated to six departments. Children's Services is divided geographically into nine nations/regions operating from Belfast, Birmingham, Bristol, Cardiff, Edinburgh, Leeds, Liverpool, London and Newcastle. The Policy and Research Unit and Fundraising and Communications Departments operate from the Head Office in Barkingside and also from regional offices. The People Department and Corporate Resources Department, which includes the Finance, Information Systems, and Properties functions, are also based at Head Office and provide support services to the other departments with out-posted staff based in the Regional Offices.

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 of 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 (operational and financial) within their area of responsibility and the steps taken to mitigate those risks. Key risks include the effect of competition for new work, the continuing challenge to be cost effective and the volatility of legacy income, but the main risk identified is in relation to the pension fund. Despite taking steps to manage down this last risk in the longer term, Barnardo's remains vulnerable to the effects of short term market movements and changing mortality assumptions on the three yearly valuations of the scheme,
- An inspection and audit regime (involving both Barnardo's Corporate Audit and Inspection Unit and third party inspectors/auditors) which subjects critical business systems and policy 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.

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AUDITORS

Subsequent to the last Annual General Meeting a review of auditors was conducted and BDO Stoy Hayward LLP were appointed. In accordance with Section 485 of the Companies Act 2006 resolutions proposing the re-appointment of BDO Stoy Hayward LLP as auditors of Barnardo's 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.

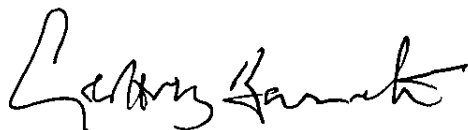
Barnardo's is committed to taking active steps to address and eliminate unfair or unlawful discrimination or prejudice where these are identified in the organisation's procedures or practices.

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. Through its textile recyclers, Barnardo's recycles unsold, damaged and defective clothing, textiles and shoes and has an agreement to recycle old mobile phones and inkjet cartridges received from the public. It is looking to extend the range of materials recycled to include unsold and damaged books, cardboard, some plastics, DVDs, metal and old electrical items.

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 27 to 30.



By Order of the Council
Geoffrey Barnett
Chair of Council

17 July 2008

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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

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

We have audited the financial statements of Barnardo's for the year ended 31 March 2008 which comprise the Statement of Financial Activities (including the Income and Expenditure Account) the Balance Sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

As described in the statement of trustees responsibilities, 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 relevant financial reporting framework and are prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. In addition, we report to you our opinion as to whether information given in the Report of Council is consistent with those financial statements. We also report to you if, in our opinion, the charity has not kept proper accounting records, if the charity's financial statements are not in agreement with those 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 transactions with the charity is not disclosed.

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

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and the Charities and Trustee Investment (Scotland) Act 2005 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or the Charities and Trustee Investment (Scotland) Act 2005 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

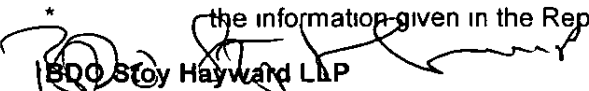
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 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 of the state of affairs of the charity and the group as at 31 March 2008, and of the group's incoming resources and resources expended, including its income and expenditure, for the year then ended,
- * the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- * the financial statements have been prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations, and
- * the information given in the Report of Council is consistent with the financial statements


BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors
Epsom, Surrey

23 July 2008

Barnardo's
Consolidated Statement of Financial Activities
Year Ended 31 March 2008

| | Note | Unrestricted Funds £000 | Restricted & endowment funds £000 | Total 2008 £000 | Total 2007 £000 |
|--|------|----------------------------|--|-----------------------|-----------------------|
| Incoming resources | | | | | |
| Incoming resources from charitable activities | | | | | |
| - Fees and grants for service provision | 4 | 114,314 | 4,933 | 119,247 | 111,122 |
| Voluntary income | 5 | 45,754 | 5,207 | 50,961 | 41,325 |
| Less Costs of generating voluntary income | | (10,489) | - | (10,489) | (9,687) |
| Net voluntary income | | 35,265 | 5,207 | 40,472 | 31,638 |
| Activities for generating funds | | | | | |
| Trading income | | 27,280 | | 27,280 | 25,407 |
| Less Costs of goods sold and other costs | | (25,459) | | (25,459) | (23,442) |
| Net income from trading | | 1,821 | - | 1,821 | 1,965 |
| Income from sale and development of properties | 6 | 12,713 | | 12,713 | 9,659 |
| Less Costs of developing and selling properties | | (3,893) | | (3,893) | (1,259) |
| Net income from property sale and developments | | 8,820 | - | 8,820 | 8,400 |
| Investment and other income | 7 | 3,980 | 1,104 | 5,084 | 4,333 |
| Less Investment management costs | | (171) | (83) | (254) | (186) |
| Net investments and other income | | 3,809 | 1,021 | 4,830 | 4,147 |
| Net incoming resources available for charitable expenditure | | 164,029 | 11,161 | 175,190 | 157,272 |
| Charitable expenditure | | | | | |
| Charitable Activities | | | | | |
| Service provision | 8 | 145,031 | 10,743 | 155,774 | 152,096 |
| Informing the public about our work | | 6,222 | - | 6,222 | 5,443 |
| Childcare research and education | | 2,010 | - | 2,010 | 2,098 |
| Governance costs | | 1,292 | - | 1,292 | 1,373 |
| Total charitable expenditure | | 154,555 | 10,743 | 165,298 | 161,010 |
| Endowment funds income release | 22 | 550 | (550) | - | - |
| Net incoming/(outgoing) resources | 9 | 10,024 | (132) | 9,892 | (3,738) |
| (Losses)/profits on revaluation and on investment asset disposals | 10 | (1,887) | (1,361) | (3,248) | 1,581 |
| Actuarial (loss)/gain recognised in the pension scheme | 14 | (4,500) | - | (4,500) | 6,600 |
| Net movement in funds | | 3,637 | (1,493) | 2,144 | 4,443 |
| Fund balances brought forward | | 34,738 | 26,387 | 61,125 | 56,682 |
| Fund balances carried forward | 22 | 38,375 | 24,894 | 63,269 | 61,125 |

| | | | | | |
|--|--|-----------|----------|-----------|-----------|
| Note: | | | | | |
| Total incoming resources | | 204,041 | 11,244 | 215,285 | 191,846 |
| Total resources expended | | (194,567) | (10,826) | (205,393) | (195,584) |
| Transfer of endowment funds | | 550 | (550) | - | - |
| Net(outgoing)/incoming resources | | 10,024 | (132) | 9,892 | (3,738) |
| | | | | | |
| Total cost of generating funds (including fundraising, trading and property development) | | (40,012) | (83) | (40,095) | (34,574) |

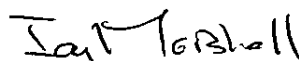
All of the above results relate to continuing activities. The notes on pages 15 to 26 form part of these financial statements.

Barnardo's
Balance Sheet
Year Ended 31 March 2008

| | Note | Group | | Charity | |
|---|-----------|----------|----------|----------|----------|
| | | 2008 | 2007 | 2008 | 2007 |
| | | £000 | £000 | £000 | £000 |
| Fixed assets | | | | | |
| Tangible assets | 15 | 36,852 | 37,934 | 36,848 | 37,923 |
| Investments | 16 | 67,199 | 76,423 | 67,199 | 76,423 |
| | | 104,051 | 114,357 | 104,047 | 114,346 |
| Current assets | | | | | |
| Stocks and work in progress | 17 | 2,339 | 3,333 | - | - |
| Debtors | 18 | 21,240 | 18,855 | 19,862 | 20,121 |
| Cash and bank balances and short-term deposits | 19 | 14,704 | 7,270 | 14,408 | 6,768 |
| | | 38,283 | 29,458 | 34,270 | 26,889 |
| Creditors: Amounts falling due within one year | 20 | (31,265) | (26,090) | (25,868) | (21,003) |
| Net current assets | | 7,018 | 3,368 | 8,402 | 5,886 |
| Net assets excluding pension liability | | 111,069 | 117,725 | 112,449 | 120,232 |
| Pension liability | 14 | (47,800) | (56,600) | (47,800) | (56,600) |
| Net assets including pension liability | | 63,269 | 61,125 | 64,649 | 63,632 |
| Fund balances | | | | | |
| Restricted and endowment funds | 22(a)&(b) | 24,894 | 26,387 | 24,894 | 26,387 |
| Fixed assets fund | | 36,679 | 37,761 | 36,675 | 37,750 |
| General reserve | | 42,478 | 43,516 | 42,478 | 43,516 |
| Working capital fund | | 7,018 | 10,061 | 8,402 | 12,579 |
| Unrestricted funds excluding pension liability | | 86,175 | 91,338 | 87,555 | 93,845 |
| Total funds excluding pension reserve | | 111,069 | 117,725 | 112,449 | 120,232 |
| Pension reserve | 14 | (47,800) | (56,600) | (47,800) | (56,600) |
| Total funds | 22(c) | 63,269 | 61,125 | 64,649 | 63,632 |



Geoffrey Barnett
Chair of Council
17th July 2008



Ian Marshall
Honorary Treasurer

The notes on pages 15 to 26 form part of these financial statements

Barnardo's
Cash Flow Statement
Year Ended 31 March 2008

| | Note | 2008 £000 | 2007 £000 |
|--|-----------|----------------|----------------|
| Reconciliation of net incoming/(outgoing) resources to net cash outflow from operating activities | | | |
| Net incoming/(outgoing) resources | | 9,892 | (3,738) |
| Depreciation charge | 14 | 4,583 | 5,371 |
| Net gain on disposal of tangible fixed assets | | (8,993) | (8,525) |
| (Decrease)/Increase in pension liability | | (13,300) | 2,000 |
| Increase in debtors | | (2,385) | (368) |
| Increase in creditors | | 5,175 | 3,758 |
| Investment income and interest | 7 | (4,912) | (4,208) |
| Decrease in stock and work in progress | | 994 | 220 |
| Net cash outflow from operating activities | | (8,946) | (5,490) |
| Cash flow statement | | | |
| Net cash outflow from operating activities | | (8,946) | (5,490) |
| Returns on investments and servicing of finance | | | |
| Investment income and interest | 7 | 4,912 | 4,208 |
| | | 4,912 | 4,208 |
| Capital expenditure and financial investment | | | |
| Purchase of tangible fixed assets | 14 | (5,299) | (5,758) |
| Purchase of investments | 15 | (8,225) | (13,920) |
| Sale of tangible fixed assets | | 10,792 | 9,731 |
| Sale of investments | 15 | 14,200 | 6,074 |
| | | 11,468 | (3,873) |
| Cash inflow /(outflow) before use of liquid resources | | 7,434 | (5,155) |
| Management of liquid resources | | | |
| Net cash (put on deposit)/withdrawn | | (7,000) | 6,998 |
| Increase in cash in the year | | 434 | 1,843 |
| Reconciliation of net cash flow to movement in net cash funds | | | |
| Net funds at beginning of the year | 19 | 6,239 | 4,396 |
| Change in net funds during the year | | 434 | 1,843 |
| Net funds at end of the year | 19 | 6,673 | 6,239 |

Barnardo's
Summary Income and Expenditure Account
Year Ended 31 March 2008

| | Note | 2008 | 2007 |
|--|-------|----------------|----------------|
| | | £000 | £000 |
| Gross income | | | |
| Gross income of continuing operations | | 164,330 | 152,255 |
| Income of non-charitable trading subsidiaries | 3 | 49,933 | 38,384 |
| | | <u>214,263</u> | <u>190,639</u> |
| Gross expenditure | | | |
| Total expenditure of continuing operations | | 158,573 | 157,626 |
| Expenditure of non-charitable trading subsidiaries | 3 | 46,447 | 37,001 |
| | | <u>205,020</u> | <u>194,627</u> |
| Net income/(expenditure) for the year before transfers and investment asset disposals | | <u>9,243</u> | <u>(3,988)</u> |
| Realised gain on disposal of investment assets | 10 | <u>189</u> | <u>82</u> |
| Net income/(expenditure) for the year | | <u>9,432</u> | <u>(3,906)</u> |
| Reconciliation to statement of financial activities: | | | |
| Net income/(expenditure) for the year before investment asset disposals as above | | 9,243 | (3,988) |
| Movement on restricted capital and endowment funds | 22(a) | 649 | 250 |
| Net incoming/(outgoing) resources | | <u>9,892</u> | <u>(3,738)</u> |

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 £6.4 million (2007: £5.3 million) has been dealt with in the accounts of the charity.

Barnardo's
Notes to the Accounts
Year Ended 31 March 2008

1 Accounting policies

Basis of preparation

The accounts have been prepared 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 2008. 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.

Fixed Assets

Except as set out below, fixed assets are stated in the balance sheet at their cost or value at the time of receipt less depreciation. Expenditure of a capital nature over £1,000 is capitalised. 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 FRS15 ("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 12.
- 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 2008

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
- vi) where fee or grant income is invoiced or received that relates to subsequent periods, the income is treated as deferred income in Note 20 to the accounts

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 8

- 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 14

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.

Barnardo's
Notes to the Accounts
Year Ended 31 March 2008

1 Accounting policies (contd.)

Corporation tax

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

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 22).

Barnardo's
Notes to the Accounts
Year Ended 31 March 2008

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
 Barnardo Social Enterprise Limited

Principal Activities

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

All the above companies 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 | Barnardo Social Enterprise Limited £000 | Total 2008 £000 | Total 2007 £000 |
|--|--|---|---------------------------------------|---|--|-----------------------|-----------------------|
| Turnover | 1,952 | 6,863 | 352 | 40,036 | 113 | 49,316 | 37,884 |
| Cost of sales | (1,070) | (3,881) | - | (40,036) | (47) | (45,034) | (35,893) |
| Gross profit | 882 | 2,982 | 352 | - | 66 | 4,282 | 1,991 |
| Admin/other costs | (458) | (497) | (110) | (36) | (312) | (1,413) | (1,108) |
| Trading profit/(loss) | 424 | 2,485 | 242 | (36) | (246) | 2,869 | 883 |
| Other income | (33) | 244 | - | 406 | - | 617 | 500 |
| Transfer of tax losses | - | - | - | (246) | 246 | - | - |
| Net Income | 391 | 2,729 | 242 | 124 | - | 3,486 | 1,383 |
| Amount payable by gift aid to Barnardo's | (391) | (2,729) | (242) | (124) | - | (3,486) | (1,383) |
| 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

| | 2008 £000 | 2007 £000 |
|----------------------------|--------------|--------------|
| Family support & placement | 50,898 | 44,577 |
| Education | 16,005 | 15,997 |
| Disability support | 10,991 | 10,982 |
| Other services | 41,353 | 39,566 |
| | 119,247 | 111,122 |

5 Voluntary income

| | | |
|---|--------|--------|
| Legacies | 24,314 | 16,942 |
| Donations and gifts from the general public | 24,956 | 22,856 |
| Donations from companies and trusts | 1,691 | 1,527 |
| | 50,961 | 41,325 |

Barnardo's
Notes to the Accounts
Year Ended 31 March 2008

| | 2008 £000 | 2007 £000 |
|---|--------------|--------------|
| 6 Income from sale and development of properties | | |
| Gain on disposal of properties | 5,850 | 7,584 |
| Turnover of Barnardo Developments Limited | 6,863 | 2,075 |
| | 12,713 | 9,659 |
| 7 Investment and other income | | |
| Listed investments - United Kingdom | 3,322 | 2,892 |
| Short term deposits | 886 | 748 |
| Rents and ground rents | 440 | 351 |
| Loan and other interest | 264 | 217 |
| Gain on disposal of non property fixed assets | 172 | 125 |
| | 5,084 | 4,333 |
| 8 Expenditure on Service Provision | | |
| Expenditure on service provision comprises direct costs of £139.3m (2007 £136.6m), grants made of £0.5m (2007 £1.1m) and other support and training costs of £16.0m (2007 £14.4m) | | |
| 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) | | |
| | 2008 £000 | 2007 £000 |
| 9 Net incoming/(outgoing) resources | | |
| Net incoming/(outgoing) resources are stated after charging: | | |
| Depreciation of tangible fixed assets | 4,395 | 4,859 |
| Depreciation on adaptations for special purposes | 188 | 512 |
| Auditors' remuneration - statutory | 57 | 58 |
| - non-audit work | 16 | 17 |
| Operating lease rentals | 8,511 | 7,351 |
| | | |
| 10 Gains and losses on revaluation and on investment asset disposals | | |
| Realised gains | 189 | 82 |
| Unrealised (losses)/gains | (3,437) | 1,499 |
| | (3,248) | 1,581 |

Barnardo's
Notes to the Accounts
Year Ended 31 March 2008

| 11 Employees | 2008 | 2007 |
|--|-------------|-------------|
| | No. | No. |
| The average number of employees during the year was | | |
| Children's services | 5,404 | 5,291 |
| Fundraisers, shop managers, clerical staff and fundraising management | 1,149 | 1,070 |
| Central support services (including employees performing work for other departments) | 313 | 321 |
| Subsidiary companies | 4 | 4 |
| | ----- | ----- |
| | 6,870 | 6,686 |
| | ----- | ----- |
| Number of full time equivalent employees at year end | 4,207 | 4,090 |
| | ----- | ----- |

| | £000 | £000 |
|--|-------------|-------------|
| The aggregate emoluments to employees in the year were | | |
| Wages and salaries | 108,532 | 103,598 |
| Social security costs | 7,915 | 7,626 |
| Pension costs | 9,383 | 9,367 |
| Benefits in kind (as calculated for taxation purposes) | 317 | 287 |
| | ----- | ----- |
| | 126,147 | 120,878 |
| | ----- | ----- |

| | 2008 | 2007 |
|--|-------------|-------------|
| The number of staff whose emoluments fell within each of the following bands was | | |
| £60,000 to £69,999 | 7 | 6 |
| £70,000 to £79,999 | 11 | 13 |
| £80,000 to £89,999 | 6 | 3 |
| £90,000 to £99,999 | 2 | 3 |
| £100,000 to £109,999 | 1 | - |
| £120,000 to £129,999 | - | 1 |
| £150,000 to £159,999 | 1 | 1 |

Emoluments for this purpose include gross salary and benefits in kind

The above banding includes 25 staff (2007 24) for whom retirement benefits are accruing under the Barnardo's Staff Pension Scheme

| 12 Legacies | 2008 | 2007 |
|-----------------------------------|-------------|-------------|
| | £000 | £000 |
| Legacies notified but not accrued | 8,775 | 10,443 |
| | ----- | ----- |

13 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 2008 there were 282 members (31 March 2007 402)

During the year no Council member received any remuneration. Expenses incurred by trustees amounted to £9,199 (2007 £9,507) and included travel, subsistence and other related costs. The number of Council members claiming expenses was 10 (2007 12)

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 £18,743 (2007 £18,218)

Barnardo's
Notes to the Accounts
Year Ended 31 March 2008

14 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.

Following a consultation period with staff, Barnardo's implemented changes to the scheme benefit structure from 1st July 2007. The scheme was closed to new entrants, and pensions accrued after this date are provided on a career average revalued earnings basis. New employees are offered membership of the Barnardo's Retirement Savings Plan, which is a defined contribution arrangement. The total costs relating to the defined contribution arrangement for the year amount to £200,185.

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

The full actuarial valuation as at 31 March 2006 was updated to 31 March 2008, 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 | 2008 | 2007 | 2006 |
|--------------------|-------------|-------------|-------------|
| | per annum | per annum | per annum |
| Price inflation | 3.5% | 3.0% | 2.8% |
| Discount rate | 6.4% | 5.4% | 5.1% |
| Pension increases | 3.5% | 3.0% | 2.7% |
| Salary growth | 5.0% | 4.5% | 4.3% |

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 (2006/07: 25 years). Allowance is made for future improvements in life expectancy.

Asset distribution and expected return

| | 2008 | | 2007 | | 2006 | |
|----------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | Expected return | Fair value £m | Expected return | Fair value £m | Expected return | Fair value £m |
| Equities | 7.5% | 238.0 | 7.6% | 268.5 | 7.1% | 251.8 |
| Bonds | 5.2% | 76.3 | 4.8% | 73.2 | 4.3% | 60.0 |
| Property | 6.3% | 18.6 | 6.3% | 22.5 | 5.5% | 20.0 |
| Other | 4.5% | 16.9 | 5.4% | 5.9 | 4.5% | 9.7 |

The expected return on assets assumptions include a deduction for assumed scheme expenses.

| Balance Sheet | 2008 | 2007 | 2006 |
|------------------------------|-------------|-------------|-------------|
| | £m | £m | £m |
| Total fair value of assets | 349.8 | 370.1 | 341.5 |
| Present value of liabilities | (397.6) | (426.7) | (402.7) |
| Deficit | (47.8) | (56.6) | (61.2) |

Over the year to 31 March 2008, regular contributions by Barnardo's of £8.8m plus a lump sum contribution of £10m were made to the scheme and £0.4m was paid to cover the costs incurred due to early retirements. Barnardo's has agreed with the scheme trustees that they will continue to pay contributions to the scheme at the rate of 11.6% of pensionable earnings.

Barnardo's
Notes to the Accounts
Year Ended 31 March 2008

14 Retirement Benefits (contd.)

| | 2008 | 2007 |
|--|---------------|---------------|
| | £m | £m |
| Post retirement deficit at beginning of year | (56 6) | (61 2) |
| Current service cost (employee and employer) | (13 2) | (17 2) |
| Past service cost | (0 4) | (0 5) |
| Contributions (employee, employer and special) | 24 0 | 14 3 |
| Net pension finance credit | 2 9 | 1 4 |
| Actuarial (loss) or gain | (4 5) | 6 6 |
| Post retirement deficit at year end | <u>(47 8)</u> | <u>(56 6)</u> |

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

| | 2008 | 2007 |
|---|------------|-------------|
| | £m | £m |
| Current service cost (employer's part only) | 8 3 | 12 3 |
| Past service cost | 0 4 | 0 5 |
| Total operating charge | <u>8 7</u> | <u>12 8</u> |

As the scheme is now closed to new entrants, the pension cost (as a percentage of payroll for scheme members) will tend to increase over time as the average age of the employed members increases. Note that 2008/9 will be the first year for which the revised benefit structure will apply throughout the year.

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

| | 2008 | 2007 |
|--|------------|------------|
| | £m | £m |
| Expected return on pension scheme assets | 25 7 | 22 0 |
| Interest on post retirement liabilities | (22 8) | (20 6) |
| Net return to credit finance income | <u>2 9</u> | <u>1 4</u> |

The following amounts for 2004-2008 have been recognised under the "actuarial gains and losses recognised in the pension scheme" heading within the statement of financial activities

| | 2008 | | 2007 | | 2006 | |
|---|--------------|-------|------------|------|------------|------|
| | £m | | £m | | £m | |
| Actual less expected return on scheme assets | (55 7) | (16%) | 6 5 | 2% | 44 1 | 13% |
| Experience (loss)/gain on scheme liabilities | 0 0 | 0% | (0 8) | (0%) | (0 4) | 0% |
| Gain or (loss) due to assumption changes underlying the present value of scheme liabilities | 51 2 | 13% | 0 9 | 0% | (35 6) | (9%) |
| Actuarial (loss)/gain | <u>(4 5)</u> | 1% | <u>6 6</u> | 2% | <u>8 1</u> | 2% |

| | 2005 | | 2004 | |
|---|------------|------|------------|-------|
| | £m | | £m | |
| Actual less expected return on scheme assets | 11 1 | 4% | 34 1 | 15% |
| Experience (loss)/gain on scheme liabilities | 0 2 | 0% | 3 3 | 1% |
| Gain or (loss) due to assumption changes underlying the present value of scheme liabilities | (7 0) | (2%) | (34 1) | (11%) |
| Actuarial (loss)/gain | <u>4 3</u> | 1% | <u>3 3</u> | 1% |

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 2008

| 15 Tangible assets | Properties | Equipment & vehicles | Total |
|---|-------------------|---------------------------------|----------------|
| | £000 | £000 | £000 |
| (a) Group: | | | |
| <i>Cost or valuation</i> | | | |
| At beginning of year | 92,300 | 16,305 | 108,605 |
| Additions | 3,232 | 2,067 | 5,299 |
| Disposals | (3,872) | (2,084) | (5,956) |
| At end of year | 91,660 | 16,288 | 107,948 |
| <i>Depreciation</i> | | | |
| At beginning of year | 57,028 | 13,643 | 70,671 |
| Provided during year | 2,755 | 1,828 | 4,583 |
| On disposals | (2,092) | (2,066) | (4,158) |
| At end of year | 57,691 | 13,405 | 71,096 |
| Net book value | | | |
| At beginning of year | 35,272 | 2,662 | 37,934 |
| At end of year | 33,969 | 2,883 | 36,852 |
| (b) Charity: | | | |
| Net Book Value at beginning of year | 35,272 | 2,651 | 37,923 |
| At end of year | 33,969 | 2,879 | 36,848 |
| | | Group & Charity | |
| | | 2008 | 2007 |
| | | £000 | £000 |
| (c) Analysis of freehold and leasehold properties: | | | |
| Freeholds | | 26,912 | 28,930 |
| Long leaseholds (over 50 years) | | 4,199 | 3,514 |
| Short leaseholds (50 years and under) | | 2,858 | 2,828 |
| | | 33,969 | 35,272 |
| (d) Use of properties: | | | |
| Barnardo's childcare work | | 18,394 | 18,296 |
| Other (including shops, warehouses and administration) | | 15,575 | 16,976 |
| | | 33,969 | 35,272 |

Rental income is received from properties surplus to functional requirements.

Barnardo's
Notes to the Accounts
Year Ended 31 March 2008

| | | Group | |
|--|--|---------------|---------------|
| | | 2008 | 2007 |
| | | £000 | £000 |
| 16 Investments | | | |
| Investments at market value | | 67,199 | 76,423 |
| <hr/> | | | |
| Investments of the charity include £20,000 in Subsidiary undertakings (Note 2) | | | |
| <i>Investments at market value</i> | | | |
| At beginning of year | | 76,423 | 66,996 |
| Additions | | 8,225 | 13,920 |
| Disposals | | (14,200) | (6,074) |
| Realised/unrealised (losses)/gains | | (3,249) | 1,581 |
| At end of year | | 67,199 | 76,423 |
| <hr/> | | | |
| <i>Comprising</i> | | | |
| Listed investments - United Kingdom | | 66,928 | 76,114 |
| Other investments | | 271 | 309 |
| | | 67,199 | 76,423 |
| <hr/> | | | |
| Cost of Investments | | 62,201 | 67,981 |
| <hr/> | | | |

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

| | | | |
|---------------------------------------|--|--------------|--------------|
| 17 Stocks and work in progress | | | |
| Finished goods | | 483 | 634 |
| Work in progress | | 1,856 | 2,699 |
| | | 2,339 | 3,333 |
| <hr/> | | | |

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

| | | Group | | Charity | |
|------------------------------------|--|---------------|---------------|----------------|---------------|
| | | 2008 | 2007 | 2008 | 2007 |
| | | £000 | £000 | £000 | £000 |
| 18 Debtors | | | | | |
| Trade debtors | | 411 | 255 | 65 | 110 |
| Statutory and related funders | | 11,725 | 11,661 | 8,664 | 8,284 |
| Car loans and other staff advances | | 97 | 196 | 98 | 196 |
| Taxation | | 1,966 | 1,730 | 1,858 | 1,730 |
| Other debtors | | 3,797 | 2,899 | 316 | 126 |
| Prepayments and accrued income | | 3,244 | 2,114 | 2,726 | 1,540 |
| Amounts due from subsidiaries | | - | - | 6,135 | 8,135 |
| | | 21,240 | 18,855 | 19,862 | 20,121 |
| <hr/> | | | | | |

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

| | | Group | | Charity | |
|--|--|---------------|--------------|----------------|--------------|
| | | 2008 | 2007 | 2008 | 2007 |
| | | £000 | £000 | £000 | £000 |
| 19 Cash and bank balances and short-term deposits | | | | | |
| Cash at bank & in hand | | 6,673 | 6,239 | 6,376 | 5,736 |
| Short-term deposits | | 8,031 | 1,031 | 8,032 | 1,032 |
| | | 14,704 | 7,270 | 14,408 | 6,768 |
| <hr/> | | | | | |

Barnardo's
Notes to the Accounts
Year Ended 31 March 2008

20 Creditors - amounts falling due within one year

| | | | | |
|---------------------------------------|--------|--------|--------|--------|
| Pension contributions | 1,088 | 1,138 | 1,088 | 1,138 |
| Other taxes and social security costs | 4,848 | 4,688 | 2,990 | 2,531 |
| Other creditors | 2,171 | 1,567 | 1,949 | 1,457 |
| Accruals | 9,419 | 5,626 | 7,819 | 5,444 |
| Trade creditors | 2,902 | 2,255 | 2,902 | 2,254 |
| Deferred income | 10,837 | 10,816 | 9,120 | 8,179 |
| | 31,265 | 26,090 | 25,868 | 21,003 |

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

21 Commitments

(a) Capital Expenditure

| | Group | | Charity | |
|---|--------------|-------------|----------------|-------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £000 | £000 | £000 | £000 |
| Capital expenditure contracted | 131 | 1,686 | 131 | 1,686 |
| Capital expenditure authorised but not contracted for | 59 | 794 | 59 | 794 |

(b) Land & Other Buildings

| | Group & Charity | |
|--|----------------------------|-------------|
| | 2008 | 2007 |
| | £000 | £000 |
| Annual commitments under non-cancellable operating leases are as follows | | |
| Operating Leases which expire | | |
| Within one year | 229 | 198 |
| In the second to fifth years inclusive | 2,726 | 2,409 |
| Over five years | 4,754 | 4,298 |

22 Fund balances

(a) Analysis of restricted & endowment funds

| | Restricted income funds | Restricted capital and endowment funds | Total 2008 |
|---|--------------------------------|---|-------------------|
| | £000 | £000 | £000 |
| Incoming resources | | | |
| - Statutory income | 4,248 | - | 4,248 |
| - Fundraising income | 5,207 | - | 5,207 |
| - Big Lottery Fund | 684 | - | 684 |
| - Net income from investments and other | | 1,022 | 1,022 |
| | 10,139 | 1,022 | 11,161 |
| Resources expended | | | |
| - Child care and community work in the UK | 10,370 | - | 10,370 |
| - Grants to young people in need | - | 373 | 373 |
| | 10,370 | 373 | 10,743 |
| Endowment funds income release | - | (550) | (550) |
| Net incoming resources | (231) | 99 | (132) |

Barnardo's
Notes to the Accounts
Year Ended 31 March 2008

22 Fund balances (contd.)

Gains and losses on revaluation and on investment asset disposals

| | | | |
|--------------------------------------|-------|---------|---------|
| Realised losses | - | (3) | (3) |
| Unrealised losses | - | (1,358) | (1,358) |
| | - | (1,361) | (1,361) |
| Net movement in funds | (231) | (1,262) | (1,493) |
| Fund balances brought forward | 2,511 | 23,876 | 26,387 |
| Fund balances carried forward | 2,280 | 22,614 | 24,894 |

All endowment funds are permanent endowments

The restricted capital and endowment fund balances carried forward at 31 March 2008 include £20.8m 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 2007 | 5,500 |
| Endowment funds income release during the year | (650) |
| Net decrease in value during the year of the unapplied total return within endowment funds | (1,910) |
| Value of assets representing the unapplied total return within endowment funds at 31 March 2008 | 2,940 |

| | 2008 | 2008 | 2007 | 2007 |
|---|-------------|-------------|-------------|-------------|
| (b) Categorisation of restricted & endowment funds | No. | £000 | No. | £000 |
| Fund balances | | | | |
| - Educational purposes | 3 | 2,183 | 3 | 2,352 |
| - Project buildings | 2 | 284 | 2 | 284 |
| - Sea training | 1 | 359 | 1 | 383 |
| - General & other purposes | 22 | 22,068 | 22 | 23,368 |
| | 28 | 24,894 | 28 | 26,387 |

| | Unrestricted | Restricted & endowments | Total |
|---|---------------------|------------------------------------|--------------|
| | £000 | £000 | £000 |
| (c) Analysis of fund balances between group net assets | | | |
| Fixed assets | 36,679 | 173 | 36,852 |
| Investments | 46,008 | 21,191 | 67,199 |
| Pension liability (note 15) | (47,800) | - | (47,800) |
| Net current assets | 3,488 | 3,530 | 7,018 |
| Net assets as at 31 March 2008 | 38,375 | 24,894 | 63,269 |
| Net assets as at 31 March 2007 | 34,738 | 26,387 | 61,125 |
| Unrealised losses included in investments value | (2,080) | (1,358) | (3,438) |

23 Related parties

The trustees confirm that there have been no related party transactions during the year which require disclosure under FRS8 ("Related Party Transactions")

24 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

Barnardo's would like to acknowledge and thank the following organisations for their belief in children and their support of our work during the past financial year. Thanks to these partnerships we can continue to deliver our work with some of the most disadvantaged children and young people in the UK.

Corporate Donations

Addleshaw Goddard, AF International, ARG Ltd, Airedale M & E, Aldi Stores Limited, Alliance Pharmacy, Asian Business Federation, Aspect Capital Ltd, Bestway, B & Q Plc; Bancassurance, Barclays Bank Plc, BBC (Blue Peter Appeal), BGC, Bond Wolfe, British Telecom, Cheshire Building Society, Clinton Cards Plc, Coutts Bank, DHL, Dunure Ltd, Field Fisher Waterhouse LLP, Go Belfast Awards, Hallmark Cards, John Lewis, Lloyds TSB Group plc, Merseyside Young Professionals, Mitchells & Butler, NatWest, North Region, Retail, NEXT plc, Oakapple Group, Papa John's, Pinsent Mason, PricewaterhouseCoopers, Renault Retail Group Ltd, Room Restaurants, Rotary International, SEGRO, Shepherd and Wedderburn LLP, Speakeasy Telecom, State Street Bank & Trust Co, Taylor Wimpey, Telcom Solutions, The Royal Bank of Scotland Group, TNT, Uncle Ben's, WH Smith Retail Ltd

Charitable Trusts, Grants & Foundations

The A D Charitable Trust The Hub, London, £25,000

Alexander Moncur Trust Rollercoaster Service, Dundee, £10,000

Atlantic Philanthropies, Ready to Learn, £197,500

Big Lottery Fund

- Action With Young Carers, Liverpool, £10,366
- Asha, Oldham, £54,872
- Blackpool, Play & Leisure, £38,239
- Blackpool, Playful Ideas, £19,215
- Bournemouth and Poole Play Rangers, £15,285
- Bristol Locality Services, Somali Play Project, £38,478
- Cafe West, Bradford, £31,329
- Church & Neighbouring Development in London, £45,244
- Cardiff Young Family, £2,630
- Carmarthen Family Links Short Breaks, £2,286
- Carmarthenshire Sibling Carers Service, £29,830
- Community Futures, Barnsley, £32,828
- Compass Young People's Advisory Group, Wrexham, £3,634
- Cyfle, Denbigh, £5,000
- Flintshire Young Carers, £5,000
- Flintshire Young Carers Wanless Service, £750
- Hamara, East London, £20,000
- Khandaani Dhek Bhal, Healthy Living Links Project, Kirklees, £2,215
- Marlborough Road Caterpillar, Cardiff, £68,000
- Marlborough Road Out There, Newport, £142,472
- Neath Port Talbot Family, £4,688
- Orchard, Newcastle, £1,000
- Pembrokeshire, Peer Monitoring Group, £40,367
- Priory Family Centre, Barnsley, £47,973
- Red Barn House, Mexborough, £1,679
- Signpost, Wakefield, £28,905
- Sexual Exploitation of children on the Streets Project, Middlesborough, £10,451
- Somerset Inclusion Partnership (Early Years), £6,117
- Tullycarent, Belfast, £23,536
- Young Carers, East Durham & Derwent, £430

The Baily Thomas Charitable Fund Forward Steps, Belfast, £10,000

BBC Children in Need Levenmouth Links Project, Methil, £26,990

The Beatrice Laing Trust Caern Centre, Edinburgh, £20,000

Cattanach Charitable Trust Hopscotch Project, Arbroath, £10,000

City Bridge Trust SEOne Sexual Exploitation Service, South London, £75,000

Comic Relief

- Sexual Exploitation of Children on the Streets Project, Middlesborough, £15,600

- Hopscotch Project, Arbroath and Perth, £12,948
- Miss E A Pemberton-Barnes Will Trust, £21,117
- The Ellerdale Trust.
- Merseyside 5 A Service, Liverpool, £15,000
- Action with Young Carers, Liverpool, £15,000
- The Eveson Charitable Trust. Birmingham Space Project, £15,000
- The Francis C Scott Charitable Trust
- Ewanrigg, Maryport, £29,500
- South Lakeland Families, Windermere, £14,000
- Family Place, Wigton, £15,000
- The Gannochy Trust Hopscotch Project, Perth, £15,000
- The Grocers' Charity Glasgow Street Team, £30,000
- The Humberside Charitable Health Trust. Barn Project, Beverley, £10,000
- The Henry Smith Charity Parenting Matters Project, Belfast, £20,000
- The Jessie Spencer Trust Sherwood Project, Nottingham, £1,000
- John James Bristol Foundation Bristol Base Project, £23,448
- Katherine Martin Charitable Trust, £285,000
- The Lady Hind Trust Sherwood Project, Nottingham, £1,000
- The Laidlaw Youth Trust Youth Involvement Project, Glasgow, £25,000
- The Lehman Brothers Foundation Europe Families in Temporary Accommodation, East London, £15,000
- LloydsTSB Foundation for England and Wales Action with Young Carers, Liverpool, £10,000
- May and Stanley Smith Charitable Trust. Salford Families Project, £14,344
- Oglesby Charitable Trust
- Making it Work, Manchester, £17,000
- Family Action Benchill, Manchester, £14,327
- The Robertson Trust. Freagarrach Project, Falkirk, £38,000
- The Sandra Charitable Trust Meadows School, Tunbridge Wells, £75,000
- The ScottishPower Energy People Trust South Ayrshire Families Service, £32,402
- Slaughter and May Charitable Trust The Hub, London, £10,000
- The Trust for Education
- B76 Project, Hartlepool, £30,000
- The Hub and Windermere Centre, London, £25,000
- Sheffield Schools (Heritage Park & Holgate Meadows), £23,750
- Trusthouse Charitable Foundation Caern Centre, Edinburgh, £10,000
- Tom Parrington's Will Trust £80
- The Waterloo Foundation Marlborough Road, Caterpillar Service, Cardiff, £73,000
- William Belmer Rush Foundation Meadows School, £14,378
- The Wolfson Foundation
- Caern Centre, Edinburgh, £100,000
- Forward Steps, Belfast, £25,000

Gifts In Wills

Aileen Louise Barnardo deceased High Close Sporting Chance Appeal, £432,055

Funding from Statutory Authorities

Cymru

Welsh Assembly Government, £955,187

Welsh Council (for) Voluntary Agencies

- Wales the Active Community, £20,000
- Volunteering in Wales Fund, £20,000

England

Department for Education & Skills

- National Youth Voluntary Organisation, Grant Scheme Sphere, £17,788
- Parenting Fund, £89,854

Department of Health Opportunities for Volunteering Scheme, £194,500

Electoral Commission North East Regional Office, £97,000

Local Funding Bodies

Birmingham City Council

- Amazon young People's Counselling Service, £119,855

- Barnardo's Arch Project, £60,379
- Bristol City Council, Early Years and Childcare Services
- Community Family Worker Service, £951,274
- South Bristol, £96,214
- South Bristol Race Equality Project, £30,125
- North Bristol, £104,073
- Erondy Foundation Supplementary School, Neighbourhood Renewal Fund, £90,896
- Children's Fund Somerset. Making Inclusion A Reality Project, £25,950
- Cumbria Children's Fund
- Ewanrigg, Maryport, £22,654
- Family Place, Wigton, £13,000
- South Lakeland Families, Windermere, £78,035
- Cumbria Community Foundation South Lakeland Families, £10,000
- Derbyshire Children's Fund Derbyshire Family Support Services, £484,830
- Leicester City Council Carefree Services, £49,249
- Leicester Children's Fund
- Main Programme Carefree, £47,320
- Mini Commissioning Carefree, £7,593
- Leicestershire County Council
- Carefree Services, £108,162
- Liverpool Children's Fund
- Action With Young Carers, £47,535
- Keeping Children Safe, £79,990
- Liverpool Parenting, £170,252
- North West Development Agency Family Place, £54,000
- National Children's Bureau Anti-Bullying Alliance Regional Co-ordination, £25,098
- National Council of Voluntary Child Care Organisations
- Children's Workforce Learning Network, £107,317
- Department for Education and Sport: Voluntary and Community Sector Engagement Programme, £42,069
- National Family & Parenting Institute Early Learning Partnership Programme, Bristol Peers Early Education Partnership Pilot, £421,694
- Poole Children's Fund Games, Activities & Play Project, £15,000

Northern Ireland

Belfast HSS Trust (South & East)

- Adolescent Fostering Partnership, £217,381
- Adolescent Support Services, £60,228
- Child Bereavement, £400
- Choices for Children, Homelink, £117,114
- Choices for Children, Forward Steps, £23,575
- Leaving Care, £242,000
- Parent And Child Together, £49,666
- Professional Fostering, £383,696
- Supported Lodgings, £4,878
- Windsor Avenue Family Centre, £262,207

Belfast HSS Trust (North & West)

- Choices for Children, Forward Steps, £24,600
- Parent And Child Together, £86,483
- Professional Fostering, £165,286
- Tuar Ceatha, Travellers, £18,159

Children's Fund Unit (DHSSPS)

- Children First Outreach Services, £82,263
- Domestic Violence Outreach Scheme, Children's Fund, £47,556
- Family Group Conferencing, £180,466
- Key worker, £71,689
- Newry Adolescent Partnership, £25,758
- NI Research & Policy, £6,750
- Parent And Child Together, Aftercare Support, £57,629
- Parent Support Project, £54,446

- Parenting Matters, £42,948
- Pyramid Plus, £115,404
- Young Peoples Advice & Information Bureau, £31,100
- Young Carers Scheme, £97,088
- Community Relations Council NOVA, £131,455
- Department of Education
 - Edenbrook Family Services £7,773
 - Young People's Network, £56,448
- Department of Employment & Learning European Social Fund, Dr B's Kitchen, £132,743
- Eastern Health & Social Services Board
 - Young People's Therapeutic, £119,175
 - Under 12's, £687,826
 - Tuar Ceatha , Ethnic Minorities, £3,063
 - Pharos Project, £99,987
- Eastern Childcare Partnership
 - Choices for Children, Play for all, £26,636
 - Tuar Ceatha, Ethnic Minorities, £28,000
- Department of Health & Social Services & Public Safety
 - Domestic Violence, £7,000
 - NI Secondment, £1,873
 - NI Trainee Social Worker, £66,479
 - NI Training Support Programme, £14,098
 - Substance Misuse Co-ordinator, £5,400
 - Tuar Ceatha Travellers, £181
- Western Health & Social Services Board
 - Investing for Health, £10,344
 - Strabane Family Centre, £4,183
 - Strabane Surestart, £662,417
 - Young Homeless, £11,302
- NI Housing Executive
 - Leaving Care, £92,947
 - Leaving Care, Ballymena, £40,093
 - Parent And Child Together, £52,042
 - Supported Lodgings, £3,265
- NIPPA The Childhood Fund
 - Choices for Children, Forward Steps, £60,381
 - Parenting matters, Foyle, £8,903
 - Tuar Ceatha, Ethnic Minorities, £49,193
 - Tuar Ceatha, Travellers, £12,859
 - Parents and Infant Project, £44,981
- Northern Ireland Office Glenmona Restorative Practice, £75,000
- Youth Education Social Inclusion Partnership School Group Conferencing, £1,000

Scotland

Inverclyde Council

- Inverclyde Family Support Team, £192,239
- Threshold, £220,048

Refrewshire Council

- Community Regeneration Funding, Paisley Threads, £60,000
- Community Regeneration Funding, Youthbuild, £58,426
- Working for Families Funding, Paisley Threads, £80,835

The Scottish Government, Youth Crime Prevention Fund

- Freagarrach Family Care and After Care, £46,020
- Lighthouse Edinburgh & West Lothian, £162,681
- Family Matters, £44,415

Barnardo's
Year Ended 31 March 2008

COUNCIL AND OFFICERS

Registered office

Tanners Lane, Barkingside,
Ilford, Essex IG6 1QG
Tel 020 8550 8822

Patron

Her Majesty The Queen

President

HRH The Duchess of Cornwall

Vice Presidents

Dr David Barnardo
Mr John Bartle, CBE
Ms Floella Benjamin, OBE
Mrs Susan Bernerd, MBE
Ms Cherie Booth QC (Honorary)
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
Sir Jonathan Sacks
Judge Mota Singh
Mr Philip Taylor
Mr Leslie Thomas
Dame Gillian Wagner, DBE
Dr Rowan Williams

Members of Council

(Year of first appointment)

Mr Geoffrey Barnett, OBE (2001) – Chair of Council
Ms Rachael Bayley (2005)
Baroness Blood, MBE (2002)
Ms Judy Clements (2006)
Mrs Jennifer Cromack (retired July 2008)
Mr Winston Fletcher (2000)
Mrs Ann Hodgson (2003)
Mr Roger Jones (retired October 2007)
Ms Hilary Keenlyside (2001)
Mr Ian Marshall (2005) – Honorary Treasurer
Mrs Sheila Mawer (2005)
Miss Ruth Owen (retired March 2008)
Mrs Kristine (Kit) Pawson (2005)
Mr Colin Sheppard (2003)
Ms Gillian Stewart CB (2003) – Deputy Chair of Council

Barnardo's
Year Ended 31 March 2008

Mr David Tolson (2005)
Mrs Elisabeth Watkins (retired March 2008)
Ms Eleanor Williams (2008)

Chief Executive
Martin Narey

UK Director of Operations
Dr Chris Hanvey

UK Director of Marketing & Communications (to July 2008)
Andrew Nebel

UK Director of Fundraising (from April 2008)
Stephen O'Connor

UK Director of Communications (from July 2008)
Diana Tickell

UK Director of Corporate Resources
Ian Theodoreson

UK Director of Policy and Research
Julian Walker

UK Director for People
Anne Comber (from June 2008)

Company Secretary
Joanna Lawson

Director of Audit and Inspection
Robert Patterson

Auditors
BDO Stoy Hayward LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA

Bankers
Barclays Bank plc, Level 28, 1 Churchill Place, London E14 5HP

Investment managers
BlackRock Investment Management (UK) Limited, 33 King William Street, London EC4R 9AS

Principal solicitors
Campbell Hooper Solicitors LLP, 35 Old Queen Street, London SW1H 9JD