



ANNUAL REPORT

2023-24



Changing childhoods. Changing lives.



**CHANGING
CHILDHOODS.
CHANGING
LIVES.**

CONTENTS

Welcome from our Chair and Chief Executive	4
Report of the Board of Trustees	6
Strategic Report	7
Impact report: How we made a difference in 2023–2024	7
Financial review	42
Our principal risks and uncertainties	52
Plans for future periods	57
Our Structure, Governance and Management	58
Our Sustainability Report	65
How we meet section 172 of the Companies Act 2006	69
Statement of Trustees' Responsibilities	72
Independent Auditor's Report	74
Financial Statements	79
Consolidated statement of financial activities	80
Balance sheets	81
Consolidated statement of cash flows	82
Consolidated summary income and expenditure account	82
Notes to the Accounts	83
Gifts and Grants Received	112
Board of Trustees and Officers	116

WELCOME

Chair's foreword

I was delighted to join Barnardo's as the charity's new Chair in August 2023.

Growing up, my parents were regular supporters of the charity, because they believed it gave hope to the children who needed it most.

Since I joined Barnardo's, I have seen first-hand how it continues to deliver on this selfsame promise.

Whenever I visit services across the UK, I am moved and humbled by the incredible dedication of our frontline colleagues. Their knowledge and expertise is deeply rooted in empathy for children and families, and also in the specific communities they serve.

This vital and precious work continues to take place in a context that is extremely challenging, both for those who need our services but also for the charity itself.

In 2023–24, we achieved our highest ever level of income, but we also faced significant financial headwinds that tested our resilience and adaptability. Economic instability, continued funding pressures on our commissioning

partners, and difficulties in the retail environment all posed challenges. I'm pleased to say we took steps to mitigate much of the impact of these factors, and with these actions continuing we are in a good position as we enter a new three-year budget period.

I feel extremely fortunate to join the charity at such an exciting and important juncture in its long and proud history.

With our new Strategy, Barnardo's combines a strong commitment to its core work delivering vital services, with a new drive to demonstrate impact. We have a strong management team under the leadership of Lynn Perry, a sense of momentum across the whole of the organisation and an impressive commitment to excellence in everything we do. Barnardo's is demonstrating day by day that it is the outstanding charity in its sector.

We are also fortunate to have an impressive Board of Trustees who bring different kinds of expertise to bear and play a key role in helping Barnardo's aim for the highest standards in every part of the charity.

With the new branding, we now have a unique opportunity to reintroduce the charity to a wider audience, attracting new generations of supporters and partners who will stay with us long into the future. That will ensure we can continue a 150-year tradition of improving the lives of the children, young people and families who need that help the most.



A handwritten signature in black ink, appearing to read 'Mark Wood'.

Mark Wood
Chair

CEO's foreword



This report covers an important year for Barnardo's, culminating in the publication of our new three-year Strategy and the launch of our new brand.

During the months leading up to this landmark moment, I had the opportunity to engage with thousands of colleagues, young people and external partners, as we worked together to shape the future of our charity.

This work took place against a challenging backdrop. Children and young people are continuing to face huge and in some cases growing challenges, which affect their immediate well-being and also their long-term health and opportunities.

In particular, child poverty and even destitution remain stubbornly high, which is why in 2023–24 Barnardo's continued with a special fund to help the families we support to access the basics, otherwise beyond their reach. At the same time, we focused on campaigning for change – alongside young people – that will benefit not just children today, but later generations too.

Child poverty has been central to our work since our founding more than 150 years ago, and our new Strategy makes clear that it remains central to everything we do today.

Critical to our direction of travel is our commitment to demonstrating our impact. Each year we improve how we capture and communicate the difference we are making for children. I'm extremely proud that this year, for the first time, we have started to analyse our outcomes data in new ways so we can show how, in line with our Purpose, we are supporting children to be safer, happier, healthier and more hopeful.

Overall, we are extremely proud that this year we reached over 356,000 children, young people, parents and carers, through our 760 services and partnerships. That's over 100,000 more than in 2015.

We did this in the face of difficult financial circumstances, but I am confident that we are in a strong position to mitigate these ongoing challenges to maintain our future resilience.

In August 2023, we were delighted to welcome our new Chair, Mark Wood, who brings a wealth of knowledge and expertise that will assist Barnardo's as we respond to the changing external environment and continue to make sure we are fit for the future.

I am so grateful to the whole Board, to my colleagues who are united in their commitment to driving excellence for children and young people, and in their determination to deliver on our ambitious new Strategy.

I am also extremely grateful to our partners across different sectors, and to all the supporters and members of the public who continue to believe in the power of our charity as a force for good. I know everyone in the Barnardo's community is committed to our Purpose and to Changing Childhoods and Changing Lives for the better.

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

Lynn Perry MBE
Chief Executive

REPORT OF THE BOARD OF TRUSTEES

This includes the Strategic Report
and the Directors' Report.



Strategic Report

Impact Report: How we made a difference in 2023-2024

Throughout the year, Barnardo's continued to provide vital services for children, young people and families, whilst also working to drive longer-term change for future generations.

We reached

356,200

children, young people, parents and carers.

Understanding our reach

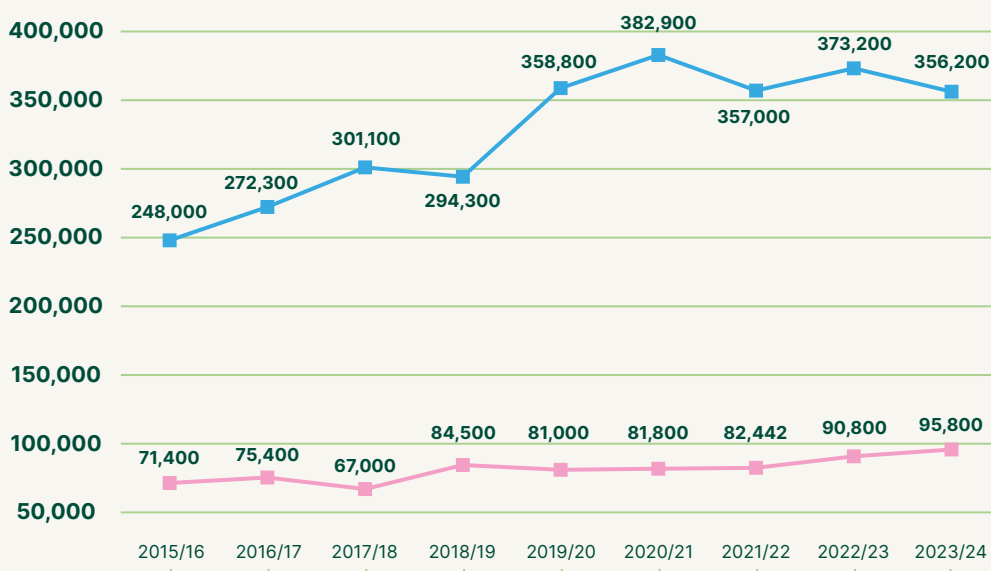
Last year, we reached 356,200 children, young people, parents and carers, through 760 services and partnerships. This includes 95,800 who we helped on a one-to-one basis.

This means, in 2023-24, we reached more than 100,000 more children than in 2015-16.

We reached slightly fewer people last year than the year before – a decrease of 5% or around 17,000 service users. This was mainly driven by a reduction in school-based programmes focused on children's mental health and wellbeing, following a reduction in funding made available during the Covid-19 pandemic.

Service user count by year

Overall 1-1 Support



In March 2024, Barnardo's published a new three-year Strategy, along with a theory of change, and we also updated our brand.

As the Strategy period began in April 2024, this Annual Report will not report on progress against our new Strategy.

We supported



95,800

One-to-one support

This includes support for children with our foster carers and adoptive families, as well as care leavers.



222,300

Children's Centres and Family Hubs

This includes early support for families from pregnancy to age 19.



38,100

School-based programmes

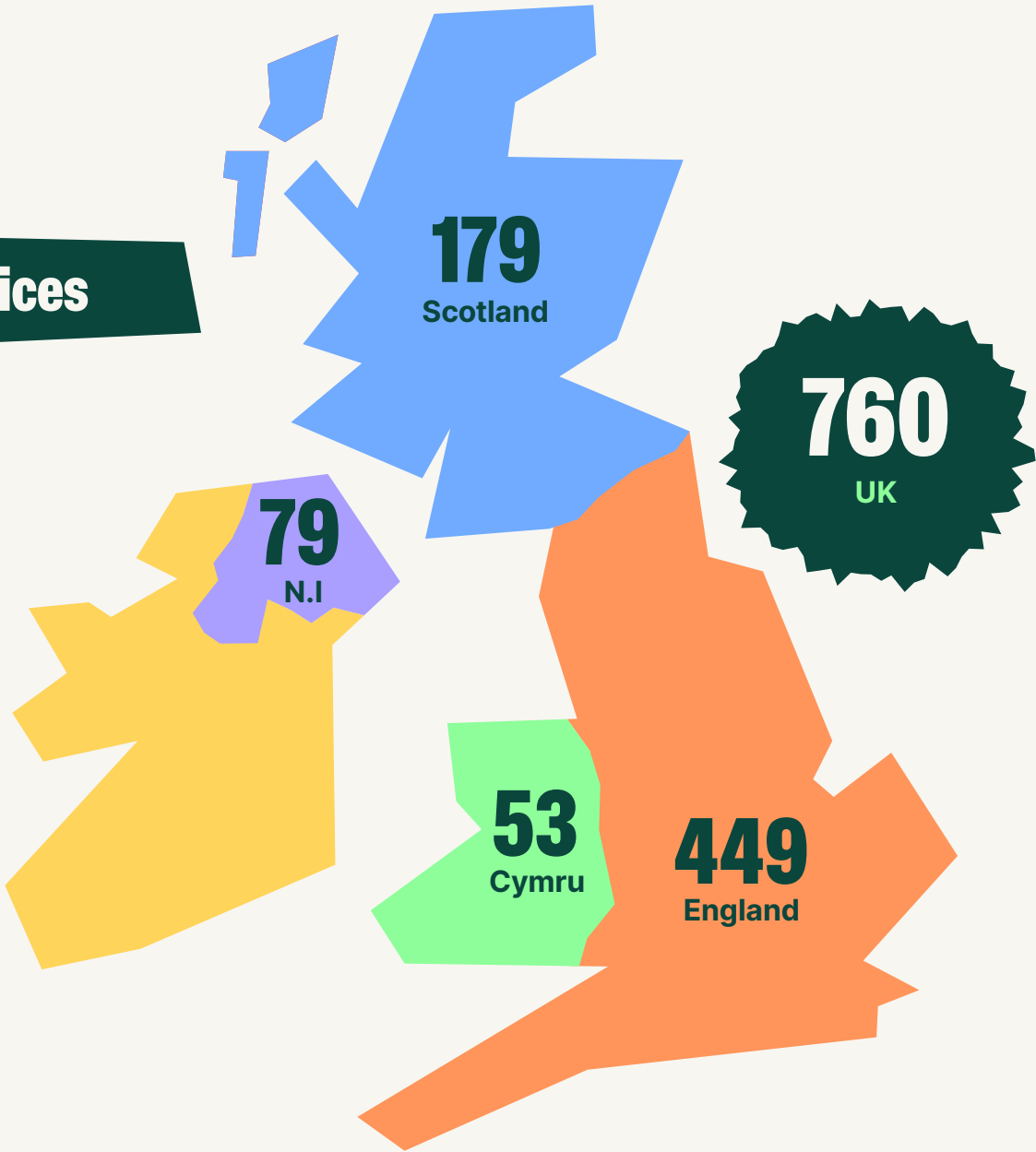
This includes help with mental health and wellbeing.



In 2023–24 Barnardo's reached **356,200** children, young people, parents and carers through our services and partnerships.



Services



7,784

Number of Colleagues



17,300

Number of Volunteers



591

Number of Retail Shops

Understanding our impact

In line with our new Strategy, published in March 2024, we are strongly focused on measuring, understanding and communicating the impact we achieve for children and young people.



Specifically, we are looking to measure how we deliver on our purpose – to *Change Childhoods. Change Lives*, by working with children and young people to be safer, happier, healthier and more hopeful.

Over time, we will demonstrate our impact – the positive difference we make for children and young people – across every category of our work.

For this year, we are able to do two things in this area.

First, like last year, we can report that based on our outcomes data, we can demonstrate that we achieved a positive impact for 74%

of cases involving children, young people and families we helped. This is the same percentage as last year and this headline analysis is based on 15,567 cases across 43% of Barnardo’s services, between 1 April 2023 and 31 March 2024.

We are confident that we are making a positive difference more widely, however, we are limiting our reporting here to 74%, in line with our commitment to high standards of data and evidence.

Secondly, for the first time, we are now able to demonstrate whether, in particular areas of work, we could support children to be **safer, happier, healthier and more hopeful**.

Barnardo’s Purpose

Changing Childhoods. Changing Lives

Outcome domains

SAFER

Children, young people and families at risk of harm are safer and better protected

HAPPIER

Children, young people and families feel positive and feel like they belong

HEALTHIER

Children, young people and families experience better physical, mental and emotional health and wellbeing

MORE HOPEFUL

Children, young people and families are motivated and empowered to achieve their goals with hope and confidence

Example indicators

OBJECTIVE

- Practitioners record a reduction in family conflict.

SUBJECTIVE

- Children tell us they feel safe from immediate harm.

OBJECTIVE

- Practitioners record improved sense of identity.

SUBJECTIVE

- Children tell us they feel more satisfied.

OBJECTIVE

- Clinical improvement in anxiety.

SUBJECTIVE

- Children tell us they are less worried.

OBJECTIVE

- Access to employment education or training.

SUBJECTIVE

- Children tell us they feel motivated and inspired.

Background/circumstances

Ethnicity, age, gender, socio-economic status, special education needs and disabilities, English as a first language, care experience

Demonstrating impact through our cost of living fund

In response to the cost-of-living crisis, in October 2022, Barnardo's established a fund to provide immediate support to children and families who were struggling to afford the basics.

Latest figures suggest that some 4.3m children (30% of all children in the UK) are living in poverty, including some 1m in destitution, meaning this intervention is vitally important for the families we support.

In 2023–24, we spent around £1m providing this essential support (about the same amount as in 2022–23), reaching 15,592 people, compared with 13,211 the previous year.

The support covered:

Category	2022–23	2023–24	Impact domain
Preventing hunger	35%	38%	Healthier
Suitable clothing	24%	24%	Healthier
Access to warm spaces	21%	14%	Healthier
Access to health related appointments	1%	2%	Healthier
Access to safe and working appliances	9%	11%	Safer
Helping children stay safe	9%	10%	Safer
Access to employment	1%	1%	More hopeful



4.3m

children (30% of all children in the UK) are living in poverty.



In addition, we funded some more intense work with families in Northern Ireland and the North of England, moving beyond the support needed to meet their immediate needs. In Northern Ireland this was focused on improved quality of life and in the North of England this took the form of a keyworker service for those who were in crisis, at risk of admission to a mental health inpatient unit, or who were in hospital.

Families provided positive feedback:

Northern Ireland

- **53%** of participants (785 people) felt the funding helped to reduce stress levels linked to financial pressures.
- **75%** of participants (1,096 people) were able to develop more positive relationships with people in their life.
- **66%** of participants (968 people) felt the funding helped increase their access to healthy and nutritious food.
- **82%** of participants (1,206 people) reported they were helped to access food and/or save their own money that would usually be spent on food.

North of England

- **90%** of participants (149 people) who received funding for specialist technology, travel or equipment felt that the funding helped reduced anxiety in the family.
- **58%** of participants (53 people) reported they were helped to access food.
- **57%** of participants (94 people) who received funds for activities, travel or equipment felt the award helped to develop more positive relationships with people in their lives.

75%

of participants (1,096 people) were able to develop more positive relationships with people in their life.



Jaime's story

Many families in poverty are making impossible choices between putting food on the table and heating their homes – with little or nothing at all left for anything else.

Jaime is a single mum of two young children, one of whom needs a lot of support and care. Jaime left her job so she could provide full-time care for them. As a result, it was becoming increasingly difficult to make ends meet. The increasing costs of essentials such as food and fuel meant little was left over for fun and educational activities such as a day out, or birthday parties for the children. Jaime described the sense of shame she feels being forced to make these difficult decisions.

With funding and support from Barnardo's, Jaime took her children on a day out to help meet some of their sensory and developmental needs. She described the sense of empowerment she felt throughout the application and planning process and expressed the weight which had been lifted off her shoulders when her application, which included funding for transport, admission tickets, and a picnic lunch, was granted. Jaime and her children described the day out as the best day of their lives and made core memories that helped them feel happier, healthier and more hopeful.

Demonstrating impact through our family centres

Reach

In 2023–24, we supported **223,867 children, young people, parents and carers through our 75 family centres** – which includes family hubs and children’s centres.

The content of these services varies in line with local needs, to make sure the offer is relevant and responsive to families, but in general:

- Family Hubs provide early help for families from pre-birth to 19 to overcome a range of challenges.
- A children’s centre is often more focused on families from pre-birth to 5.

Our family centres are inclusive and friendly, safe spaces for parents, parents-to-be, carers, and children to learn, develop, and find the right support at the right time.

Total service users

207,350 Family hub sites
16,157 Children’s Centres

Northern Ireland:
1,163 service users
• 2 family hubs

Cymru & South West:
3,272 service users
• 21 children’s centre sites

South East:
138,705 service users
• 22 family hub sites
(Essex 127,387)

North:
602 service users
• 3 family hub sites
• 1 children’s centre site

Central:
62,065 service users
• 19 family hub sites
• 6 children’s centre sites

London:
5,803 service users
• 1 family hub site

Activity

We deliver a wide range of activities across our family centres. Family Hubs offer a mixture of focused and inclusive support designed to promote good outcomes for children, such as parenting programmes, play services, infant feeding and nutrition advice and guidance. Barnardo's children's centres help us provide services like health, social care and early education, to improve social development for children and families.

We deliver these activities through a mix of open access universal services (for example where a family doesn't need to be referred in order to be able to access our support) and through more targeted, specialist support which may be aimed at helping families overcome more complex problems. Depending on what children and families need, this support can be provided in homes and communities as well as more formal health settings such as clinics.

Our Family Hub offer in England

Activities for 0-5s	Early Language	Early Education	Intensive Family Support
Mental Health and Wellbeing	Parenting Programmes	Reducing Parental Conflict	Special Educational Needs and Disabilities
Oral Health	Domestic Abuse	Housing Support	Nutrition
Perinatal MH	Substance Abuse	Separated Parents	Youth Justice
	Youth Services	Infant Feeding	



Spotlight: Birmingham Forward Steps – understanding our reach and impact

“Reach” or “engagement” can be used to help us understand and assess our work. It can help to establish the extent to which people use our services, and how they use them, and can help us understand how effective we are at continuing to engage with children, young people and families.¹

Safer	<ul style="list-style-type: none"> • 3,531 parents and children participated in home safety workshops. • 604 parents received support around domestic abuse. • 128 parents attended domestic violence prevention programmes. <p>In addition, a range of support was provided to children in need and children subject to child protection assessments and planning work.</p>
Happier	6,274 children and parents/carers attended stay and play sessions.
Healthier	<p>Parents received support for a range of health-related activities including:</p> <ul style="list-style-type: none"> • Maternal mental health support (3,416) • Breastfeeding (1,861) and weening (467) • Food and nutrition (1,316) and health activities (2,528) • Oral health (3,720) • Health and healthy lifestyles (757) <p>In addition a range of other support was provided to improve health outcomes such as vitamin distribution, midwife clinics, and Health Visitor contacts.</p>
More hopeful	<ul style="list-style-type: none"> • Number of parents and children attending a learning session. • 1,089 parents attended and completed basic skills courses or received employment & training support.

People may have attended multiple sessions and will have been counted as receiving multiple instances of support. The numbers here are not to be counted as ‘unique’ users, but the number of people engaging across the offers is outlined above.

¹ Noble, J. (2017) Five types of data for assessing your work: an explainer [Online] Available at <https://www.thinknpc.org/blog/5-types-of-data-for-assessing-your-work-an-explainer/>. Accessed 20.06.2024

SEEN Programme

SEEN is a Barnardo's initiative which exists to identify, understand and tackle the structural inequalities which limit the opportunities of children and young people of African, Asian and Caribbean heritage in the UK.

Driving Healthy Futures

Driving Healthy Futures, funded by Enterprise Rent-A-Car, aims to educate young people and families on how to eat healthily on a budget, alongside addressing barriers to food equity in the UK.

In 2023–24, SEEN co-ordinated seven roadshows, reaching over 1,000 children, young people and families and 51 organisations, promoting healthy cooking, cooking on a budget, and intergenerational cooking skills and knowledge.

Kowetha

In 2024 Kowetha, a community group based in Cornwall, in collaboration with Barnardo's produced a research document into the lived experiences of children of mixed or dual heritage.

(These are the terms used by individuals involved in the project. Barnardo's recognises that people may identify in different ways.)

The immediate impact of this work has been the introduction of guidelines and recommendations for schools in Cornwall, assisting progress along their anti-racist journey towards structural change, to better protect children and young people from the trauma caused by racism in schools.

MUMMA Hub

Launched in January 2024, the MUMMA Hub is a pilot to tackle the stark inequalities in maternal health outcomes that exist for Black and Asian women. The programme includes 'Peer Connectors', who help guide women through the perinatal journey, connecting them to services that can meet their needs in a culturally sensitive way.

In the first two months of the pilot (which continues into 2024–25), over 50 women received support through both individual and group settings, such as parenting programmes, social drop-in sessions and mental health support.

10,000 Voices

10,000 Voices is a writing project designed to celebrate the heritage of British young people of African, Asian, and Caribbean descent. It is a response to feedback from young people of African, Asian, and Caribbean heritage who told us that exploring and celebrating their heritage was missing from the school curriculum.

SEEN worked with seven schools and over 600 pupils to produce the 10,000 Voices anthology. The anthology and a resource pack have been made available to schools to promote diversity in the literature curriculum and support important conversations about pupils' culture and heritage.

Black Hair and Skin Project

The Black Hair and Skin Project exists to address the long-standing concerns and inequalities faced by children and young people of African and Caribbean heritage by making information, advice, guidance and resources on hair and skin care freely available on and offline.

Progress in 2023–24 includes the creation and roll out of a training package for professionals working in fostering and adoption services to ensure they are informed about the specific needs of young people of African and Caribbean heritage.

We have also received commitment from the Youth Custody Service to work towards a consistent approach across all youth custody sites in meeting Black young people's hair and skin needs.

Life Through My Lens

Race, culture, ethnicity, and faith/belief are a core part of a child's identity. In the Life Through My Lens programme we gave disposable cameras to 68 children and young people (aged 2-25) living in Northern Ireland to support the development of cultural literate practice within services and amongst practitioners to improve outcomes for children, young people, and families.

Using the medium of ethnography, children and young people shaped learning about how race, culture, economic status, language and religious identity, and other socio-economic factors including migration, intersect, and what this means to a young person as they navigate through society. The aim is to strengthen the understanding of identity in the social work system, so that assessments and interventions are more inclusive.

The project produced a photobook, report, toolkit and flashcards.



Making children's voices heard – and driving long-term change across the UK

In 2023-24, we continued to focus sharply on child poverty, and bringing the views and experiences of children and young people to the attention of decision makers and the public.

Alongside this, we continued to raise awareness of a range of other vital issues affecting disadvantaged children.

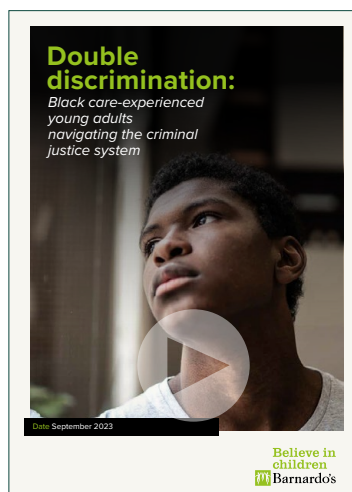
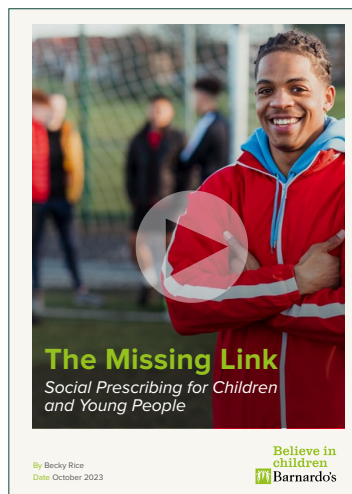
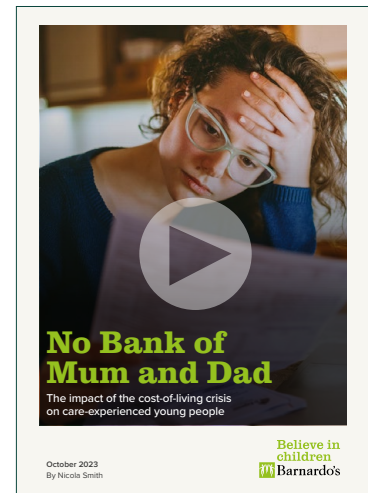
Key reports include **'No Crib for a Bed'**, which shone a new light on bed poverty and **'No bank of mum and dad'**, which explored the impact of high and rising prices across many living costs on care leavers.

In June, we marked Refugee Week with a new report: **'A Warm Welcome'** setting out the case for the Government to provide support to all children arriving in the UK without parents or carers to support them. We also held events in Parliament for MPs and Peers.

Meanwhile, we continued to work on strengthening legislation aimed at keeping children safe online. Working with others we succeeded in convincing the Government to strengthen age verification for online pornography and ensure this applies to both social media platforms and commercial sites.

Building on our long history of championing change for children in care and care leavers, we published new research on **'Double Discrimination'**, which explored the compound challenges facing Black care experienced young people in the criminal justice system.

And with record number of children and young people struggling with their mental health, we published new research on **'social prescribing'** – setting out the case for community based services that can boost wellbeing and provide an alternative (where appropriate) to clinical interventions.



Working in partnership

'If you want to go far, go together'

In advance of the General Election, we formed the 'Children at the Table' coalition in partnership with NSPCC, Action for Children, The Children's Society, and the National Children's Bureau.

The coalition called on all parties, and the next Government, to put children and young people at the heart of decision making.

As part of this work we brought children and young people to an event in Parliament, and we launched a public petition, as well as publishing a policy report with our collective calls for change.



Influencing highlights from the devolved nations

Cymru

The Draft 2024–25 Welsh Government budget initially included a reduction in funding for children and young people’s services. By working closely with sector colleagues and highlighting concerns across the Senedd, we succeeded in mitigating the proposals and maintaining £15m in investment for children.

Northern Ireland

We successfully campaigned for the reversal of plans to reduce spending on early years and youth services. Barnardo’s NI also led the ‘Reimagine’ coalition of nine children’s charities in responding to the Independent Review of Children’s Social Care Services, which attracted strong cross-party support at Stormont.

Scotland

We worked closely with the Scottish Government to secure £50,000 of funding for the Barnardo’s Scotland Welcome (Ukraine) service – ensuring it could continue for another year to support children and families seeking sanctuary in the UK. We also campaigned successfully alongside partners for an increase in the Scottish Child Payment – a devolved benefit paid to low-income parents in Scotland for each child under 16 – which was raised to £26.70 per week in the 2024-25 Scottish Budget.



Listening and responding to children and young people

In 2023–24, we continued to develop our approach to working with children and young people to make sure their voices are heard, and their experiences are understood.

This commitment informs how we make decisions internally as a charity, and also how we drive change externally across the UK.

During the year:

178

young people contributed 1,427 hours of their time through 107 opportunities to help make a strategic impact.

92

children and young people from 24 services across the UK contributed to the design of our new three-year Strategy and our new brand impact.

60

children and young people shaped our new rights-based Quality Standards.

679

colleagues across our children's services received training in this work, and 91% of those said their knowledge and confidence increased as a result.

The priority in all our influencing work was to create opportunities for children and young people to share their views and experiences directly with decision makers. A great example was when Becca, a member of the Barnardo's–Co-Op Youth Advisory Board, gave evidence in Parliament on the cost-of-living crisis.



Strengthening the public's connection to Barnardo's

The launch of our new brand this year provided an exciting opportunity for the charity to re-engage the public with the work we do and why.



Our new brand was co-created with young people – with each of the letters in our new logo representing a set of emotions.

We launched this new look and feel, along with an updated tone of voice, in March 2024, with an inspirational advert on tv and online, which helped to bring our story to life.

Our first rebrand in over a decade (and our first full rebrand in several decades – after taking a 'brand refresh' approach previously), is intended to inspire more members of the public and partner organisations to support Barnardo's. This includes raising money, donating and shopping in our stores, volunteering, raising awareness, and helping to campaign for change – alongside children and young people. We will start to report on the impact of the rebrand in our next Annual Report.



SAFER

HAPPIER

HEALTHIER

**MORE
HOPEFUL**

**We've been changing
childhoods and
changing lives for over
150 years. We're here
to help you feel safer,
happier, healthier and
more hopeful from the
moment we meet.**



Barnardo's logos 1900s - Present



From 1970s-80s



From 2010s-2024



From 1900s



From 1990s



Present



Fundraising

**A heartfelt THANK YOU to all our supporters, donors, and partners.
Every gift we receive helps us to change childhoods and change lives.**

In 2023–24, our fundraising activity, including legacies, raised £41.7m – an increase of £2.2m from the previous year. This is despite the fact that across the sector, the cost-of living crisis meant supporters could not give as much as in previous years.

We know the importance of investing in fundraising and marketing – including to communicate important information and advice to children and parents; to recruit new foster carers; to provide a fantastic supporter experience; and to secure vital donations so we can continue to deliver excellent and inclusive services, and to achieve long-term change for children in the future. In 2023–24 we spent more money than in previous years to recruit new supporters, in line with planned investment. Ongoing investment in fundraising is critical to drive sustainability and growth for the long term.

Gifts from wills

Supporters leaving a gift in their will is an important source of income for Barnardo's, raising £18.4m last year. This is a chance for individuals to remember formative experiences from their own childhoods, or from their time as a parent or carer. It is also an opportunity to help us drive positive change for children in the UK today, tomorrow and long into the future.

A Lasting Legacy

Joan Redford left Barnardo's an incredibly generous gift of the whole of her residuary estate in her will. Joan was a loyal supporter of Barnardo's work, having dedicated her time to collecting house to house for years, right up until she retired at the age of 80.

Support from individuals

Supporting Barnardo's on a regular basis is incredibly valuable to Barnardo's as it enables us to plan our crucial work with children and young people with certainty.

In 2023–24, we received £12.3m in direct donations from supporters, including over £9m in donations via direct debit, for which we are immensely grateful.

During this time, face-to-face fundraising returned to pre-pandemic operating levels, and we gained 28,000 new regular donors across all channels who were kind enough to sign up to direct debits to support our work.

With families across the UK continuing to struggle with high prices, it was heartening that our supporters raised £700k in response to our cost-of-living appeal, so we could provide help with food, fuel and other basics, for families in need of additional support.

We are always impressed by the energy and commitment of people across the UK who choose to support us through undertaking runs, hikes, treks, abseils, parachute jumps and a hundred other wonderfully imaginative ways of raising money to help change childhoods.

The London Marathon was a highlight yet again in 2023 with 119 runners raising over £325,000 as part of Team Barnardo's!

We also received almost £1m from individuals who support our work through payroll giving, which is also a tax efficient way of making donations through salaries. Thank you.





Support from trusts, foundations and philanthropic individuals

The **Katherine Martin Charitable Trust** continued its steadfast support for Barnardo's, donating a further £200k towards Barnardo's children's services in North Lincolnshire and East Yorkshire. In addition, the Trust has made a very significant donation of £135k towards our capital programme of new build 'Gap Homes' (for young people leaving the care system) in Lincoln, and a substantial pledge for the Gap Homes cluster in Stirling. In doing so, the Katherine Martin Charitable Trust is spearheading a nation-wide project that will play a crucial role in allowing young people leaving the care system at the age of 16 to learn to live independently in their communities, with access to good quality housing and wraparound support.

Barnardo's was delighted to receive a generous £1m donation from **Southampton Hospitals Charity**. This grant is funding a two-year pilot scheme where Barnardo's Mental Health Support Workers are providing targeted support for children and young people attending selected acute care settings, such as Emergency Departments. The pilot is running in St Helens and the Black Country and was made possible with proceeds from the auction of Banksy's artwork, Game Changer.

We received a gift from the estate of **Dennis Granshaw** last year, which was kindly facilitated by his brother Stuart. Dennis and Stuart both lived at the Barnardo's Home, Annesley Bank (near Lyndhurst in Hampshire) in the 1960s and, over 60 years later, we are truly humbled and privileged to have been remembered in this way by the family.

Support from communities

In June 2023, over 29,000 under 5s took on **the Big Toddle**. Little feet up and down the UK enjoyed dressing up as animals for the safari-themed fundraiser, and as well as having a lot of fun they raised an outstanding **£160,000**.

Meanwhile, our loyal and dedicated Barnardo's Helper Groups enjoyed hosting a range of fantastic events, raising almost **£200,000**. **Cowbridge Barnardo's Helper Group** in South Wales raised the highest total, at **£21.5k** and secured an additional and transformative **£100k** donation from a member's legacy.

In Northern Ireland, manufacturing and construction company **Tobermore** continued their incredible support with a donation of **£25k**.

Improving and modernising our supporter experience

We are passionate about improving our supporter experience and aspire to provide an excellent and inspiring experience for our supporters in every interaction with Barnardo's. During the year we took big steps in using technology to speak to our supporters about the things that matter to them most. We are continuing to focus on this in 2024–25 as we use data to get to know more about understand our supporters' interests and how they want to connect with us.



Thanks to **Claire Gilligan's** generosity, Barnardo's Leaving Care service in Belfast has been able to provide practical, financial, and therapeutic support to care-experienced young people, resulting in positive outcomes such as preventing homelessness, supporting aspirations, creating happy Christmas memories, and enhancing wellbeing. Additionally, Claire's generosity has extended to our Glasgow 16+ service, aiding over 50 young people with the cost of living through a food bank and enabling participation in activities like DJ lessons, art projects, and ice skating.

As a result of the generosity of the **Mukul Madhav Foundation** towards Barnardo's Cost-of-Living fund, Barnardo's was able to provide immediate relief to many families and children who were grappling with the harsh realities of poverty during the winter months. Support included providing energy and supermarket vouchers, ensuring people had food to eat during the festive season, as well as a bed and bedding for a good night's sleep, warm clothing and presents to open.

The Myristica Trust has been a long-time supporter of Barnardo's, and in 2023-24 awarded a fantastic £158,000 towards our work with children and young people in Wales. The projects funded include cost-of-living support for children and families who are struggling to cover the rising costs of household essentials, respite activities for young carers in Newport in need of a break and time for themselves, and education and employment support for young people in Swansea.



Transformational corporate partnerships

We are proud to work in partnership with businesses across the UK who share our passion, values and ambition to improve outcomes for children, young people and families across the UK.

People's Postcode Lottery

Barnardo's is immensely proud to be a beneficiary of the Postcode Children Trust, which awards funds raised by players of the People's Postcode Lottery. In 2023–24 we received £3m from this valued partner, and since 2018, we've received more than £15.4m, which has supported Barnardo's to reach so many more children and young people, to innovate and develop new services and responses to meeting growing needs.



Co-op

In the first year of our special partnership, Co-op has raised an incredible £2 million towards our £5million target to support positive futures for young people. This has been achieved through member and customer donations, cause related marketing, events and, most importantly, the fundraising activities of dedicated and highly engaged Co-op colleagues across the business.

Three 'Go BIG for Barnardo's' fundraising weeks took place, with Co-op members, colleagues and customers coming together to raise funds. Colleagues have additionally undertaken many events and challenges, including a memorable trek to the Sahara in February.



Arun Estates

In 2022–23, Arun Estate Agencies Ltd, which is made up of Cubitt & West, Douglas Allen, Pittis and Wards, generously donated £100 for every new property valuation, raising £1,000,000. The scale of the donation has meant children, young people and families, especially those living in poverty and facing additional challenges, continued to be supported throughout 2023–24, including in the critical lead up to Christmas. Their generosity meant we were able to support

more than 16,000 families in a variety of ways to help improve their social, emotional and mental health.



Amazon

In 2023–24, Amazon provided significant support to Barnardo's to lead the JOBS (Journey Of Becoming Successful) Project. The project supports young people aged 18–29 who are not in education, employment or training, offering them a pathway to success that can include a job offer with Amazon upon completion of the programme.

Recognising the transformative impact of this collaboration, we recently expanded the project's reach, growing from seven to

10 locations across the UK. This means the programme can now support and empower an even greater number of young people, equipping them with valuable skills and opening doors to new opportunities.



Zurich Community Trust

Barnardo's received a second annual £150k grant from The Zurich Community Trust (ZCT), which will continue to contribute towards the running and development costs of the Barnardo's Education Community, an online facility that helps teachers and schools support children and young people with their mental health.



The Pokémon Company International

In 2022, The Pokémon Company International unveiled a 5-year plan to support organizations that improve both the lives of children around the world and social equity. Barnardo's is the largest UK based charity recipient of this programme and this year have seen a continuation of support through financial contributions and gift donations totalling over £500,000.

The generous contributions have enabled us to support families through the Cost-of-Living crisis and bring joy to children who have received a range of exciting gifts.



Retail and Trading

In 2023–24, total sales across our retail estate grew 5.9% to £93.1m, compared with £87.9m the previous year. This was despite a challenging retail climate.

Overall sales growth year on year was 5.9%, although the growth in the sales of donated merchandise slowed year-on-year to 3%, as consumers continued to face cost-of-living pressures, which had a direct impact on the mix of preloved goods donated to our stores.

Sales of new goods in stores grew by 20% to £8.5m aided by new ranges, improved replenishment of core lines and the larger stores opening during the year. Increased costs, due in part to the impact of inflation on salary costs as well as the costs of extra storage to allow the improved replenishment of core lines, has reduced margins. We continue to sell new goods through Barnardo Trading Limited, and all donated goods through the Barnardo's charity.

During the year, we opened a further three superstores in Birkenhead, Durham and Warrington, making a total of ten across the UK. Superstores are located on Retail Parks and have a sales area of at least 6,000 square feet. This large footprint allows us to offer extended ranges of both donated and new goods products to our customers, including furniture, as well as providing space for

collaborations where we can provide specialist advice to families as well as fundraising activities.

We opened a further thirteen standard stores and refurbished another 10, as well as opening 11 large format stores, which have a sales area between 3,000 and 6,000 square feet, offering a different customer experience from our standard stores and different again from our superstores.

We regularly review the performance of our stores and closed 15 locations during the financial year. Where stores are not generating a positive contribution that we can invest in our vital work, and there is not a reasonable expectation we can turn them around, they are considered for closure.

Meanwhile, E-commerce sales continued to grow strongly, up 42.9% to £4.9m, compared with £3.4m the previous year. This was driven by an expansion of our online operations warehouse and the introduction of our own listing tool for eBay.





Our People & Culture

During this year, Barnardo's worked towards becoming a culture where everyone can belong, grow and thrive.



Pay, Reward and Recognition

In April 2023, we delivered on our commitment to invest in our colleagues, with a new approach to pay based on the core principles: Fair, Attractive, and Progressive.

We introduced a new pay framework based on an extensive benchmarking exercise, a simpler grade and band architecture, and new processes, which saw a significant investment in pay, with the majority of colleagues receiving an increase. For 2023–24, we continued our ongoing commitment to pay all colleagues the Real Living Wage. For some colleagues this meant a pay increase of some 9–10%, whilst the majority of colleagues received an Annual Pay Award of 4%, reflecting the high cost-of-living and other external factors.

We also piloted a new approach to performance and growth with our management and leadership cohort, which is being rolled out across the charity in 2024–25, to help drive excellence on behalf of children and young people.

We will continue our work to link performance more closely with pay and reward in future and this will be assisted by the changes included in our new pay framework.

During this period, we also made changes to our reward offer, including:

- Enhanced our annual leave entitlement for longer serving colleagues
- Increased Maternity, Paternity and Adoption leave entitlements
- Widened our support for colleagues' mental health and wellbeing

We have continued to recognise our colleagues' contribution to Barnardo's throughout the colleague lifecycle. Key moments include our quarterly Values in Practice awards and our annual Excellence Awards – an in-person event that celebrates colleagues, volunteers and young people who achieve outstanding impact across the charity.

We also focused on colleague engagement, holding a survey of all colleagues which provided key insight and comparisons with similar organisations. We received almost 3,500 responses which continue to inform our offer to colleagues.



Respecting the unique worth of every person	Encouraging people to fulfil their potential	Working with hope	Exercising responsible stewardship
Inclusive	Supportive	Positive	Accountable
Create a thriving, inclusive environment that celebrates difference, to achieve greater diversity.	Make and take opportunities to learn, develop and grow.	Set ambitious goals.	Always act in the interests of Barnardo's.
Respond to each other's needs and perspectives.	Offer and ask for help when needed.	Be creative in finding solutions.	Spend resources (time, energy and money) on the important outcomes.
Explore and value each other's skills, experience, knowledge and strengths.	Collaborate to achieve greater impact.	Reflect on what works, learn and make changes where needed.	Make evidence-informed decisions.
Raise concerns if you witness behaviour that is not inclusive.	Give and value honest feedback; have open conversations.	Celebrate making a difference.	Speak up when something feels wrong.

Values and behaviours

During the year we have continued to embed our behaviours, which are based on Barnardo's values. Importantly, we have made clear in our new Performance and Growth cycle that we must concentrate on how we work, alongside what we achieve.





Equality, diversity and inclusion

Building on our commitment to inclusive behaviours, in 2023–24 we continued to make progress against our Equality, Diversity and Inclusion (EDI) Action Plan, which makes key commitments to our colleagues, our culture and our communities.

We have focused on enhancing our data, so we have better visibility and understanding of the characteristics of our colleagues volunteers and service users. We are using this to inform performance indicators and actions across the charity, in line with our EDI objectives. Specifically, this is key to help us work towards delivering excellent, inclusive services.

Based on our internal systems, we were able to record information for the following:

We were able to record	2023–24	2022–23	% change (points)
Whether a service user has a disability	84.4%	89.4%	-5.0%
Service users’ ethnicity	90.6%	94.9%	-4.3%
Service users’ sexual orientation*	31.8%	35%	-3.2%

**only including service users aged 14 or over (c.25k)*





Barnardo's can choose the types of information we record on our internal systems. However, the way we deliver services alongside partners such as local authorities, means that we also record data on external systems. We are working with partners to enhance our EDI recording on external systems.

In April 2024 we published our latest **Diversity Pay Gap report**, bringing together data and analysis on our gender, ethnicity, and disability pay gaps, and reporting for the first time on the gap for colleagues who are LGB+. In 2023–24, as part of the significant investment in our pay and reward framework, this included interventions to remove inconsistencies in pay and has helped to reduce pay gaps linked to Protected Characteristics.

Our pay gaps for 2023–24 are based on snapshot data from 1 April 2023. Our Gender Pay gap analysis shows that with **84%** of our colleagues being female, Barnardo's overall median gender pay gap was **7.7%** in favour of men. Whilst the median gender pay gap increased by 2% compared with 2022–23, it remains well below the national average of 14.3%. **Our data shows that this pay gap has been decreasing overall since reporting began in 2017**, excluding the years impacted by the pandemic and furlough scheme.

Our Ethnicity Pay Gap shows a median **positive variance of -10.1%**, towards Black and Minoritised Ethnic colleagues, which has increased further from our -6.37% position last year.

Our Disability Pay Gap shows a median disability pay gap of **-3.3% (in favour of disabled colleagues)**, which is an improvement on our pay gap position of 3% in 2021–22.

For the first year we reported our LGB+ pay gap which was a median of -1.5%, in favour of our LGB+ colleagues, compared with those who are Heterosexual. Due to constraints in our trans data capture to date, we are unable at this point

to report an LGB+ pay gap, and therefore have focused on our LGB+ position this year. However, this is now part of our systems data collection so that we may report a LGB+ pay gap next year. We are hopeful that our internal data disclosure campaign will encourage our colleagues to feel confident to update and share their data.

For our 2023–24 reporting period we were going through **two key changes internally**: one was a major change in our **HR and Payroll systems**, and the other was our move to a **new Pay Framework**. We believe this has caused some distortion in the data, and therefore undertook a secondary reporting based on our pay on 1 October 2023, as we considered this to offer a truer representation of our data.

We know this is a journey and our ambition is to make progress every year.

Key activities this year included a specific **Emerging Leaders Programme** tailored to women and Black and Minoritised Ethnic colleagues; continuation of our **'License to Recruit'** training programme for managers; a focused EDI workstream to inform our recruitment, onboarding and learning offer an update or our EDI policy and code of conduct; and new guidance on supporting disabled colleagues and Trans colleagues.

We also launched a **'This is Me'** campaign, to encourage our colleagues to update or disclose their diversity data, which includes the opportunity to disclose if colleagues are Trans and also if they have experience of having been in local authority care. As a result, we are seeing a reduction in 'Unknown' and 'Prefer Not to Say', giving us more insight and improving our 2024–25 data.

In October 2023, we updated our **Anti-Racism Commitments** and **Action Plan** following engagement across the charity.

In December 2023, we became Disability Confident Level 3 Leaders and have developed a disability equality action plan which will be delivered over the next 3 years.

We held a number of EDI events linked to our diversity calendar on issues such as Islamophobia awareness, maternity rights, menopause, neurodiversity, and anti-racism as well as marking Black History Month, LGBT+ History Month and Disability History Month. Barnardo's also had a presence at key community events including LGBT+ Pride events.

Learning

During 2023–24, we made progress in building on our learning offer to colleagues.

In addition to our mandatory training, we introduced a range of learning opportunities focused on the development of new skills

in areas such as systems thinking, project management and data literacy. We have also continued to offer key skills development in core areas such as safeguarding, first aid and fire warden responsibilities.

Other highlights included cohort five of our Emerging Leaders Programme for 36 colleagues – including a new extension programme for women.

We are in the process of evaluating data from our 2023–24 courses in order to develop our offer further for future years.

Whilst in previous years we have reported on the number of new users enrolled on a particular learning platform, we have found that this provides limited insight. Instead, in 2024–25 we are focused on how we measure our impact and effectiveness in this area.



Working with our volunteers

Our volunteers continue to bring a rich variety of skills and experiences to Barnardo's. Last year 17,350 people gave 1.8 million hours of their time across Children's Services, Retail & Trading, Fundraising, and Business Services to support Barnardo's to change childhoods and change lives.

	2021-22	2022-23	2023-24	% change since last year
Number of people volunteered at least once for Barnardo's	15,585	16,917	17,350	2.6%
Hours contributed by volunteers to the charities cause	1.8m	1.8m	1.8m	–
Number of regular active volunteers	11,613	12,067	13,342	10.6%

The number of people who have volunteered at least once with Barnardo's has increased by 433 (2.6%) on the last financial year, whilst the total number of volunteers hours has remained at the same level. For the second consecutive year there has been an increase in the number of people volunteering with Barnardo's, but this has not resulted in an increase in the total hours given. This could partly be down to some volunteer hours not being recorded. However, it also reflects the wider sector trend and wider environment and changing patterns of volunteering.



Volunteer Voice Survey

The Volunteer Voice Survey took place in May 2023 alongside the Colleague Voice Survey. This was the first time the volunteer survey had been conducted by an independent partner.

Responses to the survey increased by **78%** on the previous year from **960** to **1,706**.

Overall volunteer satisfaction was high, with an average score across responses to all questions of **8.6** out of **10**.

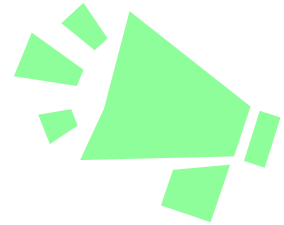
The lowest scoring question received an average score of **8.1** out of **10**, with the highest scoring question at **9.1**.

- Volunteers scored particularly highly on subjects such as clarity of the requirements for their role; ability to manage their task load; and ability for people from all backgrounds to join and thrive at Barnardo's.
- Whilst all questions in the survey received a positive average score, the topics with less positive responses included: ability to progress in your volunteering role; awareness of the Barnardo's values; and how inspired volunteers are by Barnardo's.

Following the survey several actions have been taken based on the insights and feedback given by volunteers including:

- The Volunteer Induction, Training and Development project was launched and is focusing on how to improve opportunities for developing new skills while they volunteer and increase opportunities for progression.
- New volunteering roles are in development to provide more progression opportunities.
- Work has been done to increase awareness of Barnardo's values and behaviours, including training and the introduction of new recognition badges which can be awarded for displaying the Barnardo's behaviours.
- The 2024 Volunteer Voice Survey will take place in October 2024 and will include questions that will allow external benchmarking with other charities.





Highest scoring questions	Average Score
To what extent do you feel people of all backgrounds can join and thrive in Barnardo's?	9.1
How clear are you on the requirements of your role?	9.1
How able are you to manage your task load?	9.1
How much do you enjoy volunteering with your team?	9
How committed are you to helping Barnardo's succeed?	9
How well do you get on with people at Barnardo's?	9

Lowest scoring questions	Average Score
How satisfied are you with the opportunity to progress your volunteering here?	8.1
How inspired are you by Barnardo's?	8.1
How well do you know the core values of Barnardo's?	8.1
How well do you know specific behaviours to live the values?	8.1
How satisfied are you with the amount of learning opportunities on offer?	8.2
How satisfied are you with the amount of challenge in your role?	8.2



Financial review

How our finances look

Despite a number of challenges during 2023–24, our financial performance held up remarkably well. We faced a difficult retail and trading environment (particularly in the second half of the year), a challenging financial situation for our service delivery commissioners across local government and health sectors, and continued inflationary pressures, affecting our cost base.

However, through robust financial management and strong cost control we mitigated much of the financial headwinds and our financial result for the year was only marginally below our budgeted position.

Our new medium-term budget (which runs to March 2027) developed towards the end of the financial year, includes multiple actions to help us to align our financial plans to our new Strategy which started on 1 April 2024. We know this is a challenging time with multiple areas of unmet and developing need for children, young people and families, and we will continue to focus on meeting their changing requirements and investing in our current and future colleagues to enable us to deliver excellent and inclusive services, as well as driving longer-term, transformative change for the future.

Results for 2023–24

In 2023–24, Barnardo's generated a net deficit of £3.6m, which compares to a net deficit of £2.0m for 2022–23. This excludes any loss or gain made from the annual actuarial valuation of the Barnardo's Staff Pension Scheme (see further details below), but includes the gain or loss on financial investments.

Our total income for the year was £326.1m, compared with £315.3m in 2022–23, which represents a 3% increase across all our activities. Our income from charitable activities increased to £187.3m, compared with £184.5m in 2022–23, with the largest proportion from direct family support work, which includes

children's centres. We continued to secure new contracts during the year, which has helped us to grow our commissioned income and demonstrates the strong position we continue to hold in the children's services sector.

Our retail and trading income continued to grow, reaching £93.1m for the year, compared with £87.9m in 2022–23, and we continued to seek ways to diversify and expand our income streams, including new store openings, increasing our e-commerce turnover (to £4.9m) and new goods sales (which totalled £8.5m). However, our cost base also increased with inflationary pressures on staff, energy and operating costs and so our net retail income declined.

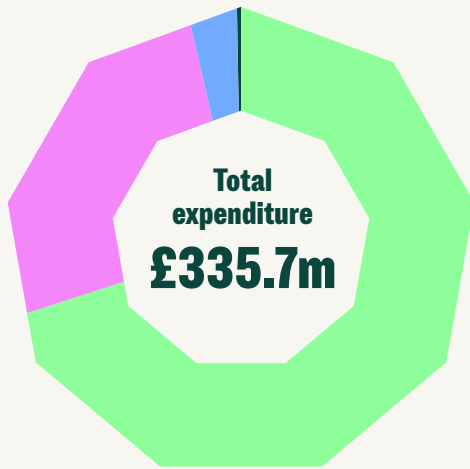
Income from donations and legacies was £41.7m, £2.2m higher than the previous year, total of £39.5m. This includes £18.4m from legacies, compared with £19.2m in 2022–23.

Total expenditure increased by £23.3m this year to £335.7m (£312.4m in 2022–23), with the most significant increases in our delivery of front-line services, including the introduction of a Cost of Living Fund; our colleague pay review; increased energy costs, and an increase in our digital spend. Our most significant area of expenditure is staff costs, which totalled £214.1m (£190.5m in 2022–23).

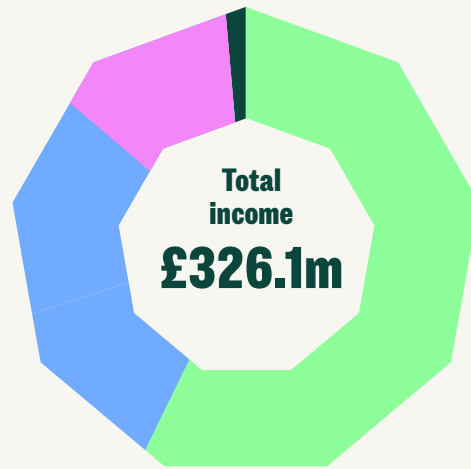
Across fundraising and trading activities, despite a reduced retail margin, we were still able to contribute £35.3m (£42.3m in 2022–23), after central allocation of support costs, to our frontline charitable work.

Our total charitable expenditure grew by £8.9m, to £235.9m (a 4% increase compared with a 2% increase in our income).

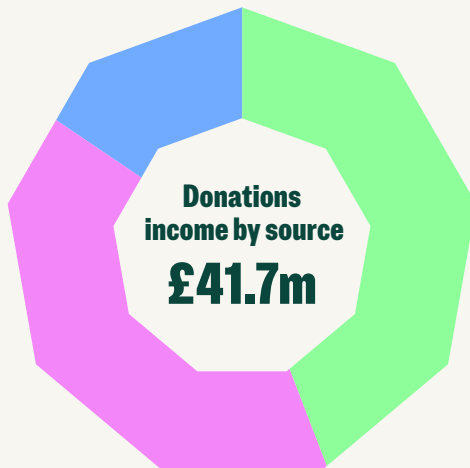
A more positive investment market towards the end of the financial year resulted in losses from earlier in the year being recovered and a final gain of £6.0m for this year.



- £235.9m Charitable activities
- £88.0m Trading, including shops
- £11.4m Fundraising
- £0.4m Other costs



- £187.3m Fees and Grants
- £93.1m Trading, including shops
- £41.7m Donations, gifts in wills and other fundraising
- £4.0m Investments, property development and other



- £18.4m Legacies
- £16.8m Donations and gifts from the general public
- £6.5m Donations from companies and trusts



- £107.0m Families needing support to give their children the best possible life chances
- £45.9m Children in care and care leavers
- £16.8m Children and young people struggling with their mental health and wellbeing
- £14.0m Children and young people at risk of sexual abuse and exploitation
- £2.5m Children and young people at greater risk of poor health
- £1.1m Children and families seeking sanctuary in the UK

Income has been allocated to the most relevant strategic area, but, to note, our services may cover more than one strategic area.



Our pension schemes

Barnardo's is the employer sponsor of the Barnardo's Staff Pension Scheme (BSPS), which is a defined benefit pension plan. It closed to new members in 2007 and stopped the further accrual of benefits to existing members in April 2013. The Financial Reporting Standard (FRS) 102 valuation position on 31 March 2024 shows a deficit of £57.6m, compared to £55.2m (restated) in 2023. This increase in deficit was caused by: a) a change in asset values, linked to the current valuation method, after adjusting for net contributions paid and scheme expenses; and b) a change to the 2022–23 deficit, due to an adjustment to the previous valuation method. These factors together led to a £91m actuarial loss in year, recognised in our statement of financial activities.

The assumptions used for calculating these FRS 102 pension disclosures are different from those used for the last triennial valuation, which is carried out separately by the Trustees of the Barnardo's Staff Pension Scheme. On 31 March 2021, using the technical provisions valuation basis for their last triennial valuation, the scheme Trustees valued the deficit at £146m and the funding level was 84%. The difference between the last triennial actuarial valuation and the FRS 102 valuation demonstrates the volatility in calculating long-term pension liabilities. Neither calculation is right or wrong. They are both snapshots of the situation at particular moments in time and are highly sensitive to changes in the financial market. They also highlight the difference between the more

conservative assumptions used for the triennial valuation and the 'best estimate' assumptions used for the FRS 102 calculations.

The FRS 102 valuation uses lower inflation and higher interest and discount rate assumptions and both of these lead to a lower calculation of pension liabilities.

The ongoing triennial valuation is used to calculate the payment of the pension contributions. This is currently based on the deficit reduction/recovery plan agreed between the Board of Trustees of Barnardo's and the Trustees of the Barnardo's Staff Pension Scheme following the 2021 triennial valuation process. The next triennial valuation, based on our assets and liabilities as at 31 March 2024, is currently underway.

In the previous triennial valuation, Barnardo's has agreed to pay £10.7m per annum for 13.5 years from 1 April 2021. This deficit reduction plan, which is soon to be refreshed, should ensure that the deficit reduces over a number of years as additional pension contributions are paid. The Trustees see the pension scheme deficit as a long-term liability, where the payments required by the pension plan will need to be met from forecast future cash flows. An agreed investment strategy is being implemented with the Pension Scheme Trustees, allowing for a lower risk asset portfolio but one which still retains potential for investment growth.

Our position at the end of the year

Reserves are represented by the fund balances in the balance sheet on page 81.

The target level of our reserves is determined by balancing two objectives:

1. Maintaining sufficient free reserves to enable us to continue our work when faced with difficult financial circumstances; and
2. Making sure we maximise the resources used for charitable purposes.

This means our reserves level needs to be adequate to allow us to address potential deficits that may arise from our charitable activities, investments, trading and other activities. It also needs to give us sufficient time to adjust our approach to meet changing circumstances without unnecessarily removing funds from addressing our charitable purposes. The Covid-19 crisis, recent geo-political events and the resulting inflationary pressures are perfect examples of the need for us to maintain a healthy reserves balance. Our reserves have made sure we were able to maintain stable operations, whilst continuing to protect front line services for children and young people over the past few years.

The group balance sheet shows a net asset position of £76.8m, compared with £89.5m (restated) in 2022–23, after adjusting for the pension liability. It also shows unrestricted reserves (reserves that don't carry any restrictions on how they can be used) of £88.7m (2022–23: £103.1m). Please refer to note 32 for details of the prior period adjustment and its impact on reserves and net assets.

In carrying out our assessment of available reserves, we exclude our pensions reserve as it relates to a long-term liability and fixed asset fund, because it relates to tangible and intangible fixed assets that are used in service delivery and fundraising. We also exclude any funds that are designated for a specific purpose. This gets us to our 'free reserves'; the resources we have available if we need them.

At end of 2023–24 we had free reserves of £33.7m (2022–23: £49.3m), as explained below:

	2023–24	2022–23
Unrestricted reserves before pension reserve adjustment (per balance sheet on page 81)	£88.7m	£103.1m
Less: fixed asset fund	(£35.2m)	(£30.9m)
Less: designated funds set aside by Trustees for specific purposes	(£19.8m)	(£22.9m)
Total free reserves	£33.7m	£49.3m

Free reserves have reduced due to the planned deficit that was run during the year. Free reserves are planned to recover towards £40m during 2024–25.



In the 2022 financial year, the Trustees approved two designated funds which are excluded from the free reserves calculations noted above:

1. A specific risk pension reserve of £16m which will be used to cover deficit reduction payments to the defined benefit pension scheme for at least 18 months in times of challenge. This will give the charity breathing space to change its operations without having to immediately cut the provision of vital services. We are yet to make use of this fund.
2. A £10m technology fund to invest in our digital priorities over a three year period. We utilised £3.1m of this fund in both 2022–23 and 2023–24 in completing the replacement of several significant technology platforms.

We have a total of £19.8m remaining in these two funds at 31 March 2024.

The Board of Trustees assesses the risks Barnardo's could be exposed to and the appropriate level of reserves that we should maintain. With the setting up of a specific risk pension reserve, protecting us against the risk of not being able to make additional deficit reduction payments in time of crisis, we adjusted our target reserves range in 2023–24 to between £37.8m to £50.4m, with a specific target of £42m. This means that we ended this financial year below our target reserves range. This was forecast from early in the year when it became clear that there was a downturn in retail footfall and consumption, and actions were taken to mitigate the worsening performance without impacting our front-line delivery during the year.

We have a medium term budget strategy in place that sees us deliver actions that return our free reserves to within the target range during the next financial year.

This includes actions to improve our retail margins, reduce overhead costs and refine our children's services delivery model.

Giving due consideration to the blend of risk, including income reduction, falling investment values, fluctuations in our pension liability, and a continued challenging external economic environment, we have decided to retain the same reserves range and target for 2024–25; we review this each year when setting the budget.

Our unrestricted reserves assessment also excludes the £45.8m (2023: £41.7m) held in restricted and endowment funds.



Our investments

Barnardo's investment portfolio is managed by three investment managers: Sarasin, CCLA and Ruffer LLP. Investments are held in a range of asset classes (a group of investments which are subject to the same regulations) including equities, fixed-income securities, commodities and cash.

Barnardo's is committed to ethical investments. In particular we are careful not to invest in companies that are considered to exploit children in the manufacture, production or delivery of their products or services. The equities funds we use do not invest in arms manufacturers, or companies who receive more than 10% of revenues from alcohol, arms manufacturing, gambling related products (which differ from lotteries), home-collected credit, oil sands, tar sands, thermal coal, pornography or tobacco, and businesses that do not meet minimum standards for responsible marketing, as determined by and with the investment manager (such as FTSE4 Good Index criteria) on the marketing of breast milk substitutes.

Our Investment Policy Statement targets a total return of Consumer Price Index (CPI) + 3.5% over a rolling five year period net of fees. We report on performance each month to our Executive Leadership and quarterly to Trustees. We also meet regularly with our investment managers and determine if any changes are required to our portfolio or investment approach.

Performance across our portfolio was as follows:

	2023-24 £'m	2022-23 £'m
At beginning of year	98.0	80.0
Net (disposals)/ additions	(0.5)	22.8
Realised/unrealised gain/(loss) on investments	6.0	(4.8)
Cash withdrawals	(4.0)	-
At end of year	99.5	98.0

We withdrew cash totalling £4m during the year to ensure resilience in our cash balances. This withdrawal was part of a £6m addition we made in 2022, so we are still holding slightly more in our investment portfolio than we did prior to entering the pandemic period. We also generated £3.4m of income, which was a small increase from the £3.1m received in the prior year. Included in this income amount is interest generated by placing cash not immediately required for day-to-day running costs on short term deposit.

The investment portfolio includes restricted capital along with endowment funds, for which Barnardo's has received an order, signed by the Charity Commission which enables the unapplied total return to be transferred to unrestricted funds. This return is included in net gains or losses on investments and is calculated as the difference between the market value of the funds and their indexed value (from 1 April 1976 or date of donation if later).

Barnardo's also holds an investment property which is included in the end of year investments value of £99.5m.

Acting as a custodian Trustee on behalf of others

Included in the restricted and endowment funds are two charities that are independently registered with the Charity Commission. These are the ACW Edwards Charity (registration number 247678) and Egerton Will Trust (registration number 272973), for more information refer to page 106. A number of constituent charities are also registered with the Charity Commission. Funds are held separately from Barnardo's. The objects are closely aligned to Barnardo's so these charities have been included as if they represent restricted funds of Barnardo's which is in accordance with the Charities SORP (as custodian Trustees and with Charity Commission consent).

Our grant making policy

We award grants to young people from our various trust funds. During 2023–24 we made more than 800 grants totalling £0.3m. Any person supported by Barnardo's under the age of 25 can apply, subject to completion of our application process and basic due diligence exercised on behalf of the charity. There are a number of areas that can be funded, including education and training, leaving care, poverty and hardship, and disability.

Our commercial activities

We carry out commercial activities to raise funds to achieve our charitable objectives. During this year, our subsidiaries generated a net income of £3.0m, compared with £3.6m in 2022–23. The net income (profit) of each subsidiary is given to Barnardo's through a qualifying charitable donation which is reflected in these financial statements.

Barnardo Trading Limited generated a profit of £2.6m, compared with £2.9m in 2022–23, from its mail order, publishing and retail activities during the year. Barnardo's total retail and trading activities (including the sale of donated goods in Barnardo's shops, which is accounted for as part of the charity's activities) produced a surplus of £4.7m, compared with £17.8m in 2023.

Barnardo Developments Limited's principal activity is the development and sale of properties that are no longer required for charitable use. The company generated a loss of £0.1m during the year, this compared with £0.5m profit in 2023 (profit in 2022–23 generated by releasing a provision of £0.5m which was no longer considered necessary). Activity was minimal this year as we focused on other strategic priorities. One property remained in the subsidiary for sale, albeit we are in the process of completing the sale of this post year end at the market value.

Barnardo Events Limited runs special events to raise additional funds for Barnardo's. The company generated a profit of £83k during the year, compared with a profit of £27k in 2022–23. This company ceased to trade on 30 June 2024 and all existing contracts have been transferred to Barnardo Trading Limited.

Barnardo Services Limited provides a range of services for children and young people in conjunction with local authorities, health authorities and similar bodies. The company generated a profit of £0.5m during the year, compared with £0.4m in 2022–23.

Adoptionplus offers adoption placement and specialist therapy services. The company generated a loss of £0.1m for the year, compared with a loss of £0.3m in 2022–23.

Going Concern

During 2023–24 we continued work from the previous year and undertook to invest our reserves in several high priority areas including in our service delivery, workforce and essential information systems. Whilst our underlying financial performance was slightly worse than we had budgeted we proactively managed the reduction in our free reserves throughout the year, mitigating impact, and have ended the year with our free reserves being just below our reserves strategy target range.

We carry out a robust medium term budget setting strategy each year during the third and fourth quarters of the year. This sets a three-year budget process, including a detailed operational budget for the coming 12 months. Before 2023–24 had ended we were already busy delivering on actions that are required to deliver the charity's new strategy and to return our free reserves to within the target range. As noted above this will include focus on our retail profitability, our overhead costs and our children's services operating model.

We have also prepared scenarios and identified areas where we will take further action if required.

As well as our free reserves, we also hold cash and unrestricted investment holdings. Whilst we did spend down some of our cash balances during the year we ended the year with £11.8m of cash, and £99.5m of long-term investment assets.

We also hold designated reserves totalling £19.8m that provide £3.8m additional resources to be spent on optimising our use of technology and data, as well as £16m that is held separately for our ongoing obligations to our pension fund.

Although the economic environment is challenging, with our new Strategy coming to life with a brand refresh and a focus on simplification, we are taking the necessary steps to ensure our continued financial resilience.

We will continue to closely monitor the impact of Government decision-making on its funding to the sector and specifically the services we provide, along with assessing the state of the economy.

Given the strength of our balance sheet (see page 81) – and the availability and liquidity of the charity's free cash reserves and unrestricted investments – the Trustees have not identified any material uncertainty that would cast doubt on the charity's ability to continue. Looking ahead for next three years, our cash flows supported by our unrestricted investments remain strong and have been stress tested. This includes a reverse stress test that considers the extent that our revenues could fall and our expenditure increase (with no other corrective action being taken) before it would put more of a strain on the charity as a going concern.

The challenges of the last few years have been a good test of our resilience, and the way we have responded as a charity gives a great deal of confidence in our going concern assertion.



Our principal risks and uncertainties

The Board of Trustees has responsibility for ensuring that there are adequate and effective risk management protocols and systems of internal controls in place to manage Barnardo's major risks and support the achievement of our strategic objectives. This responsibility is discharged by reviewing the strategic risks at each meeting and a formal annual review by the Board of Barnardo's risk management and internal control framework. The Board is supported in its assessment by the Risk and the Audit & Finance Committees, which both meet quarterly.

Barnardo's risk management framework is designed to support informed decision-making regarding the risks which may affect the achievement of its objectives. It also provides a consistent approach to identifying, assessing, and dealing with the risks which Barnardo's faces to ensure that they do not exceed the level of risk Barnardo's is willing to accept. The framework is designed to manage, rather than to eliminate, the risks to objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. Processes are in place to manage the key risks that could affect Barnardo's ability to achieve its objectives, including the following:

- A risk escalation protocol, to identify risks at department and regional level and ensure that, where applicable, these are included in the 'Corporate Risk Register', which is subject to regular Corporate Leadership Team and Trustee review.
- The Risk Committee approves the annual risk-based internal audit, inspection and independent safeguarding plan, and reviews regular audit reports on internal controls and risk management across the charity and its subsidiaries. In addition, the Committee performs 'deep dives' (in-depth analysis) to target and improve the management of key strategic risks.
- Regular 'horizon scanning' exercises by the charity's senior management team, identifying risks and emerging trends to ensure we are equipped to adapt.
- A framework of delegated authority, with detailed procedures setting out the governance and decision-making process for key corporate decisions.
- A whistleblowing policy, which is communicated to and accessible by all Barnardo's colleagues including volunteers, this includes an external, confidential whistleblowing helpline. All whistleblowing cases are subject to independent review, and investigation by the Audit & Assurance team.

Information relating to the principal risks to Barnardo's objectives and how these are managed is set out opposite:

Principal risks	How these risks are managed
<p>Safeguarding children and young people</p> <p>The Risk – Inadequate or ineffective safeguarding policy or practice that could result in, or contribute to, serious harm or injury to a child or a young person. This represents Barnardo’s most critical risk given the nature of our work. Barnardo’s gives its full attention to every child and young person, and never turns away complex cases. By virtue of this approach of working with some of the most vulnerable children and young people in society there are significant challenges to making them safer and this increases the level of inherent risk we carry in our day-to-day operations.</p>	<ol style="list-style-type: none"> 1. A dedicated safeguarding team, led by the Head of Corporate Safeguarding, reporting to our executive Director for Children’s Services and links with a dedicated safeguarding Trustee lead. 2. Clear safeguarding reporting mechanisms as set out in our safeguarding policy, including Safeguarding Lead roles in all departments and regions. 3. Formal governance and reporting structures established, including named safeguarding leads at Trustee and Executive level, with regular meetings of Safeguarding Leads. 4. Escalation protocol for all relevant incidents to the Head of Corporate Safeguarding, executive-level Safeguarding Lead and Risk Committee. 5. A safeguarding specific induction (including pre-employment checks), supplemented by mandatory safeguarding training, for all paid and unpaid colleagues (the depth of training required depending on role). 6. Reviews of serious cases and implementation of lessons learned. 7. Regular independent reviews of safeguarding practices across Barnardo’s, performed by safeguarding specialists, with implementation of required improvements. 8. Systematic quarterly consideration of serious incident reports which require notification to the regulator. 9. Safeguarding Universe and Annual Assurance Statement processes and governance, this enables comprehensive view of Safeguarding risks and assurance activity to allow effective mitigation.

Principal risks	How these risks are managed
<p>Financial Performance and Sustainability</p> <p>The Risk – A significant reduction in available resources due to:</p> <ul style="list-style-type: none"> • External economic or environmental factors (for example: high levels of inflation effecting running costs). • Government policy and/ or changes in statutory funding environment (e.g. reduced available funding for children’s services given Local Authority deficits). • Reputational damage as a result of any safeguarding issues. • Other internal or external ‘crises’ leading to unexpected reduction in income or increased expenditure (for example global conflicts). These risks undermining our ability to meet the needs of service users and to invest appropriately in order to achieve our strategic objectives. 	<ol style="list-style-type: none"> 1. We have strict financial controls including: <ul style="list-style-type: none"> • Monthly cash flow forecasting. • Sensitivity analysis and stress-testing of short-to-medium term scenario plans, including periodic inflation risk reviews. • Regular review and additional levels of approval for payments, and expenditure. 2. Holding of a significant value of ‘free’ reserves, with a monthly review to ensure they remain within the target range set by the Audit & Finance Committee. 3. Annual budget setting and then quarterly full charity re-forecasting processes, including review and challenge from senior management and Trustees. 4. Regular engagement with external parties and research to understand likely trajectory of political, economic and environmental factors that could materially impact our resources. 5. Regular review and scrutiny of financial performance (short and medium term) by senior management and Trustees through the Audit & Finance Committee. 6. Delegated approvals process, ensuring Trustee review and scrutiny of material income and expenditure contracts and transactions. 7. Focus on diversifying our contract portfolio and income to spread risk. This includes growing income outside of commissioned delivery.
<p>Pension Liabilities</p> <p>The Risk – The defined benefit pension scheme deficit increases due to actuarial valuations and Barnardo’s is required to supplement the increased deficit. This severely impact the resources available for strategic aims and to withstand any future crises.</p>	<ol style="list-style-type: none"> 1. Agreement of an affordable long-term recovery plan with the Scheme Trustees, including making overpayments to reduce the scheme liability and reduce future costs. 2. Ongoing monitoring and review (including annual desk-based valuations) of Scheme liabilities, review of assumptions, and reporting to Trustees. 3. Ongoing relationship with the Scheme Trustees. 4. Review and monitoring of the Scheme investment strategy and returns including attendance at the Scheme’s quarterly Investment Finance Covenant Committee. 5. BSPS (defined benefit) scheme is now closed to new colleagues and to further benefits accrual.

Principal risks	How these risks are managed
<p>Change Management, Systems and Technology</p> <p>The Risk – Inability or lack of capacity to implement change and complete priority projects, leading to reliance on sub-optimal systems and technology.</p>	<ol style="list-style-type: none"> 1. Significant investment in our Information Technology infrastructure and transition to cloud services. 2. Modernisation of our finance and HR systems. 3. Robust governance arrangements are in place including oversight from Trustee, Corporate Leadership Team, Corporate Programme Board, and specific Boards for key projects. 4. Effective programme, project, change methodologies are utilised throughout the lifecycle of change. These include a comprehensive project management toolkit, change readiness assessment, portfolio approach to change, post project lesson learnt reviews and independent internal audits on specific projects. 5. Comprehensive wellbeing support in place for colleagues affected by change.
<p>Reputation Management</p> <p>The Risk – A range of incidents or events that may consequently damage our reputation.</p>	<ol style="list-style-type: none"> 1. Sign-off and review processes for content on our external facing channels. 2. Reputational risk framework including Advocacy Policy to assist in making decisions on speaking out on controversial topics, and to act as a clear statement of our thinking. 3. Escalation of any potential reputational risks to Trustees. 4. Circulation of reputation management incident forms to relevant stakeholders and a range of ‘crisis’ escalation measures. 5. Established reporting threshold to the Charity Commission. 6. Proactive planning for potential reputational risks, for example, clear Q&As in advance, support and advice for operational communications colleagues.

Principal risks	How these risks are managed
<p>Cyber Security</p> <p>The Risk – Inability to maintain appropriate level of information security or quality assurance to meet regulatory demands.</p>	<ol style="list-style-type: none"> 1. Mandatory and bespoke Data Protection and Information Security training, awareness and simulation exercises. 2. Information Security Policy Framework and Compliance Reviews. 3. Investment in Tech Infrastructure, and the delivery of the Data and Insight Strategy. 4. ISO27001 accreditation. 5. Cyber Essentials Plus accreditation. 6. Regular audit reviews 7. IT security controls, including Multi Factor Authentication, anti-virus/malware software, firewalls, security threat scanning, software patching and data backups. 8. Incident response process in place including lessons learned reviews. 9. Information Governance Framework.
<p>People and Culture</p> <p>The Risk – An organisational culture that is not an enabler in the pursuit of our strategy and objectives.</p>	<ol style="list-style-type: none"> 1. People and Culture Strategy – Five core strategic deliverables to achieve ‘belonging’. 2. Regular Happiness Index Colleague Survey and targeted actions following detailed analysis of results. 3. Proactive and open internal comms, and trust in leadership 4. Corporate-wide behavioural framework including basis and values, traits and actions, management actions and leadership traits. 5. Refreshed values and behaviours. 6. Specific action plans to improve Risk, Data and EDI culture – EDI metrics objectives and measures agreed by EDI sub-committee. 7. Specific action plans to improve Risk, Data and EDI culture – EDI metrics objectives and measures agreed by EDI sub-committee. 8. Relunched Colleague Voice forums. 9. Dedicated Colleague Experience team.

Plans for future periods

In the 2024–25 financial year, we are sharply focused on operationalising our new three-year Strategy, as well as our new brand. This includes making progress against our new theory of change, and using our resources as effectively and efficiently as we can to help change childhoods and change lives.

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Our work is focused on the key pillars of our new Strategy:

- Delivering excellent and inclusive services across the UK.
- Changing policy, practice and systems.
- Changing attitudes towards childhood.

Taken together, these pillars will enable us to achieve tangible, demonstrable change for children today, whilst also driving longer-term, transformative change that will benefit generations of children to follow.

In everything we do, children and young people's voices and experiences remain at the very heart of our evidence and actions.

Thematically, we will focus on the seven populations of children, young people and families described in our Strategy: (children and young people in poverty; struggling with mental health and wellbeing; at risk of poor health; at risk of sexual abuse and exploitation; children in care and care leavers; and families needing help to give their children the best life chances).

Alongside our commissioned work, we will continue to use our charitable income as strategically as possible. This includes responding to urgent and changing needs of children and young people, through our Child Poverty Fund.

To help achieve our strategic aims, we will further develop and roll out our new Outcomes Framework, which will help us to better understand, describe and communicate the positive difference we are making for children and young people. It will also help us to generate vital evidence to inform our work with commissioners, support our fundraising and enhance our ability to influence decision making – nationally and locally.

We will continue to build strong partnerships – believing that we can achieve more when we work together with others from all sectors who share our values and ambition for children.

This includes optimising our new brand to re-introduce the charity to a broad general public audience, as well as building even deeper relationships with our existing supporters.

Underpinning all our work, we remain committed to supporting our colleagues, including with a renewed focus on learning and development, relaunching our EDI colleague networks, and new ways to engage our people.

To ensure we can deliver on our Purpose and the priorities in our new Strategy, we will continue to focus on ensuring we are fit for the future operationally. This means continuing to develop our ways of working and optimising our efficiency. Specifically, we are working to ensure that:

- Our cost base is appropriate to support our long-term ambitions.
- We receive income from our commissioned work that reflects the value of the services we deliver.
- We generate as much net income as possible from our commercial activities (including retail) and our fundraising.



Our Structure, Governance and Management

Barnardo's is a company limited by guarantee (registered in England and Wales, company number 61625). It operates throughout the UK and is a charity registered in England and Wales (Charity Commission registration number 216250) and in Scotland (Office of the Scottish Charity Regulator registration number SC037605).

Barnardo's is governed by its Articles of Association, last revised in 2018. The Articles of Association set out the charitable purposes for public benefit in the following terms:

1. To promote the care, safety and upbringing of children and young people by:
 - supporting and assisting those in need, along with their families and carers;
 - promoting their health; and
 - advancing their education.
2. The relief of those in need by reason of age, ill-health, disability, financial hardship, or any other disadvantage.

The Board of Trustees, elected by the charity's Members at the Annual General Meeting, are the charity's trustees and the legal Directors of the company. Members of the Board of Trustees serve a three-year term, after which they are eligible for re-election for a maximum of two further three-year terms in all but exceptional cases.

New Trustees are selected through an open recruitment process, which includes advertising, a targeted recruitment search and a panel interview process that includes engagement with children and young people from Barnardo's programmes. New appointees are given a personal induction programme, tailored to their areas of expertise and governance obligations. All Trustees have access to a range of training opportunities to help them meet their responsibilities. The balance of Trustees is kept under review to make sure there is a range of skills, diversity and geographical spread. The Board of Trustees also places particular emphasis on appointing individuals who bring specific identified skills and experience.

The Board of Trustees met five times for scheduled meetings in 2023-24.

A written schedule of matters is reserved for decision by the whole Board of Trustees. This includes:

- the formulation and implementation of the organisational Strategy;
- overseeing the implementation of the Strategy through annual operating plans and budgets;
- monitoring progress of the Strategy; and
- accepting ultimate responsibility for the sound professional, legal and financial management of the charity.





Matters not reserved for decision by the Board of Trustees are delegated either to one of the Board sub committees or to the Chief Executive. The Chief Executive and members of the Corporate Leadership Team are detailed on page 117.

The charity's governance arrangements are kept under regular review to make sure the Board of Trustees, its sub committees and its governance structures and procedures are fit for purpose as the charity and environment evolve.

The Board has adopted the Charity Governance Code (the Code) for larger charities. The Code provides an internal benchmark for the charity's governance arrangements and as recommended by the Code the Board instructs an external organisation to undertake an independent review of its performance and effectiveness every three years and the next review will take place in 2025. In addition to the detailed work on the new Strategy there have been four principal areas of focus for charity governance during 2023–24 that relate to key Principles of the Code as follows:

1. Principle 4.5:

A comprehensive review and updates to the schedule of Board reserved matters to align with best practice and to simplify content;

2. Principle 5.5:

Trustee performance management – the implementation of a new policy and process for board, committee and individual Trustee performance review;

3. Principle 5.6-5.7:

Trustee recruitment – the implementation of a new Trustee recruitment policy that records key principles and main stages in the process (including a robust skills and diversity audit, external search and selection process that includes an interface with children and young people);

4. Principle 7:

A comprehensive review of membership governance arrangements in consultation with existing members and in the context of a wider review of stakeholder engagement and accountability as part of the new Strategy.

The remit of the sub-committees, which generally meet quarterly, include:

Committee	Remit	Number of meetings per year	Chair
Audit and Finance Committee	<ul style="list-style-type: none"> Overseeing, monitoring and keeping under review the financial position of the charity and its subsidiaries to make sure there is long and short-term viability. Reviewing the charity's overall Strategy and risk tolerance parameters to make sure published financial information and related and supporting narrative information has integrity, is balanced and transparent. Oversees the annual external audit, scrutinises the external auditor's report and makes recommendations to the Board on the appointment/removal of the auditors. 	5	Dennis Hone (Treasurer)
Children and Young People's Services Committee	<ul style="list-style-type: none"> Making sure that Barnardo's safeguards and meets the needs of children, young people, their families and carers, now and in the future, by delivering high performing, high-quality services which achieve the best impact and outcomes and are compliant with regulatory requirements. 	4	Penny Thompson (Deputy Chair)
Equality Diversity Inclusion (EDI) Committee	<ul style="list-style-type: none"> Oversees and monitors the effectiveness of the charity's approach to EDI and its aim of embedding EDI fully in all its work and in its culture. 	2	Briony Ladbury
Income Generation Committee	<ul style="list-style-type: none"> Overseeing Barnardo's approach to generating sufficient and sustainable income to meet its needs today, and in the future. Overseeing Barnardo's arrangements in relation to fundraising compliance. 	4	Meredith Hunter/ Anne-Cécile Berthier
Risk Committee	<ul style="list-style-type: none"> Making sure that Barnardo's has effective internal control and risk management systems and is operating within its agreed risk appetite, approved policies and the law. 	4	Neil Crockett
People Committee (Nominations and Remuneration)	<ul style="list-style-type: none"> Making sure appointments to the Board of Trustees and the remuneration of members of the Corporate Leadership Team and other colleagues are responsibly managed, consistent with the Barnardo's strategic objectives and its Basis and Values. Oversees Trustee governance arrangements in the areas of conflicts of interest, induction and training and performance review. 	4	Mark Wood (Chair)

In September 2023 a new Trustee sub-group was set up for the purpose of strengthening the oversight of the Charity's investments on behalf of the Audit and Finance Committee. It meets on a quarterly basis.

The National Advisory Boards (NABs) for Scotland, Northern Ireland and Cymru/Wales comprise volunteers whose local knowledge, experience and networks maximise Barnardo's ability to change children's lives in those nations. Barnardo's remains a single UK charity, but these NABs provide targeted strategic support and advice to the delivery of Barnardo's UK Corporate Strategy in the relevant nation. Following a review of the NAB model by Trustees in consultation with the NABs, updates were made to clarify respective roles and responsibilities and strengthen engagement with the Trustees.

Our Royal Patron

Our Patron, Her Majesty the Queen, continued to support Barnardo's in 2023–24. We are extremely proud of our connection to the Royal Family which dates back to 1902.

Board of Trustees

A list of Trustees is shown on page 117.

Barnardo's activities extend across all four UK nations: England, Scotland, Northern Ireland and Cymru/Wales. Our Children's Services work is managed in regions covering Central England, Cymru and South West England, South-East England and London, North England, Scotland and Northern Ireland.

Responsibility for operational activities is allocated to five directorates: Children's Services; Barnardo's Trading Companies; Business Services; Fundraising and Marketing, and the Chief Executive's Directorate (covering People & Culture and Strategy & External Affairs.)

Barnardo's has three sister charities: Barnardo's Republic of Ireland, Barnardo's Australia and Barnardo's Aotearoa (formerly Barnardo's New Zealand). Each is a locally registered organisation with its own governing body. These charities use the Barnardo's name under licence from Barnardo's in the UK. Their financial activities aren't included in the accompanying accounts as they are wholly independent of Barnardo's in the UK.

We made the following transactions with related parties during the year, contributions to the Barnardo's pension scheme disclosed in note 28, payments to key management personnel disclosed in note 12, payment of trustees expenses disclosed in note 11 and transactions with Barnardo's subsidiaries.

Remuneration policy

To deliver our charitable aims and meet the needs of children, young people, families and other stakeholders, Barnardo's employs a significant number of colleagues alongside the vital support from our volunteers. We recognise and value the unique worth and contribution of every colleague and are committed to making sure we pay our colleagues a fair and appropriate salary, while always making sure we can afford to do so. This is informed by the local labour market.

In April 2023 Barnardo's was proud to publish its second Diversity Pay Gap report, bringing together data and analysis on our gender, ethnicity, and disability pay gaps, and introducing reporting on the gap for colleagues who identify as LGB+. This is an important step, in line with our charity's values and our commitment to creating an environment where all colleagues can belong, grow, and thrive.

In 2023–24 we made a significant investment in our pay and reward framework, to help make sure our offer was fair, attractive and progressive. This included intervention to remove inconsistencies in pay and has helped to reduce pay gaps linked to Protected Characteristics. Our Diversity Pay gap reporting is available in full on our corporate website.

Barnardo's has a single UK wide trade union recognition agreement with UNISON. In April 2023 we introduced a new Pay Framework with a new approach to Pay, Reward and Recognition as guided by our 'Pay Philosophy' of three core principles: Fair, Attractive, and Progressive and will be enabled by a new and simpler grade and band architecture, new processes and a broader concept of reward. In addition to the significant investment in pay through the new pay framework, where the majority of our colleagues received a salary increase, Barnardo's also agreed an additional 4% pay award to all colleagues, to reflect market conditions. This went beyond the Living Wage Foundation and Minimum Wage hourly rate increases. Ordinarily our pay rates are informed primarily by charity sector data. We recognise that charity pay is often lower compared to similar roles in the public or private sector. In the spirit of fighting 'in work' poverty and child poverty, we aim to pay a decent wage to all, especially those in our lowest earning pay ranges.

The People Committee makes recommendations to the Board for approval. The Board ultimately approves the annual pay settlement for all eligible staff once we have reached a final negotiation point with Unison. In accordance with the Charities Statement of Recommended Practice (SORP) we:

- disclose all payments to Trustees (no Trustees are paid) and expenses reimbursed (detailed in note 11 to the accounts);
- disclose the number of staff in receipt of £60k and above (in bands of £10k) (note 12 to the accounts);
- disclose the aggregate remuneration of the Corporate Leadership Team;
- disclose any payments made to CLT or Trustees which are outside of the normal employment contract;
- disclose pensions and other benefits (note 13 to the accounts).

The Board approves the annual pay settlement for all paid colleagues. The People Committee meets four times a year. Members of the Committee include the Chair, Honorary Treasurer and up to four more Trustees. No members of the Executive are members of the Committee. The Committee's main responsibilities are set out on page 60. It's the Committee's responsibility to consider the remuneration of the Chief Executive and members of the Corporate Leadership Team, as well as to set the pay policy for all paid colleagues and agree the basis for any annual increases in pay. The Board and the People Committee operate within the powers and constitutional arrangements as set out in the Articles of Association and Committee terms of reference. When making recommendations, the Committee will draw on relevant internal and external information about staff remuneration provided by Barnardo's management team. Paid colleague remuneration doesn't include any share options or long-term incentive schemes. The Chief Executive and other members of the Corporate Leadership Team all need to give at least 26 weeks' notice to terminate their contracts of employment. The pension provisions for the Corporate Leadership Team are on the same terms as other colleagues.



Public benefit

In setting plans and priorities for areas of work, our Trustees have followed guidance from the Charity Commission on the provision of public benefit, in accordance with Section 17 of the Charities Act 2011.

In particular, the Trustees consider how activities will contribute to meeting the objectives they have set. They focus on the services that will deliver the greatest impact to the most vulnerable children and young people. In delivering these services, we clearly identify the benefits to children, young people and their families. We then monitor progress to make sure our services are having a positive impact on children and young people, as planned, and to learn any lessons that can be used to improve the services.

We have demonstrated how Barnardo's delivers its principal charitable object – to promote the care, safety and upbringing of children and young people in the Impact Report section of this Annual Report. This forms part of the Trustees' report and sets out Barnardo's objectives, highlights our achievements and examples of activities delivered in the year.

By providing services that support and empower children, and by campaigning for changes to Government policy that will improve children's lives, Barnardo's helps the children and young people most in need of support to reach their full potential. The wide-ranging and substantial impact of our work is demonstrated on pages 7 to 23. Our work benefits the whole of society, as well as those who use our services. In this way, Barnardo's meets the public benefit requirement as set out in Section 4 of the Charities Act 2011.

Activities in Scotland

Barnardo's is registered with the Office of the Scottish Charity Regulator (OSCR) and has a National Advisory Board to provide advice and guidance on all aspects of activities in Scotland. During the year, Barnardo's provided 166 services throughout Scotland, with over 11,600 children, young people, parents and carers accessing these in 2023–24.

Further detail about our activities in Scotland is included throughout the report.

Serious incident reporting to charities regulators

Barnardo's operates strong procedures for the reporting of serious incidents to its charities regulators that include a robust internal process for assessing and escalating incidents that are potentially notifiable. The procedures are reviewed every two years. This year we held a meeting with representatives of the Charity Commission, England & Wales (CCEW) as an opportunity to share our approach to reporting and make updates as a result. During the financial period 2023–24 Barnardo's reported four incidents to the CCEW. These included one data breach incident, two safeguarding incidents and a fundraising complaint. In all cases the CCEW was satisfied with the charity's response to these incidents and there are no outstanding actions.

Registered office

Our registered office of the charity and its subsidiaries is Barnardo's, Tanners Lane, Barkingside, Ilford, Essex, IG6 1QG.



Our Sustainability Report

As a charity, we're committed to reducing our environmental footprint to help preserve the planet for the children and young people across the UK.

We know that climate change is one of the most fundamental concerns for our young beneficiaries, and they expect us to take action and play our part.

In 2021, we set ourselves the goal of fostering a culture that integrates sustainable practices into every aspect of our operations. Our vision is to drive significant and positive changes, ultimately enabling us to reach our ambition of becoming Net Zero by 2050 or earlier.

We have started our journey towards greater sustainability by assessing our current environmental impact and setting short, medium and long-term action plans and clear targets to measure our progress in five key areas:

- **Energy:** reduce Barnardo's overall carbon emissions and energy consumption across our property portfolio.
- **Transport:** decrease overall carbon emissions from Barnardo's commercial and fleet vehicles.
- **Travel:** reduce overall carbon emissions from colleague travel.
- **Procurement:** increase Barnardo's compliance with responsible and sustainable procurement standards.
- **Recycling:** increase Barnardo's waste efficiency across its services and operations.

We understand that environmental change disproportionately affects disadvantaged communities. Last year we took part in external research, working with over 40 social and environmental charities to understand more about the role we can play as a charity and the specific relevance to children and young people. We are now working with others to implement some of these recommendations, including by 'baking in' sustainability considerations as we look to develop new approaches to our direct work. An early example is reducing the need to update and reprint marketing materials through the use of QR codes.

Key sustainability initiatives for 2023–24 are listed below.

Energy:

- We rolled out Energy Efficiency Training, which was completed by 761 colleagues. We have split our training into two courses: core, and specialist.
 - Core training is for everyone and focuses on how individuals can affect climate change both positively and negatively, and helps to empower colleagues to reduce their environmental impact.
 - Specialist training is for colleagues who have responsibility to drive change as part of their role and seeks to equip them with practical knowledge, tools and action plans.
- We have also run awareness campaigns across the charity to educate colleagues on the importance of reducing our energy usage throughout the charity, sharing easy to follow hints and tips, for both work and home.
- We maintain a central contract ensuring that all electricity we receive is sourced from Ofgem-certified renewable providers. This contract has enhanced the clarity and accuracy of our data reporting and monitoring processes.
- As part of our ongoing commitment to sustainability, energy efficiency, and regulatory compliance, we have conducted a survey of selected properties across our portfolio under the Energy Savings Opportunity Scheme. The insights gained from this comprehensive scheme will be instrumental in guiding our future decisions, ensuring the implementation of the most effective strategies to reduce energy consumption and enhance our environmental performance.

Travel and Transport:

- We continue to review how our colleagues travel to, for, and from work, promoting sustainable travel through the 'Travel hierarchy' – which shows which forms of transport are most sustainable.
- Over the next 12 months our Transport and Logistics team will be beginning to transition our current fleet of internal combustion engine (ICE) vehicles to either hybrid or full electric. We will be looking at installing charge points across the property portfolio for our colleagues, customers, and visitors.

Procurement:

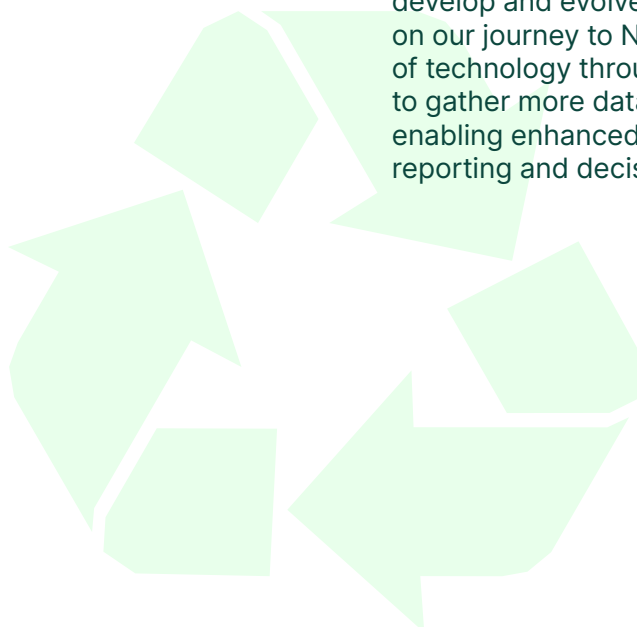
- Procurement training is now available to all colleagues, which helps us embed more sustainable procurement practices across the charity.
- In recent years we have strengthened our Supplier Code of Conduct to encourage our suppliers to meet (or exceed) our examples, and commitment to sustainability. We will continue to evolve and develop our procurement policies and procedures where necessary.

Reduce, Reuse, Recycle:

- We continue to champion sustainability through our recycling practices. We have recycled 446.49 tonnes across 92% of our stores on our retail central waste contract.
- By working with our consumable suppliers for our retail practices, we have been able to reduce our order frequency numbers across retail, reducing emissions generated through deliveries. We also, where possible highlight more sustainable products across all areas of ordering.
- We have enabled The Works customers to donate new and pre-loved goods to be resold in Barnardo's Stores.
- We have recently launched our first Re-Fashion Hub pop-up in our Bradford Superstore, we have used items that are unable to be sold in their current condition and give them a new lease of life. The hub is designed to be zero waste and generate further income for the charity.

We have strengthened our Sustainability Champions network, we have worked to gain representation from across the charity to help inform decisions, spread awareness, and drive initiatives throughout the charity.

Our Sustainability Programme continues to develop and evolve at pace, as we learn more on our journey to Net Zero. With the utilisation of technology throughout the charity, we are able to gather more data with increased accuracy, enabling enhanced precision in measurement, reporting and decision-making.



Our consumption

Barnardo's has taken 2019–20 as our reporting baseline for carbon emissions. Below is our consumption of Electric, Transport, Gas and other fuels. These figures include all emissions required by the Streamlined Energy Consumption Report (SECR).

All emissions required as part of our SECR reporting are included. These requirements do not currently include energy consumption from home working, but we are hoping to capture this in future.

	Percentage difference between 2019–20 (baseline) and 2023–24 (tCo2e)	Percentage difference YOY 2022–23 & 2023–24 (tCo2e)
Gas & Other Fuels	-19%	-8%
Electricity	-45%	-1%
Transport	-41%	-23%

Following an extensive data review, Scope 1 and 2 consumption and the resulting emissions for 2022-23 have been restated. Total emissions for 2022-23 were 30,597,028 kWh, 6,158.80 tCO₂e (previously stated 26,339,416 kWh, 5384 tCO₂e). The overall intensity ratio for 2022-23 is 0.85 tCO₂e per FTE (previously stated as 0.75 tCO₂e per FTE). 2023-24 shows a total of 5,550.19 tCO₂e and 27,050,933 kWh resulting in an intensity ratio of 0.80 tCO₂e per FTE.

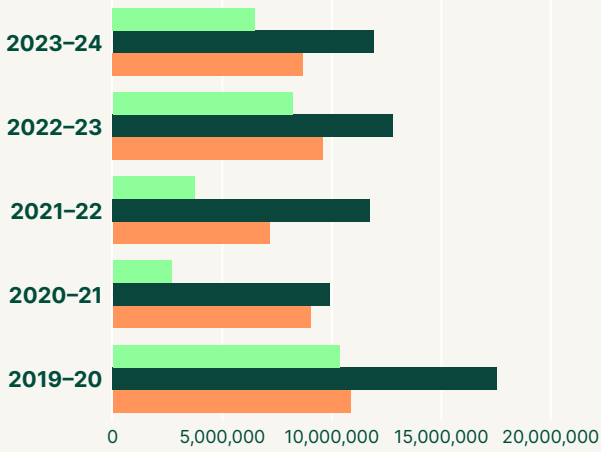
All data and SECR reports have been developed and calculated using the GHG Protocol – A Corporate Accounting and Reporting Standard (World Resources Institute and World Business

Council for Sustainable Development, 2004); Greenhouse Gas Protocol – Scope 2 Guidance (World Resources Institute, 2015); ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019).

Government Emissions Factor Database 2023 version 1.1 has been used, utilising the published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for the reporting period 01/04/2023 – 31/03/2024.

Year on Year Consumption data (KwH)

Transport Electricity Gas & Other Fuels



Co2 Emission Year on Year (tCo2e)

Transport Electricity Gas & Other Fuels



How we meet Section 172 of the Companies Act 2006

Trustees must, in accordance with Section 172 of the Companies Act 2006, act in the way they consider, in good faith, would most likely promote Barnardo's success and in doing so have regard (amongst other matters) to the following:

The likely long-term consequences of decisions

Trustees considered the likely long-term consequences of key decisions taken throughout the year, taking into account both the internal and external operating environment and the charity's key stakeholder groups. Key stakeholders include current service users, supporters, donors, employees and volunteers, children's services commissioners, partner organisations, regulators and the wider public. Examples of key decisions taken this year that demonstrated this approach included:

- The approval of a new three-year Strategy following broad engagement with all key stakeholders and informed by a detailed analysis of trends and factors likely to have a major impact on the lives of children, young people and family for the next three years.
- The approval of a Medium-Term Budget Strategy (MTBS) 2024-27 that coincides with the period of our new Strategy provided an opportunity to reevaluate all activity and ensure alignment with our objectives. This budget continued significant investment in our services and reanalysed our allocation of charitable funds against the priority areas of our new strategy. In addition we have allocated a total of £9.8m to a 'strategic impact fund' which will be spent on urgent support for children and families living in poverty and a small number of 'signature programmes' designed to drive long-term transformational change for cohorts of children. The investment in our colleagues as key stakeholders is detailed further below.

The interests of employees

During the year, regular updates were provided by the CEO and Executive Team to make sure colleagues were kept up to date with the charity's performance, including the financial and economic factors impacting this. Updates were provided as written communications, video messages and live question and answer sessions.

Equality, diversity and inclusion is another focus for our engagement with colleagues. Barnardo's has a number of active networks – Disability Network, LGBT+ Network, Race Equality Network and Women's Network. Representatives from each network come together as part of our Equality, Diversity and Inclusion Board, chaired by the CEO. They meet quarterly to discuss members' interests and make sure that feedback on relevant issues is given to senior management.

Our policy on the employment, training, career development and promotion of disabled persons

Barnardo's recruitment policies ensure all applicants who have a disability, impairment or mental health condition, and who meet the essential criteria for the role, are offered an interview. Once appointed, an 'accessibility passport' is designed to support discussions around removing any barriers and maximising the potential of each employee or volunteer in the workplace.

Trustees and the Corporate Leadership Team have been actively involved in decisions affecting colleagues, such as the decision to give a Pay Award to paid colleagues in the year, our new approach to Performance and Growth and our wider support for colleagues.

The Board of Trustees, through its dedicated committees, annually reviews the diversity pay gap data and oversees the implementation of the charity's Equality, Diversity and Inclusion commitments. Our second Diversity Pay Gap Report (covering gender, ethnicity disability and for the first time LGB) was published in April 2024 (see details within our Remuneration Policy on page 61).

Our business relationships with suppliers, customers and others; maintaining high standards of business conduct

During the year, Trustees and the Corporate Leadership Team has overseen the work we do with key suppliers to make sure our procurement process builds positive and effective relationships. This includes ongoing due diligence and regular benchmarking of services. We have a Supplier Code of Conduct and due diligence processes in areas such as modern slavery, sustainability and equality, diversity and inclusion (EDI), proactively ensuring that our suppliers meet the required standards throughout the entire relationship. We use a similar approach in managing our relationships with our customers, based on transparency, focus on delivery, and our values.

Fundraising

Barnardo's runs a wide range of fundraising activities to raise voluntary donations for our direct work with children and families. Our Board of Trustees and Corporate Leadership Team are deeply committed to building relationships and trust with our supporters and to encourage more people and partners to join the Barnardo's family.

Our Income Generation Committee meets regularly to provide oversight of this work and our fundraising programmes, and to make sure we're compliant and using best practice in these areas.

We're members of the Fundraising Regulator and the Chartered Institute of Fundraising and we engage widely within the sector to support measures to increase public trust and confidence.

In addition to our staff and volunteer-led fundraising, we use agencies to help deliver face-to-face, telephone and other direct marketing activities (for example direct mail). External agencies who act in this capacity on our behalf are required to do so in a respectful manner and in accordance with our standards and sector regulation such as the Fundraising

Code of Practice. We fundraise with corporate partners who are required to comply with the Fundraising Code of Practice and the terms set out in our corporate fundraising/commercial participator agreements.

We recognise the need to monitor the performance and compliance of our agencies and providers. We involve ourselves in their training with regular briefing and refresher sessions, also involving our colleagues. Our quality assurance also includes regular reviews of complaints and other feedback, as well as regular audits, appropriate safeguarding measures, mystery shopping and shadowing of agency fundraisers.

We're particularly aware of the need to protect vulnerable individuals in any fundraising we undertake. Our 'Vulnerable Persons Guidance' sets out the high standards we commit to meet and we work regularly with third party agencies and fundraisers to review their policies, procedures and performance.

We have received and responded to 179 fundraising complaints for financial year 2023-24, this is an increase of 88 complaints from the previous year. The increase is linked to a rise in face-to-face fundraising activities. Earlier this year we undertook a review of our face-to-face fundraising arrangements to ensure adherence to updated guidance from the Fundraising Regulator following their market inquiry into the use of subcontractors in this area.

We continue to address any expression of dissatisfaction on the part of our supporters and other members of the public, and to examine ways to improve the quality of our service to them. Our Supporter Care team looks at each complaint we receive. We aim to resolve complaints speedily and to the satisfaction of our supporters. Our complaints procedure is available on our website with all relevant contact details.

Our impact on the community and the environment

Trustees and the Executive are committed to minimising any negative impact our work has on our communities and the environment. We regularly identify ways to reduce our environmental impact and carbon footprint and have put together a sustainability action plan, which is set out in our sustainability report on page 65.

Acting fairly between members of the charity

Barnardo's, as a charitable company limited by guarantee, is run to deliver its charitable objects rather than further the interests of its members (guarantors). Barnardo's has currently 39 members who are composed principally of existing Trustees, former employees and former Trustees, all of whom have equal status and voting rights under the charity's constitution. During the financial year Barnardo's undertook a review of its membership arrangements to consider alternative options going forward in the light of wider engagement and accountability mechanisms in place with other stakeholder groups. The review also considered the Charity Governance Code, external benchmarking in the sector and best practice. The resulting proposals are currently under consultation with the membership ahead of the 2024 AGM. The proposals include: (i) improved engagement with members including invitations to Q&A sessions with the CEO and in-person events; and (ii) updating the charity's articles to retire independent members, leaving the Trustees as the Charity's sole legal members going forward.

Acknowledgements

The Trustees would like to thank the many friends and supporters of Barnardo's for their donations and bequests. They would also like to thank the thousands of volunteers who give their time so generously. Barnardo's has also benefited from gifts in kind, free loans of property, preferential rent and part-relief from rates, which have been provided by companies, legal firms, organisations, local authorities and individuals. Particular gifts and grants and pro-bono support are acknowledged in accordance with their terms on pages 113 to 115.

STATEMENT OF TRUSTEES' RESPONSIBILITIES



Statement of Responsibilities of the Trustees of Barnardo's

The Trustees are responsible for preparing the Annual Report, which incorporates the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions and 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 2006.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website, in accordance with United Kingdom legislation that governs the preparation and dissemination of financial statements. This may vary from legislation in other jurisdictions. Trustees are responsible for the maintenance and integrity of the Group's website. They are also responsible for the ongoing integrity of the published financial statements.

The Trustees confirm that, so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware. They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This Annual Report is signed by the Chair on behalf of the Board of Trustees. The Trustees also approved the strategic report, which is contained within this report, in their capacity as company directors.

By order of the Board of Trustees.



Mark Wood, Chair of Trustees

The Annual Report was approved by the Board of Trustees on 26 September 2024 and authorised for issue on 23 October 2024.

INDEPENDENT AUDITOR'S REPORT



Independent Auditor's Report to the Members and Trustees of Barnardo's

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2024 and of the Group's incoming resources and application of resources or the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of Barnardo's ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance;
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be FRS 102 and the Charities SORP 2019, UK tax legislation, Fundraising Regulations, Charities Act 2011 and the Companies Act 2006.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, Ofsted, Children Acts 1989 & 2004, the Children and Young Person Act 2014 and the Social Services and Well Being Act.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of serious incident reports raised in the year.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and the Audit and Finance Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of journals posted into the financial system, management override of the judgements and estimates within the Group and the recognition of income.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Involvement of forensic specialists in the audit to assist in determining the most likely areas fraud would occur in the group;
- Assessing significant estimates made by management for bias, in particular the assumptions used to value the defined benefit pension scheme; and
- Incorporating unpredictability into our testing approach through amending the nature and extent of audit procedures.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Fiona Condron
(Senior Statutory Auditor)
25 October 2024

For and on behalf of BDO LLP, statutory auditor, Gatwick, UK.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FINANCIAL STATEMENTS



Consolidated Statement of Financial Activities

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2024	Total 2023
		£000	£000	£000	£000	£000 (As restated)
Income from:						
Charitable activities	4	182,892	4,420	–	187,312	184,490
Donations and legacies	5	32,677	9,005	–	41,682	39,511
Other trading activities	6	93,071	–	–	93,071	87,887
Development and sale of properties	8	40	–	–	40	40
Investments	9	2,512	890	–	3,402	3,113
Other	10	627	–	–	627	211
Total Income		311,819	14,315	–	326,134	315,252
Expenditure on:						
Raising donations and legacies		9,639	1,722	–	11,361	13,889
Other trading activities	7	88,116	–	–	88,116	71,175
Investment management costs		320	–	63	383	245
Raising Funds		98,075	1,722	63	99,860	85,309
Expenditure on:						
Service provision	7	216,856	11,427	–	228,283	220,350
Informing the public about the need for our work		6,027	–	–	6,027	5,706
Childcare research and education		1,550	–	–	1,550	985
Charitable Activities		224,433	11,427	–	235,860	227,041
Total expenditure		322,508	13,149	63	335,720	312,350
Net (expenditure)/income before investment gains and (losses)		(10,689)	1,166	(63)	(9,586)	2,902
Net gains/(losses) on investments	15	2,981	–	3,019	6,000	(4,869)
Net (expenditure)/income before other realised losses	14	(7,708)	1,166	2,956	(3,586)	(1,967)
Actuarial loss on defined benefit pension scheme	13	(9,100)	–	–	(9,100)	(17,000)
Net movement in funds		(16,808)	1,166	2,956	(12,686)	(18,967)
Total funds brought forward		47,847	9,247	32,437	89,531	108,498
Total funds carried forward	26	31,039	10,413	35,393	76,845	89,531

All of the above results relate to continuing activities. The notes on pages 84 to 111 form part of these financial statements. The prior year consolidated statement of financial activities is shown as note 31.

Balance Sheets

	Note	Group		Charity	
		2024	2023	2024	2023
		£000	£000 (As restated)	£000	£000 (As restated)
Fixed Assets					
Intangible assets	16	1,603	–	1,603	–
Tangible assets	17	33,751	31,045	33,740	31,026
Investments	18	99,490	97,959	98,810	97,304
		134,844	129,004	134,153	128,330
Current Assets					
Stocks	19	4,556	3,134	–	–
Debtors	20	50,629	43,898	47,801	39,543
Current asset investments	21	9,005	24,173	9,005	21,074
Cash at bank and in hand	22	2,753	10,237	2,753	12,897
		66,943	81,442	59,358	73,514
Creditors: Amounts falling due within one year	23	(60,854)	(58,239)	(51,693)	(48,685)
Net current assets		6,089	23,203	7,665	24,829
Provisions	24	(6,408)	(7,396)	(6,408)	(7,396)
Net assets excluding pension reserve		134,525	144,811	135,410	145,763
Pension liability	13	(57,680)	(55,280)	(57,680)	(55,280)
Net assets including pension reserve		76,845	89,531	77,730	90,483
Fund balances					
Endowment funds	26(a) & (b)	35,393	32,437	35,393	32,437
Restricted funds		10,413	9,247	10,413	9,247
Fixed assets fund		35,180	30,872	35,169	30,852
Designated fund	26(c) & (e)	19,849	22,949	19,849	22,949
General reserve		24,351	48,037	25,247	49,009
Revaluation reserve	26(d) & (e)	9,339	1,269	9,339	1,269
Unrestricted funds excluding pension reserve		88,719	103,127	89,604	104,079
Pension reserve	13	(57,680)	(55,280)	(57,680)	(55,280)
Total unrestricted funds including pension reserve		31,039	47,847	31,924	48,799
Total funds	26 (d) & (e)	76,845	89,531	77,730	90,483

Approved by the Board of Trustees on 26 September 2024 and authorised for issue on 23 October 2024 and signed on its behalf by:



Mark Wood
Chair of Trustees



Dennis Hone, CBE
Honorary Treasurer

23 October 2024

The notes on pages 84 to 111 form part of these financial statements.

Company Number 61625

In accordance with the provisions of the Companies Act 2006, a separate income and expenditure account dealing with the results of the charity only has not been presented. Gross income of the charity of £264.6 million and net expenditure of £10.7 million (2023: net income £15.5 million) has been dealt with in the accounts of the charity.

Consolidated Statement of Cash Flows

	Note	2024		2023	
		£000	£000	£000	£000
Cash flows from operating activities:					
Net cash used in operating activities	27		(22,941)		(6,222)
Cash flows from investing activities:					
Investment income and interest	9	3,402		3,113	
Purchase of intangible fixed assets	16	(1,663)		–	
Purchase of tangible fixed assets	17	(6,595)		(5,112)	
Purchase of investments		–		(21,142)	
Sale of investments	18	4,469		–	
Sale of tangible fixed assets		676		560	
Net cash generated from/(used by) investing activities			289		(22,581)
Decrease in cash and cash equivalents in the year			(22,652)		(28,803)
Cash and cash equivalents at the beginning of the year					
Held as current asset investments		24,173		21,074	
Held as bank and cash		10,237		42,139	
			34,410		63,213
Cash and cash equivalents at the end of the year					
Held as current asset investments		9,005		24,173	
Held as bank and cash		2,758		10,237	
			11,758		34,410

Please refer to the analysis of changes in net debt (note 28).

Consolidated Summary Income and Expenditure Account

The summary income and expenditure account is presented in order to ensure compliance with the Companies Act 2006. The major difference in the figures presented from those in the consolidated statement of financial activities is that endowment funds are not recognised.

	Note	2024		2023	
		£000	£000	£000	£000
Gross income					
Gross income of continuing operations			265,486		256,036
Income of non-charitable trading subsidiaries	3		60,648		59,216
Realised gains/unrealised (losses) on investment assets	15		2,981		(2,403)
			329,115		312,849
Gross expenditure					
Total expenditure of continuing operations			278,066		256,618
Expenditure of non-charitable trading subsidiaries	3		57,591		55,694
			335,657		312,312
Net (expenditure)/income for the year			(6,542)		537
Reconciliation to statement of financial activities:					
Net (expenditure)/income for the year			(6,542)		537
Less: Realised gains/unrealised (losses) on investment assets	15		(2,981)		2,403
Movement on restricted capital and endowment funds	25 (a)		(63)		(38)
Net (expenditure)/income before investments			(9,586)		2,902

NOTES TO THE ACCOUNTS



1. Accounting policies

Basis of preparation

Barnardo's is a private company limited by guarantee (registered in England, company number 61625). It operates throughout the UK and is a charity registered in England and Wales (Charity Commission registration number 216250) and in Scotland (Office of the Scottish Charity Regulator registration number SC037605). It is governed by its Articles of Association, last revised in 2018.

The accounts have been prepared in accordance with applicable accounting standards in the United Kingdom, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102) 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), together with the reporting requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

Barnardo's meets the definition of public benefit entity under FRS102. Monetary values are calculated under the historical cost convention, as modified by the revaluation of investments.

Presentation currency

The functional currency of Barnardo's and its subsidiaries is considered to be in pounds sterling as this is the currency of the primary economic environment in which the organisation operates. The consolidated financial statements are also presented in pounds sterling.

Going concern

The Trustees have considered their obligations to prepare these financial statements on an appropriate basis, having specific regard to the charity's net asset position and looking ahead at future plans and cashflows for at least 12 months from the date of approval.

Given the strength of the balance sheet (see page 81) and the availability and liquidity of the charity's unrestricted investments and cash held in the General Reserve, the Trustees have not identified any material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The last few years have been a good test of resilience, and the way we have

responded as an organisation gives a great deal of confidence in this assertion.

The charity ended the financial year in a good position to withstand any further shocks and continues to monitor its anticipated cash flows over the next 2-3 years, carrying out reverse stress tests and considering the impact of government and economic changes closely. The Trustees, therefore, as a result, consider it appropriate for accounts to be prepared on a going concern basis.

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 2024. Subsidiaries are consolidated from the date when control passes. 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). Intercompany transaction and balances between group companies are therefore eliminated in full.

A separate SOFA for the charity is not presented as permitted by the SORP and the Companies Act 2006.

Parent charity disclosure exemptions

In preparing the separate financial statements of the parent charity, advantage has been taken of the following disclosure exemptions available in FRS102:

1. The statement of financial activities and cash flow of the charity have not been presented, as disclosure has been provided in respect of the group as a whole; and
2. No disclosure has been given for the aggregate remuneration of the key management personnel of the parent charity as their remuneration is included in the totals for the group as a whole.

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 that 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.

Income

1. Fees, grants for service provision, statutory and related funding are recognised where there is evidence of entitlement, receipt is probable, and the amount can be measured reliably. Any amounts due at the year-end are included as debtors within statutory related funders.
2. Fee or performance-related grant income which is invoiced or received that relates to subsequent periods, or when other conditions have not yet been met, is treated as deferred income in note 23 to the accounts.
3. Donations (except in relation to legacies) are accounted for when receivable.
4. Lottery income is recognised when receivable.
5. Income from pecuniary legacies is recognised where grant of probate has been received, and income from residuary legacies is recognised where estate accounts have been finalised. Income from wills or reversionary trusts of property is not recognised until the life interest has passed away and the property sale is at an advanced stage. Income from all other legacies is only recognised where there is clear entitlement, the amount can be accurately measured and there is reasonable probability of receipt. The receipt of legacies is considered probable when probate has been granted, it has been established that there are sufficient net assets to pay the legacy and any conditions attached to the legacy have been met or are under the control of Barnardo's.
6. The value for gifts in kind, donated services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation has been met, the receipt of economic benefit from the use by the Charity is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS102), general volunteer time is not recognised. More information about our volunteer contribution is explained in the Trustees' Annual Report.
7. Income raised through the operation of shops and related trading activity under the charity's management is accounted for at the point at which ownership of the goods transfers to the customers. Estimated associated Gift Aid is accrued at the point of sale. The income claimed from HM Revenue & Customs is recognised, and the accrual reversed, once consent is obtained. Stocks of unsold donated goods are not valued for balance sheet purposes as it is not considered practical to estimate the fair value due to the high volume of low value inventory and the absence of management information systems.
8. Income from the sale and development of properties is recognised based on Barnardo's share of profit on practical completion of each sale.
9. Investment income is the amount receivable for the year.

Expenditure

1. All expenditure is accounted for on an accruals basis and irrecoverable VAT is included in the relevant cost category. Support 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 a basis consistent with the use of resources. Further details regarding support costs are disclosed in note 7.
2. Costs of raising voluntary funds are incurred in relation to staff members who are engaged in fundraising activities and the provision of fundraising activities on Barnardo's behalf.
3. Expenditure on trading activities represent expenditure incurred in the operation and management of the Barnardo's chain of shops and other activities undertaken by Barnardo Trading Limited.
4. Costs of developing and selling properties represent expenditure undertaken by Barnardo Developments Limited.
5. Direct service provision costs represent the operational costs of service delivery.
6. Grants made include those that Barnardo's makes to other organisations and grants to young people through Barnardo's trust funds. Grant expenditure is recognised once the offer is communicated to the recipient.

7. Informing the public about our work includes the costs incurred in raising awareness of childcare issues and Barnardo's activities in relation to them.
8. Childcare research and education includes policy reviews and activities to help educate wider groups about relevant childcare issues.
9. All costs involved in terminating employee contracts are accounted for on an accruals basis and disclosed in aggregate in note 12. Termination benefits are measured as the best estimate of the expenditure required to settle the obligation as at the reporting date.

Tangible Assets

Fixed assets are stated in the balance sheet at their cost less depreciation. Expenditure of a capital nature over £1,000 is capitalised. Profits and losses on the disposal of properties are recognised in the SOFA in the year of disposal.

Reviews are carried out when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

Intangible Assets

All intangible assets have finite useful lives. Intangible assets comprise both purchased and internally generated software and are stated at amortised cost. Costs to develop software internally are capitalised when it has been established that the project is technically feasible, there is the ability to reliably measure the expenditure attributable to the intangible asset during its development and Barnardo's has both the intention and ability to use the completed asset. The costs of internally generated software relate to external contractor and internal staffing costs in the development phase and are stated at amortised cost.

Depreciation and Amortisation

Depreciation and amortisation are charged to write off the cost or valuation of the assets, other than land, over their estimated useful lives and assume nil residual values. The estimated useful lives and depreciation or amortisation method are reviewed by class of asset at each year end, with any changes in estimate accounted for in current and future years.

1. Depreciation of freehold and long-leasehold properties is provided at the rate of between two and four per cent per annum on their cost or value. Short-leasehold properties are amortised over the period of the lease. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.
2. Equipment and vehicles are depreciated over their expected useful lives, which varies between one and five years.
3. Intangible assets are amortised on a straight-line basis over the estimated useful life of the software, which varies between three and five years.

Investments

Investments in subsidiaries are held at cost and are assessed for impairment at each reporting date. Investments, and those held as fixed assets and current assets, are stated at their market value as at the balance sheet date. Cash held by investment managers is not considered to be part of cash and cash equivalents. All movements in value arising from investment changes or revaluation ("unrealised gains") are recognised in the SOFA.

Realised gains or losses on investments are calculated as the difference between the disposal proceeds and the carrying value.

Revaluation of investment properties are carried out each year by an external qualified RICS registered valuer who has appropriate knowledge, skills and experience to undertake the valuation completely.

Stocks

Stocks are stated at the lower of cost and net realisable value. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to the selling price less any costs to complete and sell or put to nil if considered unlikely will sell. The impairment loss is recognised immediately in the statement of financial activities.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. This includes investments disclosed in the balance sheet as current asset investments. Current asset investments include interest bearing deposit accounts.

Debtors and creditors

Trade debtors and other debtors are recognised at their transaction price less any allowance for doubtful debts. Trade creditors and other creditors are included at their nominal value when there is a contractual obligation to settle.

Provisions

Provisions are liabilities of uncertain amount or timing. They are recognised when the charity has a present legal or constructive obligation because of a past event, it is probable that an outflow of a resources will be required to settle the obligation, and the amount can be reliably estimated.

Corporation tax

The subsidiary companies make qualifying donations of all taxable profits to Barnardo's. The company is a charity within the meaning of the Finance Act 2010 (schedule 6, paragraph 1). Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by the Corporation Tax Act 2010 (part 11, chapter 3) or the Taxation of Chargeable Gains Act 1992 (section 256), to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

Capital grants

In accordance with the Charities SORP, grants receivable are recognised immediately in the SOFA unless they are restricted to future accounting periods and, in which case, they are recognised as a liability.

Operating leases

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

Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Financial assets, other than investments, and financial liabilities are initially measured at transaction price (after including/deducting transaction costs) and subsequently held at amortised cost, less any impairment.

Pension costs

For defined benefit schemes, in accordance with FRS 102 section 28, the SOFA includes:

- the cost of benefits accruing during the year in respect of current and past service (charged against net income);
- the actual return on plan assets less interest on plan assets is included in actuarial gains and losses within the movement in funds;
- the increase in the present value of the scheme's liabilities arising from the passage of time (charged against net income);
- interest on plan assets is credited to net income/expenditure);
- actuarial gain/(loss) recognised in the pension scheme (shown within net movement in funds); and
- the pension finance charge, including pension administration expenses, is directly allocated to the various expenditure categories.

In accordance with FRS 102, 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 using year-end AA corporate bond yields. Further details regarding the scheme are disclosed in note 13.

For defined contribution pension schemes, pension costs are charged to the SOFA for the period in which they are payable.

Fund accounting

Barnardo's has various types of funds for which it is responsible, and which require separate disclosure as set out below.

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 only 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

Funds that are expendable at the discretion of the Trustees in furtherance of the objects of the charity, consisting of four specific types:

1. Fixed assets fund

This fund represents amounts invested in unrestricted fixed assets for use by the charity.

2. Designated fund

This fund represents amounts set aside by the Trustees for a specific purpose.

3. Revaluation Reserve

This reserve represents unrestricted funds held in an investment portfolio and investment properties.

4. General Reserve

The working capital fund has now been amalgamated into this fund.

5. Pension Reserve

This reserve represents the net pension liability of the Barnardo Staff Pension Scheme, and in accordance with FRS 102, is shown as a reduction of total funds.

Critical accounting estimates and judgements

To be able to prepare financial statements in accordance with FRS102, Barnardo's must make certain estimates and judgements that have an impact on the policies and the amount reported in the annual accounts. The estimates and judgments are based on historical experiences and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgements are made.

Significant judgements and estimates

• Legacy income recognition (note 5)

The receipt of legacies is considered probable when probate has been granted, it has been established that there is sufficient net assets to pay the legacy and any conditions attached to the legacy have been met or are under the control of Barnardo's.

When the amount due is not stipulated, the estimated amount due is calculated using a set of criteria applied in a consistent way to all legacies leaving a percentage or residual amount to Barnardo's.

• Retirement benefit liability – defined benefit scheme (note 13)

Year-end recognition of the liabilities under this scheme and the valuation of assets held to fund these liabilities require a number of significant assumptions to be made, relating to levels of scheme membership, rates of mortality, key financial market indicators such as inflation and expectations on future asset returns. These assumptions are made by the charity in conjunction with the scheme's actuaries.

• Provisions (note 7)

All provisions are estimated from a review of expected costs based on historical data and expected future likelihood of spend.

The most significant provision is for dilapidations.

2. Subsidiaries

Adoptionplus is wholly owned by the Charity and 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 subsidiaries:

Subsidiary Undertaking	Company Reg No:	Principal Activities
Barnardo Trading Limited	886425	Mail order and retailing
Barnardo Developments Limited	964920	Property development
Barnardo Events Limited	2270706	Sponsorship & special events
Barnardo Services Limited	1227919	Childcare services
Barnardo Garden Village Management Company Limited	8652230	Property management

Subsidiary Undertaking	Company/Charity Reg No:	Principal Activities
Adoptionplus	6900397/1204419	Adoption agency

During the year there was no activity in Barnardo Holdings Limited. The net assets of Barnardo Holdings Limited are £20,000.

Adoptionplus was registered as a charity on 21 August 2023, number 1204419 (England & Wales).

The subsidiary companies make qualifying donations of all taxable profits to Barnardo's. No corporation tax liability on the subsidiaries arises in the accounts.

Barnardo Garden Village Management Company Limited is not consolidated in the group accounts as it is not material to the group accounts.

The registered address of all subsidiaries listed above is Barnardo House, Tanners Lane, Barkingside, Ilford, Essex, IG6 1QG.

3. Trading subsidiaries' results

	Barnardo Trading Limited	Barnardo Developments Limited	Barnardo Events Limited	Barnardo Services Limited	Adoptionplus	Total 2024	Total 2023
	£000	£000	£000	£000	£000	£000	£000
Turnover	9,578	40	134	50,393	927	61,072	58,745
Cost of sales	(5,102)	-	-	(50,393)	(990)	(56,485)	(54,293)
Gross profit/(deficit)	4,476	40	134	-	(63)	4,587	4,452
Gain on revaluation	-	25	-	-	-	25	35
Admin/other costs	(1,879)	(117)	(51)	(49)	-	(2,096)	(1,401)
Trading profit/(deficit)	2,597	(52)	83	(49)	(63)	2,516	3,086
Other income	-	-	-	503	-	503	471
Taxation	-	-	-	-	-	-	-
Net profit/(deficit)	2,597	(52)	83	454	(63)	3,019	3,557
Amount payable by qualifying charitable donation to Barnardo's	(2,597)	-	(83)	(454)	-	(3,134)	(3,705)
Retained loss for year	-	(52)	-	-	(63)	(115)	(148)
Total assets	4,452	1,119	104	7,465	289	13,430	12,836
Total liabilities	(4,442)	(1,171)	(104)	(7,465)	(1,081)	(14,263)	(13,554)
Retained profit/(loss) brought forward	10	-	-	-	(728)	(718)	(570)
Retained profit/loss carried forward and net assets	10	(52)	-	-	(791)	(833)	(718)

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

	Barnardo Trading Limited	Barnardo Developments Limited	Barnardo Events Limited	Barnardo Services Limited	Adoptionplus Limited	Total 2023
	£000	£000	£000	£000	£000	£000
Turnover	7,905	40	73	49,995	732	58,745
Cost of sales	(4,051)	499	–	(49,995)	(746)	(54,293)
Gross profit	3,854	539	73	–	(14)	4,452
Gain on revaluation	–	35	–	–	–	35
Admin/other costs	(912)	(82)	(46)	(44)	(317)	(1,401)
Trading profit/(loss)	2,942	492	27	(44)	(331)	3,086
Other income	–	–	–	471	–	471
Taxation	–	–	–	–	–	–
Net income	2,942	492	27	427	(331)	3,557
Amount payable by qualifying charitable donation to Barnardo's	(2,942)	(309)	(27)	(427)	–	(3,705)
Retained profit/(loss) for year	–	183	–	–	(331)	(148)
Total assets	3,135	1,146	116	8,166	273	12,836
Total liabilities	(3,125)	(1,146)	(116)	(8,166)	(1,001)	(13,554)
Retained profit/(loss) brought forward	10	(183)	–	–	(397)	(570)
Retained profit/(loss) carried forward and net assets	10	–	–	–	(728)	(718)

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

4. Income from charitable activities

	2024			2023		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£000	£000	£000	£000	£000	£000
Family support & placement	97,511	291	97,802	85,464	901	86,365
Education	31,563	1,126	32,689	26,937	679	27,616
Disability support	7,427	152	7,579	8,538	140	8,678
Government grants	12,483	2,632	15,115	12,483	2,632	15,115
Other services	33,908	219	34,127	46,284	432	46,716
	182,892	4,420	187,312	179,706	4,784	184,490

5. Income from donations and legacies

	2024			2023		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£000	£000	£000	£000	£000	£000
Legacies	16,507	1,943	18,450	17,960	1,253	19,213
Donations and gifts from the general public	13,044	3,723	16,767	11,999	658	12,657
Donations from companies and trusts	3,126	3,339	6,465	3,638	4,003	7,641
	32,677	9,005	41,682	33,597	5,914	39,511

Legacies notified but not accrued at 31 March 2024, due to probability or measurable criteria not being met, were £6.9m (2023: £5.8m).

6. Other trading income

Income from trading is £93.1m (2023:£87.9m). All income relates to unrestricted activities.

Trading income can be analysed into the following categories:

	2024	2023
	£000	£000
Donated Income	70,407	68,112
Fundraising income	2,320	2,033
Gift Aid	6,807	6,921
Gifts in Kind	3,176	2,756
New Goods	8,889	7,334
Other income	1,472	731
Total	93,071	87,887

7. Expenditure

	Direct costs	Grant funding of activities	Apportioned support costs	2024	2023
	£000	£000	£000	£000	£000
Raising donations and legacies	8,315	–	3,046	11,361	13,889
Other trading activities	78,296	–	9,820	88,116	71,175
Investment management Costs	383	–	–	383	245
Total Raising Funds	86,994	–	12,866	99,860	85,309
Service provision	205,149	309	22,825	228,283	220,350
Informing the public about the need for our work	6,027	–	–	6,027	5,706
Childcare research and education	1,550	–	–	1,550	985
Total Charitable Activities	212,726	309	22,825	235,860	227,041
Total Expenditure	299,720	309	35,691	335,720	312,350

	Direct costs	Grant funding of activities	Apportioned support costs	2023
	£000	£000	£000	£000
Raising donations and legacies	6,604	–	7,285	13,889
Other trading activities	67,290	–	3,885	71,175
Investment management costs	245	–	–	245
Total Raising Funds	74,139	–	11,170	85,309
Service provision	192,818	264	27,268	220,350
Informing the public about the need for our work	5,706	–	–	5,706
Childcare research and education	985	–	–	985
Total Charitable Activities	199,509	264	27,268	227,041
Total Expenditure	273,648	264	38,438	312,350

Total expenditure of £335.7m (£2023: £312.4m) included restricted expenditure of £13.2m (2023: 12.4m), of which £1.7m related to the cost of raising funds (2023: £1.0m) and £11.4m to service provision (2023: £11.4m). Other trading activities expenditure of £88.1m (2023: £71.2m) included £81.1m (2023: £66.2m) representing the costs of operating our 591 retail shops and £7.0m (2023: £5.0m) for expenditure of Barnardo Trading Limited on costs of goods sold and other costs. £nil (2023: £nil) has been incurred in developing and selling land surplus to the group's requirements.

Support costs relating to the corporate functions have been allocated to the various categories on a basis consistent with the use of resources as follows:

- Property – total sq/m occupied
- Information systems – % of technology spend
- Human Resources – number of staff
- Finance, other corporate costs and governance – % share of resources

Where they could not be allocated directly, they have been allocated based on a percentage share of other costs.

	Raising donations & legacies	Other trading activities	Service provision	2024	2023
	£000	£000	£000	£000	£000
Property	-	3,560	2,475	6,035	6,070
Information Systems	650	3,118	9,225	12,993	16,665
Human Resources	141	1,910	5,022	7,073	7,410
Finance	866	289	3,463	4,618	3,931
Other Corporate	219	107	514	840	397
Governance	1,170	836	2,126	4,132	3,965
Total 2024	3,046	9,820	22,825	35,691	38,438

	Raising donations & legacies	Other trading activities	Service provision	2023
	£000	£000	£000	£000
Property	989	996	4,085	6,070
Information Systems	3,847	419	12,399	16,665
Human Resources	298	1,896	5,216	7,410
Finance	737	246	2,948	3,931
Other Corporate	88	26	283	397
Governance	1,326	302	2,337	3,965
Total 2023	7,285	3,885	27,268	38,438

8. Income from development and sale of properties

	2024	2023
	£000	£000
Turnover of Barnardo Developments Limited	40	40

Income relates to unrestricted activities.

9. Income from investments

	2024	2023
	£000	£000
Listed investments – United Kingdom	2,189	2,157
Short term deposits	618	582
Rents and ground rents	567	350
Other interest	28	24
	3,402	3,113

The income from investments was £3.4m (2023: £3.1m) of which £2.5m is unrestricted income (2023: £2.0m) and £0.9m (2023: £1.1m) restricted income.

10. Other income

	2024	2023
	£000	£000
Gain/(loss) on disposal of non property fixed assets	33	(44)
Gain on disposal of properties	594	255
	627	211

All income relates to unrestricted activities.

11. Members & Trustees

Barnardo's is a company limited by guarantee having no share capital and in accordance with clause 6 of the Articles 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 2024 there were 39 members (31 March 2023: 88).

Barnardo's trustees are all unpaid volunteers who give freely of their time and expertise to the Charity. The time that they give to Barnardo's ranges from around 15 to over 40 days per year depending on their role on the board and on committees. These days cover preparation and attendance at board, committee and planning meetings, Barnardo's service visits, special working groups, governance groups required for regulatory reasons, briefings and training. During the year no Trustee received any remuneration or benefits from the charity. Trustees often cover all their costs of travel and accommodation incurred whilst on Barnardo's business. Actual expenses incurred amounted to £3,034 (2023: £7,696) and included travel, subsistence and other related costs. The number of Trustees claiming expenses was 3 (2023: 7).

Charities have to disclose where trustees or their related parties have made their donations to charity with conditions attached. No such disclosable donations have been made to Barnardo's in the year to 31 March 2024 (2023: £nil). Donations made without conditions attached were £1,119 in the year to 31 March 2024 (2023: £100). The charity purchased insurance for Trustees 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 £5,600 (2023: £5,600).

12. Employees

	2024	2023
The average number of employees during the year was:	No.	No.
Children's Services	5,160	5,049
Fundraisers, shop managers, clerical staff and fundraising management	2,143	1,919
Central support services	481	501
	7,784	7,469

Number of full time equivalent employees at the year end	5,452	5,412
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	2024	2023
	No.	No.
The number of staff whose emoluments fell within each of the following bands was:		
£60,000 to £69,999	73	45
£70,000 to £79,999	30	22
£80,000 to £89,999	16	12
£90,000 to £99,999	11	10
£100,000 to £109,999	4	1
£110,000 to £119,999	2	1
£120,000 to £129,999	1	1
£130,000 to £139,999	1	1
£140,000 to £149,999	–	1
£150,000 to £159,999	1	–
£160,000 to £169,999	–	–
£170,000 to £179,999	1	1

The highest paid employee is the chief executive.

Emoluments in respect of the bandings above include gross salary and all benefits in kind (excluding pension contributions, social security costs and expenses). Systems are in place for the management of expenses.

The number of employees paid more than £60,000 has been impacted by pay reviews during a period of high inflation.

	2024	2023
The aggregate emoluments to employees in the year were:	£000	£000
Wages and salaries	181,624	161,344
Social security costs	15,802	14,385
Employer's pension contributions to defined contribution scheme	15,128	12,851
Employer's pension contributions to defined benefit schemes	821	822
Other benefits	288	673
Benefits in kind (as calculated for taxation purposes)	447	412
	214,110	190,487

Included in wages and salaries is an amount of £1.0m relating to redundancy, compromise and termination costs (2023: £0.4m) following the completion of children services contracts.

134 staff earning over £60,000 (2023: 92) receive benefits accruing under the Barnardo's Retirement Savings Plan. Employer contributions to the pension funds of these 134 employees were a combined total of £1.1m during the year (2023: £732k).

The total employee emoluments of the Corporate Leadership Team, who are deemed to be key management personnel and are listed on page 117, was £1.2m in 2024 (2023: £1.0m), including pension and social security costs.

13. 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.

The scheme was closed to further accrual of defined benefits from 30 April 2013, with active members of the scheme on that date becoming members of the Barnardo's Retirement Savings Plan, which is a defined contribution arrangement for future service. Benefits for members of the defined benefit scheme will continue to increase broadly in line with inflation.

New employees are offered membership of the Barnardo's Retirement Savings Plan. The total employer contributions and costs relating to the defined contribution arrangement for the year amount to £15.1m (2023: £12.9m).

The funding plan for the defined benefit scheme is to hold assets equal to the value of the benefits earned by employees, where that value is calculated using a set of assumptions appropriate for funding the scheme. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding plan, Barnardo's and the pension scheme trustees agree on deficit contributions to meet this deficit over a period. A deficit recovery plan was agreed with the pension scheme trustees following the actuarial valuation as at March 2021.

Over the year to 31 March 2024, £10.7m of deficit contributions were paid into the scheme. On the current plan (agreed following the actuarial valuation as at 31 March 2021), deficit contributions of £10.7m per annum are expected to be paid each year from 1 April 2021 to 30 November 2034.

Details of the defined benefit scheme, produced in accordance with section 28 of FRS102, are set out below. Calculations based on membership data as at 31 March 2021 were updated to 31 March 2024 by an independent qualified actuary, allowing for changes in financial conditions, actual benefit payments made over the period, and the impact of pension scheme increases granted. The defined benefit liabilities have been measured using the projected unit method.

Following an update from the pension scheme actuary on the impact of the deferred revaluation cap on the defined benefit obligation, it was identified that an adjustment was required to prior year actuarial gains/(losses) and pension reserves of the defined benefit pension scheme to reflect the updated understanding of how the deferred revaluation cap should be applied. Please refer to note 32 for further detail.

Assumptions	2024	2023
	per annum	per annum
RPI inflation	3.1%	3.1%
CPI inflation	2.6%	2.7%
Discount rate	4.9%	4.8%
Revaluation of deferred pensions (non-GMP)	3.0%	3.1%
Pension increases:		
Pre 88 GMP	nil	nil
Post 88 GMP	2.2%	2.3%
Pre 07 XS	3.0%	3.1%
Post 07 pension	2.2%	2.2%
Life expectancies (in years)		
For a male aged 60 in 2022	84.8	84.7
For a female aged 60 in 2022	88.3	88.3
At age 60 for a male aged 40 in 2024	86.0	85.9
At age 60 for a female aged 40 in 2024	89.5	89.4

The amounts included in the balance sheet arising from Barnardo's obligations in respect of the defined benefit scheme for the current and previous year are as follows:

	2024	2023
	£m	£m
Fair value of assets	548.7	566.0
Present value of liabilities	(606.3)	(621.2)
Net liability recognised in the balance sheet	(57.6)	(55.2)

These figures exclude additional voluntary contributions.

Sensitivity Analysis

The sensitivity of the liabilities (in both percentage and £ terms) to changes in the key assumptions used to measure the Pension Fund's liabilities is shown in the table below:

Assumption	Change in assumption	Impact on liabilities
Discount rate	+/- 0.1%	£7.5m/+7.9m (-1.2%/+1.3%)
RPI and CPI Inflation	+/- 0.1%	+£4.6m/- £6.3m (+0.8%/-1.0%)
Assumed life expectancy	+/- 1 year	+£18.6m/- £19.1m (+3.1%/-3.2%)

The following amounts have been included within net (expenditure)/income in relation to the defined benefit scheme:

	2024	2023
	£m	£m
Employer's part of current service cost	-	-
Past service cost	-	-
Interest expense	1.6	1.3
Administrative expenses	2.4	1.6
Total expense	4.0	2.9

The pension finance charge of £4.0m has been directly allocated to the various expenditure categories.

The current allocation of the Scheme's assets is as follows:

	2024	2023
	£m	£m
Bonds	165.9	157.8
Property	57.1	60.9
Swap contracts (Liability Driven Investments)	224.7	255.5
Private credit	87.7	89.1
Cash/other	13.3	2.7
	548.7	566.0

Over the year to 31 March 2024, the value of the Scheme's assets decreased from £566.0m to £548.7m. There was no material investment activity over the Scheme year. The Scheme's asset allocation was broadly unchanged and there were no changes to the Scheme's investment managers.

Changes in the present value of the scheme liabilities over the year are as follows:

	Restated	
	2024	2023
	£m	£m
Opening value of scheme liabilities	621.2	843.8
Interest cost	29.1	23.3
Actuarial loss	(16.0)	(217.9)
Benefits paid	(28.0)	(28.0)
Closing value of scheme liabilities	606.3	621.2

Changes in the fair value of the scheme assets over the year are as follows:

	2024	2023
	£m	£m
Opening fair value of Scheme assets	566.0	797.8
Interest on plan assets	26.7	22.0
Actual return on plan assets less interest on plan assets	(25.1)	(234.9)
Contributions by the employer	10.7	10.7
Administrative expenses	(1.6)	(1.6)
Benefits paid	(28.0)	(28.0)
Closing fair value of Scheme assets	548.7	566.0

The actual return on the scheme's assets over the year was a gain of £1.6m (2022–23: loss of £212.9m).

14. Net expenditure

	2024	2023
	£000	£000
Net expenditure is stated after charging/(crediting):		
Depreciation of tangible fixed assets	3,906	4,055
Amortisation of intangible fixed assets	60	–
Auditors' remuneration – statutory	187	190
Operating lease rentals	14,734	15,098
Operating lease income	(40)	(40)

15. Gains on revaluation and on investment asset disposals

	2024	2023
	£000	£000
Realised losses	(249)	(3,691)
Unrealised gains/(losses)	6,249	(1,178)
	6,000	(4,869)

Gains and losses on revaluation and on investment asset disposals is a £6.0m gain for the year (2023: £4.9m loss) of which £3.0m is unrestricted (2023: £2.4m loss), and £3.0m endowment fund gains (2023: £2.5m loss).

16. Intangible assets

	2024
Group and Charity:	£000
<i>Cost</i>	
At beginning of year	–
Additions	1,663
Disposals	–
At end of year	1,663
<i>Amortisation</i>	
At beginning of year	–
Provided during year	60
On disposals	–
At end of year	60
Net book value	
At beginning of year	–
At end of year	1,603

17. Tangible assets

	Properties	Equipment & vehicles	Total
(a) Group and Charity:	£000	£000	£000
<i>Cost</i>			
At beginning of year	80,101	17,811	97,912
Additions	5,021	1,634	6,655
Disposals	(477)	(2,660)	(3,137)
At end of year	84,645	16,785	101,430
<i>Depreciation</i>			
At beginning of year	50,929	15,938	66,867
Provided during year	2,646	1,260	3,906
On disposals	(434)	(2,660)	(3,094)
At end of year	53,141	14,538	67,679
Net book value			
At beginning of year	29,172	1,873	31,045
At end of year	31,504	2,247	33,751

	Group & Charity	
	2024	2023
(b) Analysis of freehold and leasehold properties:	£000	£000
Freeholds	20,322	20,225
Long leaseholds (over 50 years)	2,178	1,949
Short leaseholds (50 years and under)	9,004	6,994
	31,504	29,168
(c) Use of properties:		
Service delivery	10,417	10,093
Other (including shops and offices)	21,087	19,079
	31,504	29,172

18. Investments

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Investments at market value	99,490	97,959	98,810	97,304
Investments at market value:				
At beginning of year	97,959	80,096	97,304	79,441
Additions	31,019	108,246	30,994	108,246
Disposals	(35,488)	(85,514)	(35,488)	(85,514)
Realised/unrealised gains/(losses)	6,000	(4,869)	6,000	(4,869)
At end of year	99,490	97,959	98,810	97,304
<i>Comprising:</i>				
Equities	58,769	58,572	58,769	58,572
Fixed income	19,865	18,184	19,865	18,184
Global Pooled Funds	1,983	2,702	1,983	2,702
Cash held for reinvestment	3,127	1,952	3,127	1,952
Property	2,290	2,265	1,590	1,590
Other investments	13,456	14,284	13,476	14,304
	99,490	97,959	98,810	97,304
Cost of Investments	90,151	96,690	89,751	96,290

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

Investments of the charity include £20,000 subsidiary undertakings (note 2). Property investment of £700k (2023: £675k) is held by Barnardo Developments Limited and the charity. All other investments are held in the charity.

19. Stocks

	Group	
	2024	2023
	£000	£000
Retail finished goods	4,183	2,761
Property	373	373
	4,556	3,134

No stocks were held by the charity.

20. Debtors

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Trade debtors	235	298	–	–
Statutory and related funders	26,935	25,698	21,603	20,209
Taxation	2,722	3,176	2,722	3,176
Other debtors	1,503	560	1,347	503
Prepayments and accrued income	19,234	14,166	17,417	11,458
Amounts owing from subsidiaries	–	–	4,712	4,197
	50,629	43,898	47,801	39,543

Amounts due from subsidiaries represent:

- i) Loans from the charity to Barnardo Trading Limited, Barnardo Developments Limited and Adoptionplus. These 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.
- ii) Temporary current account balances between the charity and Barnardo Services Limited and Barnardo Events Limited.

21. Current asset investments

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Interest bearing deposit accounts	9,005	24,173	9,005	24,173

22. Analysis of bank and cash

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Cash in hand	2,753	10,237	2,552	9,799

23. Creditors - amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Pension contributions	966	892	966	892
Other taxes and social security costs	6,614	8,287	3,771	5,560
Other creditors	7,672	7,513	6,893	7,278
Accruals	10,955	12,954	10,831	12,599
Trade creditors	14,588	7,193	13,557	6,166
Deferred income	20,059	21,400	15,675	16,190
	60,854	58,239	51,693	48,685

Deferred income relates to fees and grants invoiced in advance from statutory and related funders. An amount of £21.4m (2023: £23.5m) was released from prior year. An amount of £20.1m (2023: £21.4m) was deferred in the year.

24. Provisions for liabilities

	Group & Charity			
	Dilapidations	Other	Total	Total
			2024	2023
	£000	£000	£000	£000
Provision 1 April	4,558	2,838	7,396	10,826
New provisions	-	962	962	-
Provisions released	(1,350)	(600)	(1,950)	(3,430)
Provisions for Liabilities at end of year	3,208	3,200	6,408	7,396

The dilapidations provision relates to property leases with various termination dates. The other provisions balance is made up of a number of provisions which are individually immaterial to both the group and charity, it includes provisions for repairs and maintenance and the Scottish Redress Scheme. The timing of when these will fall due is uncertain.

25. Commitments

(a) Capital Expenditure

There are no capital commitments.

	Group & Charity	
	2024	2023
	£000	£000
(b) Land & Other Buildings		
Total future minimum lease commitments under non-cancellable operating leases are as follows:		
Operating leases payable which are due:		
Within one year	12,455	12,932
In the second to fifth years inclusive	29,767	30,352
Over five years	14,236	11,269
	56,458	54,553

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Operating leases receivable which are due:				
Within one year	35	35	-	-
In the second to fifth years inclusive	70	105	-	-
	105	140	-	-

26. Fund balances

	Group & Charity					
	Restricted income funds	Endowment funds	Total	Restricted income funds	Endowment funds	Total
	2024			2023		
	£000	£000	£000	£000	£000	£000
(a) Analysis of restricted & endowment funds						
Income						
Fundraising income	9,005	–	9,005	10,698	–	10,698
Children services income	4,420	–	4,420	–	–	–
Net income from investments and other	890	–	890	1,060	–	1,060
	14,315	–	14,315	11,758	–	11,758
Expenditure						
Child care and community work in the UK	11,118	–	11,118	11,099	–	11,099
Cost of fundraising income	1,722	–	1,722	959	–	959
Grants to young people in need	309	–	309	264	–	264
Investment management costs	–	63	63	–	38	38
	13,149	63	13,212	12,322	38	12,360
Net income/(expenditure) before investments	1,166	(63)	1,103	(564)	(38)	(602)
Net unrealised/realised gains and (losses)	–	3,019	3,019	–	(2,466)	(2,466)
Transfers between funds	–	–	–	1,900	(1,900)	–
Net movement in funds	1,166	2,956	4,122	1,336	(4,404)	(3,068)
Fund balances brought forward	9,247	32,437	41,684	7,911	36,841	44,752
Fund balances carried forward	10,413	35,393	45,806	9,247	32,437	41,684

All endowment funds are permanent endowments. Fundraising income is made up of 15 funds, none of which are individually material and are therefore disclosed in aggregate.

They have been classed as restricted due to the nature of the fundraising income. The transfer in the prior year of £1.9m related to a re-classification of income from endowments into our restricted funds.

The restricted capital and endowment fund balances carried forward at 31 March 2024 include endowment funds for which Barnardo's has received an Order signed by the Charity Commission enabling the unapplied total return to be transferred to unrestricted funds. The initial value of the unapplied return was established in 2002. It is the value of funds donated at 1 April 1976 or at the date of donation if later, indexed to 2002. Indexation has then been applied to this 2002 value to give the 2024 value. The unapplied return is the difference between the 2024 value and the market value of funds as at 31 March 2024.

	Trust for investment	Unapplied return	Total
	£000	£000	£000
Brought forward at 1.4.23			
Original gift component (indexed to 31 March 2002)	14,785	–	14,785
Further indexation to 31 March 2023	16,327	–	16,327
Unapplied return	–	730	730
Total	31,112	730	31,842
Movements in period			
Increase/(decrease) from indexation	1,338	(1,338)	–
Investment return: Realised and unrealised gains	–	3,019	3,019
Less: Investment management costs	–	(63)	(63)
Total	1,338	1,618	2,956
Income funds transferred to restricted	–	(74)	(74)
Net movements in the reporting period	1,338	1,544	2,882
Carried forward at 31.3.24			
Original Gift component (indexed to 31 March 2002)	14,785	–	14,785
Further indexation to 31 March 2024	17,665	–	17,665
Unapplied total return	–	2,274	2,274
Total	32,450	2,274	34,724

Endowment funds also include property and other funds not covered by the total returns approach.

	2024		2023	
(b) Categorisation of restricted & endowment funds	No.	£000	No.	£000
Educational purposes	3	3,750	3	3,516
Project buildings	2	284	2	284
Sea training	1	590	1	553
Other purposes	16	41,182	17	37,331
	22	45,806	23	41,684

Included in the restricted and endowment funds are two charities that are independently registered with the Charity Commission, along with a number of constituent charities, also registered with the Charity Commission. The independent charities are ACW Edwards (registration number 247678 with total funds of £29k (2023:£28k)) whose objects are for the income to be distributed to recognised local or national charities that the trustees shall in their absolute discretion select, and Egerton Will Trust (registration number 272973, with total funds of £27k (2023:£26k)), whose objects are such charitable purposes as the trustees shall in their absolute discretion determine. Funds are held separately from Barnardo's. The objects are closely aligned to Barnardo's so in accordance with the Charities SORP (FRS 102), as custodian Trustees, and with Charity Commission consent, these charities have been included as if they represent restricted funds of Barnardo's.

	Group & Charity					
	At 1 April 2023	Income	Expenditure	Net gains on investments and pension revaluation	Transfers	At 31 March 2024
(c) Analysis of Designated (including Fixed Asset fund) & other unrestricted funds	£000	£000	£000	£000	£000	£000
Technology fund	6,899	-	(3,101)	-	-	3,798
Pension risk	16,051	-	-	-	-	16,051
Designated Funds	22,950	-	(3,101)	-	-	19,849
Fixed Assets fund (net book value of unrestricted fixed assets)	30,871	-	-	-	4,309	35,180
Total funds designated for purpose	53,821	-	(3,101)	-	4,309	55,029
Unrestricted 'free reserves'	49,306	311,819	(319,407)	2,981	(11,009)	33,690
	103,127	311,819	(322,508)	2,981	(6,700)	88,719
Pension reserve	(55,280)	-	-	(9,100)	6,700	(57,680)
Total unrestricted funds including pension reserve	47,847	311,819	(322,508)	(6,119)	-	31,039

The unrestricted "free reserves" of the charity comprise the general fund (now incorporating the working capital fund) of £25.3m (2023: £49.0m) and the revaluation reserve of £9.3m (2023: £1.3m).

The fixed assets fund, which comprises the net book value of unrestricted fixed assets is excluded because these assets cannot be quickly realised.

During 2021–22 the Trustees approved the creation of two new designated funds, the technology fund to enable the charity to invest in its digital strategy and a specific risk pension fund. To protect and de-risk future payments to the pension scheme. It was expected that the technology fund would be committed in the next 3 years.

The pension risk fund has been set up for extra resilience to ensure the charity is able to meet its pension commitments should future unprecedented events like Covid-19 occur, or the charity face a significant economic downturn and/or a significant reduction in its income. The specific risk pension fund will allow pension deficit reduction payments to continue for at least 18 months whilst the charity reshapes its operations, preventing the need to immediately stop vital services.

					As restated			
	Unrestricted	Restricted	Endowments	Total	Unrestricted	Restricted	Endowments	Total
	2024				2023			
(d) Analysis of fund balances between group net assets	£000	£000	£000	£000	£000	£000	£000	£000
Fixed assets	35,180	174	-	35,354	30,871	174	-	31,045
Investments	64,431	-	35,059	99,490	65,824	-	32,135	97,959
Pension liability (note 13)	(57,680)	-	-	(57,680)	(55,280)	-	-	(55,280)
Net current assets	(4,484)	10,239	334	6,089	13,828	9,073	302	23,203
Provisions	(6,408)	-	-	(6,408)	(7,396)	-	-	(7,396)
Net assets	31,039	10,413	35,393	76,845	47,847	9,247	32,437	89,531

					As restated			
	Unrestricted	Restricted	Endowments	Total	Unrestricted	Restricted	Endowments	Total
	2024				2023			
(e) Analysis of fund balances between charity net assets	£000	£000	£000	£000	£000	£000	£000	£000
Fixed assets	35,169	174	–	35,343	30,852	174	–	31,026
Investments	63,752	–	35,058	98,810	65,169	–	32,135	97,304
Pension liability (note 13)	(57,680)	–	–	(57,680)	(55,280)	–	–	(55,280)
Net current assets	(2,910)	10,239	336	7,665	15,455	9,073	302	24,830
Provisions	(6,408)	–	–	(6,408)	(7,396)	–	–	(7,396)
Net assets	31,923	10,413	35,394	77,730	48,800	9,247	32,437	90,484

The restricted funds are held in appropriate asset forms to enable the restrictions to be satisfied.

The amount of revaluation reserve included within the general reserve is £9.3m (2023: £1.3m).

27. Reconciliation of net expenditure to net cash outflow from operating activities

	2024	2023
	£m	£m
Net expenditure	(3,586)	(1,967)
Depreciation charge	3,906	4,055
Gains on investments	(6,000)	4,869
Profit on the sale of fixed assets	(633)	(294)
Legacy investment property	–	(1,590)
Net pension charges	(6,700)	(7,800)
(Increase)/Decrease in debtors	(6,731)	2,796
Increase/(Decrease) in creditors	1,627	(1,855)
Investment income and interest	(3,402)	(3,113)
Increase in stock	(1,422)	(1,323)
Net cash used by operating activities	(22,941)	(6,222)

28. Analysis of changes in net debt

	At start of year	Cash flows	At end of year
	£000	£000	£000
Bank and cash	10,237	(7,484)	2,753
Current asset investments	24,173	(15,168)	9,005
Total	34,410	(22,652)	11,758

29. Related parties

The following amounts are due to/(from) the charity:

	Income	Expenditure	Debtor/ (creditor)	Income	Expenditure	Debtor/ (creditor)
	2024			2023		
	£000	£000	£000	£000	£000	£000
Barnardo Services Limited	454	(27)	(391)	428	(23)	246
Barnardo Developments Limited	–	(104)	1,130	309	(56)	1,108
Barnardo Events Limited	66	(21)	89	27	(19)	100
Barnardo Trading Limited	2,597	(128)	3,227	2,942	(73)	2,055
Adoptionplus	–	–	656	–	–	466

Commission amounting to £0.5m was paid by the Charity to Barnardo Services Limited (2023: £0.5m).

Payments made to the pension scheme by the Charity amounted to £10.7m (2023: £10.7m) of which £0.9m is outstanding as at 31 March 2024 (2023: £0.9m).

30. Contingent liabilities

Barnardo's has operated a large number of residential and non-residential services over a long period of time caring for significant numbers of vulnerable children and young people. Rigorous procedures have been and continue to be in place for ensuring the safeguarding of children and internal and external inspections evidence the high standard of services delivered. The nature of this work could give rise to potential claims against Barnardo's. The Trustees have considered this likelihood and potential materiality of any such claims and do not consider a provision in the accounts is warranted in this regard.

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

31. Consolidated statement of financial activities for prior year

	Unrestricted funds as restated	Restricted funds	Endowment funds	Total 2023 as restated
	£000	£000	£000	£000
Income from:				
Charitable activities	179,706	4,784	–	184,490
Donations and legacies	33,597	5,914	–	39,511
Other trading activities	87,887	–	–	87,887
Development and sale of properties	40	–	–	40
Investments	2,053	1,060	–	3,113
Other	211	–	–	211
Total income	303,494	11,758	–	315,252
Expenditure on:				
Raising donations and legacies	12,930	959	–	13,889
Other trading activities	71,175	–	–	71,175
Investment management costs	207	–	38	245
Raising funds	84,312	959	38	85,309
Expenditure on:				
Service provision	208,987	11,363	–	220,350
Informing the public about our work	5,706	–	–	5,706
Childcare research and education	985	–	–	985
Charitable Activities	215,678	11,363	–	227,041
Total Expenditure	299,990	12,322	38	312,350
Net income/(expenditure) before investment losses	3,504	(564)	(38)	2,902
Net losses on investments	(2,403)	–	(2,466)	(4,869)
Net income/(expenditure)	1,101	(564)	(2,504)	(1,967)
Transfers between funds	–	1,900	(1,900)	–
Actuarial loss on defined benefit pension scheme	(17,000)	–	–	(17,000)
Net movement in funds	(15,899)	1,336	(4,404)	(18,967)
Total funds brought forward	63,746	7,911	36,841	108,498
Total funds carried forward	47,847	9,247	32,437	89,531

32. Prior period adjustment

Unrestricted Reserves	
Prior year opening unrestricted reserves as previously reported	57,646
Adjustment to prior year opening reserves – correction of error	6,100
Prior year opening reserves as restated	63,746
Prior period closing unrestricted reserves as previously reported	23,247
Adjustment to prior year opening reserves – correction of error	6,100
Prior period adjustment – correction of error	18,500
Prior period closing reserves as restated	47,847
Pension Reserve	
Prior year opening pension reserve as previously reported	(52,180)
Adjustment to prior year pension reserve – correction of error	6,100
Prior year opening pension reserve as restated	(46,080)
Prior period closing pension reserves as previously reported	(79,880)
Adjustment to prior year opening reserves – correction of error	6,100
Prior period adjustment – correction of error	18,500
As restated	(55,280)
Actuarial loss on pension scheme year ended 31 March 2023	
As previously reported	(35,500)
Prior period adjustment	18,500
As restated	(17,000)

The pension scheme actuary has advised Barnardo's they misunderstood the deferred revaluation cap in the scheme rules when calculating the present value of the scheme liabilities as at 31 March 2022 and 31 March 2023 reported in the financial statements for the prior year, overstating them by £6.1m and £24.6m, respectively. Consequently, an adjustment was required to the prior year actuarial loss and pension reserve previously reported to reflect the pension scheme actuary's corrected calculations.

These changes resulted in a decrease of £18.5m in the actuarial loss recognised in the SOFA for the year 2022–23, reducing from £(35.5)m to £(17.0)m. The pension reserve in the balance sheet at 31 March 2023 decreased by £24.6m from £(79.9)m to £(55.3)m, with a corresponding increase in unrestricted reserves at 31 March 2023 from £23.3m to £47.8m. Funds at 1 April 2022 brought forward in the SOFA for the year 2022–23 increased by £6.1m. Notes 13, 26 and 31 have been restated accordingly.

33. Post balance sheet events

Barnardo Holdings Limited

Barnardo Holdings Limited is expected to be struck off, with an effective date of 31 December 2024. All issued share capital held by Barnardo Holdings Limited in other subsidiary companies will be transferred to Barnardo's charity.

Barnardo Events Limited

Barnardo Events Limited is expected to be struck off, with an effective date of 31 December 2024. All assets and liabilities have been transferred to Barnardo Trading Limited.

All Barnardo Events contracts have been transferred to Barnardo Trading Limited from 1 July 2024, and all invoices will be raised from Barnardo Trading Limited from that date.

GIFTS AND GRANTS RECEIVED



Funding

Funding from donations

Corporate Partnerships

Amazon, Arriva, The Bannatyne Group, The Co-operative Group, Hallmark Cards, IKEA, The People's Postcode Lottery/The Postcode Children's Trust, The Pokémon Company International, Royal Mail, Simmons & Simmons, Sky, Zurich Community Trust.

Public Fundraising

Barnardo's Helper Groups £198,691

Charitable Trusts, Grants and Foundations

National Lotteries Fund (Make Trax) £69,211

New Philanthropy Capital (Voice & Influence) £565

Indigo Trust (CSA Centre) £108,000

Funding from statutory authorities

England

Home Office £7,942,807

Department for Education £55,000

Department of Health and Social Care £90,274

Department for Levelling up, Housing & Communities £685,711

NHS England £479,357

MOJ via the Office of the Police and Crime Commissioner £80,000

Bristol City Council (Vanguard MH Grant) £89,583

North Somerset Council (Vanguard MH Grant) £26,691

West Mercia Police (TIP) £47,976

Household Support Fund £49,851

Peterborough City Council (HSF Grant) £22,500

Birmingham City Council and BVSC Centre £262,231

Scotland

Aberdeen City Council £106,553

Aberdeenshire Council £369,266

Angus Council £5,292

Dundee Council £224,661

Edinburgh Council £349,832

Falkirk Council £450,000

Fife Council £1,190,696

Glasgow City Council Communities Fund	£157,162
Highland Council	£1,133,949
Midlothian Council	£43,467
North Ayrshire Council	£116,980
Perth & Kinross Council	£7,577
Renfrewshire Council	£175,284
Scottish Government	£60,525
Scottish Government (Discovering Your Potential & Head to Work)	£1,138,482
Scottish Government (Equally Safe)	£185,548
Scottish Government via SACRO	£186,149
Scottish Prison Service	£103,987
Shared Care Scotland	£18,692
Heritage Lottery – B-Wild	£59,059
The Corra Foundation	£315,000

Northern Ireland

Belfast Health & Social Care Trust	£1,707,514
Victims & Survivors Service	£124,277
Department of Health (SPPG)	£2,718,453
DE (Through HSCB)	£920,273
Northern Ireland Housing Executive	£74,536
Supporting People	£239,354
Public Health Agency	£1,232,643
Southern Health & Social Care Trust	£1,397,180
Western Health & Social Care Trust	£201,419
Northern Ireland Prison Service	£153,837
South Belfast Partnership Board	£34,391
Belfast City Council	£68,500
National Lottery – Transition & Inclusion Service	£112,731

Cymru

Welsh Government (Bays FMS)	£45,580
Welsh Government (Compass)	£101,705
Cwm Taf Morgannwg UHB	£46,115
Ministry of Justice (HMPPS Berwyn)	£226,356
National Lottery – Mind Our Future	£237,886

Donations from Charitable Trusts and Individuals

Brian Amey	Northwood Charitable Trust
Awards International	Mo Nurmohamed
BBC Children in Need	Peak Scientific
B&CE Charitable Trust	Peacock Charitable Trust
John James Bristol Foundation	Chris Pointon
Bill Brown's Charitable Settlement of 1989	Julia and Hans Rausing Trust
EM Chapman Discretionary Will Trust	Sandra Charitable Trust
Jane and Jonathan Clarke	ShareGift
R J & A H Daniels Charitable Trust	J Siddall Charitable Trust
Firstpoint Equity	Simon Taylor
David Gibson	The 29th May 1961 Charitable Trust
Claire Gilligan	The AJS Charitable Trust
Dennis and Stuart Granshaw	The J H Bartlett Charity Trust
William Grant Foundation	The Firecracker Ball
Greggs Foundation	The Eveson Trust
Neil Kitchener QC	The Hasluck Charitable Trust
Sir James Knott Trust	The Hemraj Goyal Foundation
LandAid Charitable Trust	The Alan Edward Higgs Charity
Leach Family Charitable Trust	The Hobson Fund through the Community Foundation Northern Ireland
Sally Lykiardopulo	The Indigo Trust
Mukul Madhav Foundation	The Loomba Foundation
Angela McEwan	The RS Macdonald Charitable Trust
Howard Meredith	The Katherine Martin Charitable Trust
Moondance Foundation	The Myristica Trust
	The P F Charitable Trust
	The John & Sally Reeve Charitable Trust
	The Scotch Whisky Action Fund
	The John Scott Trust
	The Joseph & Lilian Sully Foundation
	The Waterloo Foundation
	The Grantham Yorke Trust
	The Zochonis Charitable Trust
	Giles and Caroline Wilkes
	Graham Williams

Banking on Barnardo's Committee

Andrew Bailey, Governor of the Bank of England

Nathan Bostock, Head of Investment Platforms, Grupo Santander

William Chalmers, Financial Officer, Lloyds Banking Group

David Duffy, Group Chief Executive, Virginmoney UK plc

Alison Rose DBE, Chief Executive, NatWest Group

Where individuals' professional roles are listed, they relate to their position at the relevant time.

BOARD OF TRUSTEES AND OFFICERS



Our trustees and officers

Patron

Her Majesty the Queen

Trustees

Magdalene Bayim-Adomako
Anne-Cécile Berthier
Neil Crockett
Avis Darzins – Senior Independent Trustee
Dennis Hone CBE – Honorary Treasurer
Meredith Pierce Hunter
Briony Ladbury
Breid O'Brien
Henry Odogwu
Penny Thompson CBE – Deputy Chair
Rajinder Verma
Mark Wood – Chair
Koulla Yiasouma

President

Natasha Kaplinsky, OBE

Vice Presidents

Salman Ahmed
Surinder Arora
Dr David Barnardo, OBE
Susan Bernerd, MBE
Baroness Benjamin, OBE, DL
Cherie Booth QC (Honorary)
David Cathie
William Chalmers
Anita Goyal MBE
Rosemary Jones
Lord Loomba, CBE
Bruce Oldfield, OBE

Chief Executive*

Lynn Perry, MBE

Chief Operating Officer – Children's Services *

Michelle Lee-Izu

Executive Director, Children's Services – Delivery*

Steve Oversby

Corporate Director of Business Services*

Richard Moore

Director of People & Culture*

Sarah Eglin

Director of Fundraising & Marketing*

Rebecca Mauger

Managing Director of Barnardo's Trading Companies*

Mark Gregory

Director of Strategy and External Affairs*

Debbie Moss

Company Secretary

Nicholas Williams

**member of Corporate Leadership Team*

Contact details

Registered office

Barnardo House, Tanners Lane, Barkingside,
Ilford, Essex IG6 1QG

Auditors

BDO 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

Ruffer LLP, 80 Victoria Street, London SW1E 5JL

Sarasin & Partners LLP, Juxon House, 100 St
Paul's Churchyard, London, EC4M 8BU

CCLA, One Angel Lane, London, EC4R 3AB

Principal solicitors

Bates Wells LLP, 10 Queen Street Place, London
EC4R 1BE



About Barnardo's

Life can make children growing up in the UK today feel like they don't belong. We know they do.

At Barnardo's, our purpose is clear - changing childhoods and changing lives. We've been helping children, young people, and families to be safer, happier, healthier, and more hopeful for over 150 years - and we'll be here for as long as we're needed.

Last year, we provided essential support to 356,200 children, parents and carers through 760 services and partnerships across the UK.

This vital work is only possible thanks to our partners and supporters, including those who donate and shop with us. But we're not stopping there.

Together, we're bringing love, care and hope into children's lives so every child can feel like they belong.

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All images are posed by models.
Names have been changed to protect identities.

[barnardos.org.uk](https://www.barnardos.org.uk)

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Barnardo's Registered Charity Nos.216250 and SC037605 25278AM24



Changing childhoods. Changing lives.