

Registered number: 03958416
Charity number: 1080173

CHILDNET

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2017**

Trustees

Mrs Tink Palmer, Chair
Mr Peter Stevens
Mr Graham Wallace
Mr Karl Peter Hopwood
Mr Rob Wright
Mr Julian Coles

Company registered number

03958416

Charity registered number

1080173

Registered office

Studio 14, Brockley Cross Business Centre
96 Endwell Road
London
SE4 2PD

Company secretary

John Ryan

Chief executive officer

William Gardner

Independent auditors

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

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The Trustees present their annual report together with the audited financial statements of for the year 1 April 2016 to 31 March 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

● POLICIES AND OBJECTIVES

The principal activity of the charity is the promotion of children's interests in international communications by means of education, training and research.

In all the work undertaken by Childnet it is Childnet's aim to maintain its independence, leadership and reputation.

The charity continues to express its core purpose as "helping to make the internet a great and safe place for children".

(i) Access - Helping children and young people to use the net constructively, access positive online resources and help them create quality content.

(ii) Awareness - Helping children and young people acquire new "net literacy" skills, giving advice to organisations, parents, teachers and carers about internet safety.

(iii) Protection - Helping to protect children and young people and prevent them from being exploited in the online environment provided by new technologies.

(iv) Policy - Helping all sectors develop effective policy responses in line with the rapidly changing communications technology.

● GRANT MAKING POLICIES

Under the terms of a grant, supporting our work as part of the UK Safer Internet Centre, from the Internet Watch Foundation (IWF) there was a requirement to disburse some of those funds as a grant to the South West Grid for Learning (SWGfL) who were partners with Childnet in that project.

Very rarely one off small grants may be made from unrestricted or restricted income in strict pursuance of the charity's objectives although none were made during the 2016-17 year.

Achievements and performance

● REVIEW OF ACTIVITIES

The following gives a quarterly breakdown of the activities carried out by Childnet during April 2016 – 31st March 2017.

Certain key activities take place throughout the year. For example, Childnet's education and outreach work. Childnet's education outreach team presented in Primary and Secondary schools across the country, and also in

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

some nurseries and Sixth Form Colleges, where they ran sessions for children, staff and parents and carers, to empower children and those that support them to be able to use technology safely and responsibly. The team reached approximately 30,000 children over the year, aged between 3-18, thousands of parents and carers, and thousands of school staff, as well as assisted in the development of key resources and activities, and keeping all the materials up to date, including the Childnet and UK Safer Internet Centre websites.

Childnet continued to be active members of the UK Council for Child Internet Safety (UKCCIS). The CEO Will Gardner has been part of the Executive Board since April 2013. Childnet were active members of the UKCCIS Evidence Group, and host the findings of this group, i.e. a summary of the latest research in the area of children's online activity and safety issues on our UK Safer Internet Centre website. Gareth Cort has been active members of the UKCCIS Education group, and Will Gardner has been an active member of both the Technical Working Group and the Digital Resilience Working group. Will Gardner also is a member of the Anti-Bullying Alliance Advisory Board and is on the Advisory Board for Internet Matters, a parents' portal established by the four major ISPs. Childnet have done a range of media work, including a range of TV, radio, newspaper and online media interviews. In this work they have been able to help spread awareness messages. It is mentioned later, but on Safer Internet Day, which Childnet organised for the UK, there were over 1000 news articles last Safer Internet Day messages on 7th February 2017. Childnet have also been interviewed by and met with several researchers in this area.

Childnet also continued to be members of the Twitter "Trust & Safety Council" and Facebook's Safety Advisory Board.

Childnet staff have presented at and chaired a number of conferences both in the UK and across the world. Childnet, with partner organisations the South West Grid for Learning and the Internet Watch Foundation, continued in their role as the UK Safer Internet Centre, a role part funded by the European Commission's Connecting Europe Facility (CEF). In this role, Childnet form the Awareness Centre, and joins a network of European Safer Internet Centres called INSAFE, with whom we share ideas and best practice. We develop safety resources for the UK, organise youth participation and youth voice, and organise Safer Internet Day in the UK.

April to September 2016:

Childnet staff have attended and spoken at Safer Internet Centre meetings, run by INSAFE, the coordinator of the network of European Safer Internet Centres that are part-funded by the EC, in order to share good practice, recent trends and issues. Childnet attended the meetings in Cyprus (April 2016), as well as Luxembourg (November 2016) and Zagreb (May 2017). We have also shared our educational materials and resources with our colleagues from this European Network, via the Better Internet for Kids platform.

Over this period Childnet developed and released a number of new resources, including new guidance for schools on preventing and responding to cyberbullying and developing a toolkit for teaching PSHE around sexting and cyberbullying, work which had funding from the Government Equalities Office and the EU. This enabled young people's voice, experience and perspective to be included in these resources. We also held an Advisory Board for the cyberbullying guidance, bringing together key stakeholders from industry, law enforcement, government, charities, teaching unions and schools and academia. These resources and the Guidance were launched in November 2016 during Anti-Bullying week.

In May 2016, we launched the Trust Me resource, designed to support teachers in exploring critical thinking online. Developed in partnership with the London Grid for Learning (LGfL) Safeguarding Board, and with support from the EU, the resource contains lesson plans for both primary and secondary level that aim to empower educators to discuss how to think critically around the areas of content, contact, and propaganda material that may seek to persuade or change their views.

We have also produced a set of teachers' guidance which contains the appropriate background documents for schools and additional content to help to deliver this resource to pupils. It will give an overview of the relevant laws online and case study examples to support teachers answering any questions which may arise during these sessions.

We have developed and published a number of other resources this past year, including:

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FOR THE YEAR ENDED 31 MARCH 2017

- Updated animations for the popular Adventures of Kara, Winston and the SMART Crew, free online resources for primary schools.
- Internet security advice for young people.
- Updated advice for parents on a range of popular services and apps.
- Computing curriculum guide for teachers
- INSET presentation for professionals
- Information and advice on the UKSIC website for professionals working with children, including Governors and trustees, Social Workers, Foster carers and Adoptive parents, Residential care settings, and Healthcare professionals
- Safer Internet Day Education packs 2017

Will Gardner and other Childnet staff also spoke at several UK conferences and conducted media interviews. Childnet also spoke at events outside the UK, including in Luxembourg and Vienna, on addressing the protection of children online.

Childnet responded to two Government consultations, the UK Government consultation on Age verification for pornography and the Government Keeping Children Safe in Education consultation.

Childnet's Film Competition took place this year, and the ceremony was held in July at the British Film Institute on the South Bank in July, where the children (from the short-listed finalist schools) were able to watch the films they had made on the big screen and the winners announced. There were record numbers of entries for the competition this year.

The standard was incredibly high, we had a record number of entries, and as well as the BFI, and Keith (winner from 2015), the judges included David Austin, CEO of the BBFC, and Alice Webb, Director of Children's at the BBC. See the winning films here, <http://www.childnet.com/resources/film-competition/2016>

Paola Morotti joined the team in August as a Despatch and Administration Assistant in August 2016.

Tom Pinfield joined the Childnet team as an Education Officer in September 2016, as maternity cover for Clíodhna Purdue (who left to go on maternity leave in August 2016). Tom became a permanent member of staff after Clíodhna's departure.

Becca Cawthorne joined the team as a Communications intern in August, and Laura Jennings (Communications and Campaigns manager) went on maternity leave in August.

The Childnet Digital Leaders Programme is a peer education programme. Schools subscribe and recruit 8-10 pupils as Digital Leaders. These pupils complete online training modules and they then work to earn badges by completing tasks, such as running an education awareness session for their peers, or for parents or staff.

During this period, Childnet developed the Digital Leaders programme and platform to support Primary schools, taking the learnings from the pilot project (supported by Microsoft), and with support from the EC the programme launched in September, for schools to enable young people to be the leaders in their school communities, educating their peers on the safe and responsible use of technology. The Digital Leaders programme for secondary, developed with support from Facebook and the EU, had launched in September 2015, continued to grow over this time.

As part of their regular governance the EC commissioned an external audit of 2 part-EU funded projects we carried out between 2010 and 2014, the first and the second UK Safer Internet Centre projects. This was a successful audit.

October to December 2016:

Childnet held an Advisory Board meeting of the UK Safer Internet Centre, chaired by Childnet's CEO, bringing together key stakeholders from industry, the charity sector, Government, education, academia and more. The meeting was held at Microsoft's offices in December.

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Will Gardner chaired a panel of young people at the UK IGF.

The Childnet Educators community met in London, in December 2016, discussing education and awareness messages, and agreeing good practice.

Childnet's CEO provided the UKCCIS Executive Board with a paper reviewing the potential impact of Brexit on online safety in the UK, and outlining key factors to consider.

Childnet ran two meetings attended by 70-80 organisations planning and preparing for the next Safer Internet Day (7th Feb 2017). Meetings were had with other key stakeholders in the planning for Safer Internet Day, including the BBC, Lloyds Banking Group, Disney, Twitter and Facebook.

Childnet attended the Safer Internet Forum in Luxembourg. Gareth Cort, Education and Youth Engagement Manager, and Childnet's CEO attended. Childnet also took a young person, and her parent as a chaperone, to be part of the EU youth panel (YEP).

The education packs for Safer Internet Day were launched. There packs were for primary and secondary, and they included Assembly plan, lesson plan, quick ideas to teachers, as well as a pack for parents <https://www.saferinternet.org.uk/safer-internet-day/2017/education-packs> . Yahoo! supported this work. The Welsh Government supported the translation of these resources into Welsh.

January to March 2017:

Childnet's CEO shared Childnet's work and promoted Safer Internet Day at an online safety conference in Cardiff.

Ricquel Robinson joined Childnet as an Education Projects Assistant.

Project deSHAME began, part-funded by the EU, focussing on the issue of online harassment among young people, with a particular focus on the under-reporting of this issue and taking a multi-sector approach. Partners include Red Barnet, Save the Children Denmark, and the University of Central Lancashire, UCLAN. This project will run until June 2019.

We launched the 2017 Film competition in February 2017, with the finalists' awards ceremony taking place in July 2017.

Childnet organised and ran Safer internet Day in the UK (7th February). We took a collaborative approach to the Day, encouraging and mobilising a large number of organisations and schools to support the Day. This was the biggest Safer Internet Day ever,

Each February for Safer Internet Day hundreds of organisations right across the UK get involved to help inspire the safe and positive use of technology. In 2016 1,645 organisations supported the day, a huge increase from 1140 the year before. High profile supporters include the BBC, BT, Disney, Facebook, Google, Microsoft, Nickelodeon, NSPCC, Premier League Football Clubs, the Post Office, Twitter, Vodafone, and the UK Government, as well as police services and schools across the UK. All these organisations came together to deliver a range of inspiring activities to encourage the safe and positive use of technology. They joined hundreds of individuals supporting the #SID2017 social media campaign to 'give a smile', and the Thunderclap on the Day had a social reach of 7.7 million.

This nationwide day of action came as Childnet released some new research looking at the Power of Image, a report into the influence of images and videos in young people's digital lives. The report revealed a fascinating insight into the importance and positive impact of images and videos in young people's lives as well as showing the potential risks and pressures they may face as a result.

Schools across the UK used the UK Safer Internet Centre's Education Packs, developed by Childnet, and the accompanying Safer Internet Day TV films (developed by the SWGfL) to explore these issues. In fact there were over 500,000 downloads of the educational resources prepared for SID, and over 1 million views of the SID TV films.

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We held youth events right across the UK, including an interactive photo exhibition at the BT Centre - attended by 2 Ministers and over 100 policymakers and industry experts – and hosted by 44 young people who created photos that promote critical thinking and challenge perceptions.

There was a wide range of media attention on the Day, and we achieved 1000 news items, including 301 print, 75 TV, 72 radio and 626 online.

As a result of all of this activity, we reached 42% of UK children and 23% of UK parents in 2017 with Safer Internet Day messages. The campaign has a hugely positive impact, affecting behaviour change too, and 79% feeling more confident (58% of parents) about what to do if they are concerned about something online.

Gareth Cort attended and spoke at the UNODC Primary Education Expert meeting in Vienna in February. Childnet's CEO together with the Deputy CEO travelled to Facebook's offices in Washington DC, for a meeting of Facebook's Safety Advisory Board.

Hannah Broadbent was on the Advisory board of the UKSIC/IWF Football project with Everton Football Club. In a challenging economic environment, Childnet has been grateful to receive funding not aforementioned from the Garfield Weston Foundation, Ardbarron Trust, Disney, EY, Facebook, Fujitsu, the Government's Equalities Office, Microsoft, Phone-paid Services Authority, Sky, Trend Micro, Yahoo! and from the four big ISPs (BT, Sky, Talk Talk, Virgin Media) together supporting a range of work, including the development of educational resources and Childnet's role in the UK Safer Internet Centre.

● **FACTORS RELEVANT TO ACHIEVE OBJECTIVES**

Childnet has consistently built its reach and impact of its work and there are several factors involved in this. The staff at Childnet are experts in their areas and absolutely recognise the importance of the work they are doing - as such they are dedicated to the objectives of the organisation. The Board of Trustees provide great oversight of the organisation and their expertise and experience provide an invaluable resource and support.

Childnet builds strong and effective partnerships and sees working in collaboration key to successful implementation of its mission. Building a great coalition of support for Safer Internet Day, with key supporters like the BBC and Disney, has been successful in getting great reach and impact.

Financial review

● **GOING CONCERN**

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the principal funding section below.

● **RESERVES POLICY**

For the year ending 31 March 2016, the Directors and Trustees had previously set a reserves policy objective of having a level of unrestricted reserves sufficient to cover 3 months operational costs at any one time. This is estimated currently to be around the region of £130,000. This was reviewed during the year. It was decided that this level should remain in place, although it remains an aspiration to increase it in the future as funding allows.

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FOR THE YEAR ENDED 31 MARCH 2017

● **PRINCIPAL FUNDING**

During the year the total incoming resources of the charity amounted to £755,025 (2016: £929,159) and total resources expended were £730,232 (2016: £914,333). This resulted in a surplus of £24,793 for the year (2016: £14,826). The reserves therefore stood at £176,754 at the year end (2016: £151,961), of which £1,518 was restricted and £175,236 was unrestricted (2016: £68,371 and £83,590 respectively).

Going forward the Directors/Trustees have acknowledged with the Auditors that there is a significant challenge in being able to continue to fundraise, especially for unrestricted income, for Childnet's work as a non-crisis intervention charity. At the date of this report, so long as the assumptions used in preparing forecasts remain valid, there is sufficient funding for the current operations to be maintained for the foreseeable future. The Directors/Trustees and staff are actively reviewing all areas of the charity's activities and future operations, options for reducing costs and securing grants and donations to continue the operations within the funds available.

● **MATERIAL INVESTMENTS POLICY**

Childnet does not currently have sufficient funds to justify a long-term investment policy. However, professional advice is sought on short-term commitment of funds to high interest bearing accounts for appropriate periods which bring the best return for the charity while maintaining liquidity.

Childnet also uses the services of an Independent Financial Advisor in making and implementing pension scheme decisions for its staff.

Structure, governance and management

● **CONSTITUTION**

The company is registered as a charitable company limited by guarantee (registered charity number 1080173) and was set up by a Memorandum of Association on 28 March 2000. On the 1st April 2000 the net assets and activities of the charitable trust Childnet International, which had been founded in 1995, were transferred to Childnet, having the same objects and trustees at that time.

The above mentioned documents outline the objectives of the charity including:

- (i) To advance the education of the public in any part of the world in all aspects of computer communications and Internet technology including the most effective software for the education and training of children;
- (ii) To advance the education and training of children in any part of the world in and by the use of computer communications and Internet technology;
- (iii) To protect the moral welfare of children in any part of the world by the promotion of measures directed to prevent their exposure to racist, pornographic, obscene or other harmful electronic computer and televisual material.
- (iv) Such other charitable purposes as may from time to time be determined.

There have been no changes in the objectives since the last annual report.

● **METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

Childnet had 6 trustees on the 1st April 2016. There were no new appointments, and no resignations during the year.

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TRUSTEES' REPORT (continued)
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Trustees are selected against a clear job description and criteria which have been updated by the CEO and Trustees over the last few years.

Trustees are recruited following periodic Trustee audits in which areas of expertise are reviewed and new candidates identified.

● **POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

(i) Going through the job description (there are separate detailed job descriptions for Chair and Honorary Treasurer).

(ii) Advice from the Charity Commission on their duties.

(iii) Full set of Company papers including policies on equal opportunities, child protection, staff computer use, ethos and values and staff contracts.

(iv) the offer of training on their role and duties as well as provided with support in their work from the staff, including updates on legislation and best practice within the voluntary sector.

(v) Trustees now have to complete full CRB/DBS clearance as part of their appointment.

● **ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The Board of Childnet is made up of the people listed on the previous page who have a range of relevant experience in education, marketing, child protection and the computing and telecommunications industries.

The Board delegates responsibility for the day to day management of the charity to the Chief Executive who is involved in all issues of strategic direction, management of staff and resources, policy along with the Deputy Chief Executive and, with support from the Childnet Business Manager, the financial management of the organisation.

Childnet is run on a day to day basis by the Chief Executive Officer who reports to the Board of Trustees through the Chair of Trustees regularly. Trustees meet with the CEO, the Deputy CEO and Business Manager (who is also the Company Secretary) formally 4 or 5 times a year. However communication takes place between the chair and CEO on a regular basis. Reports are submitted from the CEO and Business Manager to each Trustee meeting outlining progress against targets and actions agreed. Full minutes of these meetings are taken and signed as an accurate record of each meeting at the beginning of the next meeting.

The CEO and Business Manager have authority to carry out the duties of the organisation, as agreed in the business plan and budget at the start of each financial year (1st April – 31st March). This includes the employing of staff, expenditure to carry out agreed project work as well as communication within and outside of the organisation. Spending limits are set and all expenditure over £3,000 is authorised by the Chair of Trustees, and this process is verified separately by the Honorary Treasurer.

The Chair of Trustees meets with the CEO and Business Manager prior to each Trustee's Meeting to review progress since the last meeting, including reviewing action points and matters arising, to set the agenda and to provide a report to the full Board of Trustees.

The Honorary Treasurer also meets with the CEO and Business Manager before each Trustee's meeting to review progress on expenditure and income. His written report is submitted to the trustees as a further check and balance.

● **RELATED PARTY RELATIONSHIPS**

Childnet seeks to co-operate with many agencies around the world who share the objective of promoting safe and fun internet use for children. This is an area that has continued to grow throughout the past year but none of

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

these activities justify the reporting of a related party relationship or transaction.

Over this period of time Childnet did not operate any independent bodies or companies or trading subsidiaries. As an organisation Childnet has a number of formal and informal partnerships with other charities, funders and organisations. All formal partnerships and major contractual relationships are reviewed and approved by Trustees before signature and by Childnet's solicitor where appropriate.

As a member of the consortium that makes up the UK Safer Internet Centre, Childnet has a formal partnership agreement with both the South West Grid for Learning (SWGfL) and the Internet Watch Foundation (IWF) in respect of these part-European Commission (EC) funded projects.

As the lead member of the consortium that makes up the deSHAME project for the EC, Childnet has a formal partnership agreement with Red Barnet (Save the Children Denmark), Kek Vonal (Hungary) and University of Central Lancashire.

Childnet is a member of the Anti-Bullying Alliance (ABA) and the Sex Education Forum (SEF).

● **RISK MANAGEMENT**

The Directors and Trustees acknowledge their responsibility for the management of risk, and building on the previous full risk audit that the Trustees completed in 2011-2014 they have continued to work with senior staff in identifying and managing risks which Childnet might face as well as the responses to these risks. Elements of this are reviewed annually.

To manage elements of potential risk, Childnet maintained our retainer with our solicitor for continuous expert legal advice and ensured that we continued to keep abreast of potential risks and to include periodic monitoring and assessment of these risks in reports to Trustees. In addition, the Childnet staff have worked to strengthen a number of policies and processes to do with financial management and risk analysis including:

- (i) Appointed an Honorary Treasurer to review accounts, financial reporting and business management.
- (ii) Further updating and maintenance of Staff contracts.
- (iii) Ensuring that all new Childnet staff and trustees were checked by the Disclosure & Barring Service (DBS), with enhanced clearance where appropriate.
- (iv) Updating annually the Childnet Child Protection Policy in light of Childnet's own advice to others about moderation and online child protection.
- (v) Retaining the services of an Independent Financial Advisor in respect of pension and life assurance arrangements.
- (vi) Ensuring that all contracts signed by Childnet with sponsors or partners are reviewed by the Business Manager and Childnet's solicitor where appropriate to ensure that there are proper safeguards in place for Childnet.

In addition all The Directors and Trustees intend to revisit the risk assessment issues on a regular basis at Board meetings and continue to implement strategies to minimise the risks and ensure best practice.

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Plans for future periods

● **FUTURE DEVELOPMENTS**

Childnet is committed to the highest quality of operations (internal procedures, governance, staff training and development etc.). During the next 12 months the organisation is continuing to keep in place and develop procedures which include:

- (i) Continuing to review the make up of the Trustee body and recruit additional trustees
- (ii) Continuing to strengthen our internal monitoring and evaluation processes
- (iii) Ensuring that the organisation continues to have strong reference and participation from children and young people
- (iv) Strengthening the fundraising and promotion of the organisation with the appointment or appropriate outsourcing of fundraising personnel
- (v) Continuing to regularly review the strategic direction of the organisation
- (vi) Developing staff through regular training and supervision and ensure that all internal policies are constantly updated
- (vii) Formally review Childnet's international strategy.

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TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Childnet for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

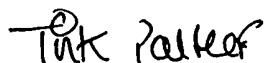
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees, on 27 November 2017 and signed on their behalf by:



Mrs Tink Palmer, Chair

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILDNET

We have audited the financial statements of Childnet for the year ended 31 March 2017 set out on pages 14 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 145 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILDNET

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption.

Baldwin Scofield Ltd

Baldwin Scofield Ltd

Chartered Accountants
Registered Auditors

3 Newhouse Business Centre
Old Crawley Road
Horsham
West Sussex
RH12 4RU
27 November 2017

Baldwin Scofield Ltd are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

CHILDNET
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:				
Donations and legacies	2	97,294	386,940	484,234
Charitable activities	3	265,713	5,000	270,713
Other trading activities		2	-	2
Investments	4	76	-	76
TOTAL INCOME	363,085	391,940	755,025	929,160
EXPENDITURE ON:				
Raising funds		665	-	665
Charitable activities	8	227,493	502,074	729,567
TOTAL EXPENDITURE		228,158	502,074	730,232
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT LOSSES		134,927	(110,134)	24,793
Net losses on investments		-	-	-
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		134,927	(110,134)	24,793
Transfers between Funds	16	(43,281)	43,281	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		91,646	(66,853)	24,793
NET MOVEMENT IN FUNDS		91,646	(66,853)	24,793
RECONCILIATION OF FUNDS:				
Total funds brought forward		83,590	68,371	151,961
TOTAL FUNDS CARRIED FORWARD		175,236	1,518	176,754

The notes on pages 17 to 29 form part of these financial statements.

CHILDNET
(A company limited by guarantee)
REGISTERED NUMBER: 03958416

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	11		4,127		4,448
Investments	12		1		-
			4,128		4,448
CURRENT ASSETS					
Stocks	13	3,968		5,572	
Debtors	14	154,838		116,950	
Cash at bank and in hand		358,785		253,455	
		517,591		375,977	
CREDITORS: amounts falling due within one year	15	(344,965)		(228,464)	
NET CURRENT ASSETS			172,626		147,513
NET ASSETS			176,754		151,961
CHARITY FUNDS					
Restricted funds	16		1,518		68,371
Unrestricted funds	16		175,236		83,590
TOTAL FUNDS			176,754		151,961

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 145 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 27 November 2017 and signed on their behalf, by:



Mrs Tink Palmer, Chair



Mr Graham Wallace

The notes on pages 17 to 29 form part of these financial statements.

CHILDNET
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	<u>109,196</u>	<u>(12,775)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(3,866)</u>	<u>(4,651)</u>
Net cash used in investing activities		<u>(3,866)</u>	<u>(4,651)</u>
Change in cash and cash equivalents in the year		105,330	(17,426)
Cash and cash equivalents brought forward		<u>253,455</u>	<u>270,881</u>
Cash and cash equivalents carried forward	19	<u><u>358,785</u></u>	<u><u>253,455</u></u>

The notes on pages 17 to 29 form part of these financial statements.

CHILDNET
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Childnet meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

CHILDNET
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.6 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	25% straight line
Computer equipment	-	33% straight line

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

CHILDNET
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Debtors

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

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES (continued)

1.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	57,294	38,020	95,314	166,983
Grants	40,000	347,993	387,993	231,303
Government grants	-	927	927	336,700
	<u>97,294</u>	<u>386,940</u>	<u>484,234</u>	<u>734,986</u>
<i>Total 2016</i>	<u>100,621</u>	<u>634,365</u>	<u>734,986</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Consultancy income	141,033	-	141,033	132,078
Other income	114,875	-	114,875	23,413
Consultancy	9,805	5,000	14,805	38,498
	<u>265,713</u>	<u>5,000</u>	<u>270,713</u>	<u>193,989</u>
<i>Total 2016</i>	<u>165,989</u>	<u>28,000</u>	<u>193,989</u>	

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	76	-	76	176
<i>Total 2016</i>	<u>176</u>	<u>-</u>	<u>176</u>	

5. ANALYSIS OF GRANTS

	Grants to Institutions 2017 £	Total 2017 £	Total 2016 £
Grants	19,800	19,800	189,800
	<u>19,800</u>	<u>19,800</u>	<u>189,800</u>

6. DIRECT COSTS

	Total 2017 £	Total 2016 £
Staff costs	8,482	3,795
Consultancy	2,273	19,803
Hire of premises	5,003	2,992
Design and print	49,111	62,628
Motor & travel	25,858	29,467
Postage, printing and stationery	632	1,003
Wages and salaries	383,921	381,850
National insurance	37,024	36,176
Pension cost	37,857	28,830
	<u>550,161</u>	<u>566,544</u>
<i>At 31 March 2016</i>	<u>566,544</u>	

CHILDNET
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. SUPPORT COSTS

	Total 2017 £	<i>Total 2016 £</i>
Rent and rates	19,025	17,743
Heating & lighting	1,798	1,573
Postage, printing & stationery	3,144	3,966
Telephone & communications	2,914	3,114
Publicity & marketing	34,572	37,859
Website design & hosting	57,195	46,644
Repairs & renewals	13,393	5,582
Bank charges & interest	1,099	1,100
Legal fees	-	6,299
Leasing charges	2,592	1,947
Computer costs	1,538	1,957
Courier services	1,978	2,184
Other	9,596	19,862
	<u>148,844</u>	<u>149,830</u>
<i>At 31 March 2016</i>	<u>149,830</u>	

8. GOVERNANCE COSTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Governance Auditors' remuneration	3,500	2,700	6,200	3,500
Trustee meeting costs	25	-	25	378
Governance - depreciation - tangible fixed assets	4,537	-	4,537	3,551
	<u>8,062</u>	<u>2,700</u>	<u>10,762</u>	<u>7,429</u>

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	<i>2016 £</i>
Depreciation of tangible fixed assets: - owned by the charity	4,537	3,551
Auditors' remuneration - audit	6,200	3,500
	<u>10,737</u>	<u>7,051</u>

During the year, no Trustees received any remuneration (2016 - £NIL).
During the year, no Trustees received any benefits in kind (2016 - £NIL).
During the year, no Trustees received any reimbursement of expenses (2016 - £378).

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	383,921	381,850
Social security costs	37,024	36,176
Other pension costs	37,857	28,830
	<u>458,802</u>	<u>446,856</u>

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

	2017 No.	2016 No.
	12	12

No employee received remuneration amounting to more than £60,000 in either year.

11. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 April 2016	14,977	25,585	40,562
Additions	-	3,866	3,866
Disposals	-	(10,506)	(10,506)
At 31 March 2017	<u>14,977</u>	<u>18,945</u>	<u>33,922</u>
Depreciation			
At 1 April 2016	14,977	21,137	36,114
Charge for the year	-	4,187	4,187
On disposals	-	(10,506)	(10,506)
At 31 March 2017	<u>14,977</u>	<u>14,818</u>	<u>29,795</u>
Net book value			
At 31 March 2017	<u>-</u>	<u>4,127</u>	<u>4,127</u>
At 31 March 2016	<u>-</u>	<u>4,448</u>	<u>4,448</u>

CHILDNET
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

12. FIXED ASSET INVESTMENTS

	Unlisted securities £
Market value	
At 1 April 2016	-
Additions	1
	1
At 31 March 2017	1

Investments at market value comprise:

	2017 £
Unlisted investments	1
	1

All the fixed asset investments are held in the UK

13. STOCKS

	2017 £	2016 £
Finished goods and goods for resale	3,968	5,572
	3,968	5,572

14. DEBTORS

	2017 £	2016 £
Trade debtors	126,025	38,707
Other debtors	1,633	1,611
Prepayments and accrued income	27,180	76,632
	154,838	116,950

15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	15,875	32,907
Other taxation and social security	34,854	29,457
Other creditors	-	2,586
Accruals and deferred income	294,236	163,514
	344,965	228,464

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2017 £
Unrestricted funds					
General Funds - all funds	83,590	363,085	(228,158)	(43,281)	175,236
Restricted funds					
UK Safe Internet Centre Phase 3	-	113,987	(89,474)	(24,513)	-
UK Safe Internet Centre Phase 4	-	196,327	(300,064)	103,737	-
DAPHNE-deSHAME	-	15,826	(16,975)	1,149	-
Disney	-	33,840	(32,983)	-	857
Film competition 2016	-	1,033	(19,336)	18,303	-
Critical Thinking - Trust Me resource	-	5,000	(9,013)	4,013	-
Youth IGF	922	-	(561)	-	361
Department for Culture, Media & Sport	47,949	927	(2,072)	(46,804)	-
Phonepay Plus	1,572	-	-	(1,572)	-
Digital Leaders Programme	12,617	-	(12,317)	-	300
Digital Leaders Primary Pilot	5,311	25,000	(19,279)	(11,032)	-
	<u>68,371</u>	<u>391,940</u>	<u>(502,074)</u>	<u>43,281</u>	<u>1,518</u>
Total of funds	<u>151,961</u>	<u>755,025</u>	<u>(730,232)</u>	<u>-</u>	<u>176,754</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2016 £
Unrestricted funds						
General Funds - all funds	92,899	255,919	(229,893)	-	(35,335)	83,590
	<u>92,899</u>	<u>255,919</u>	<u>(229,893)</u>	<u>-</u>	<u>(35,335)</u>	<u>83,590</u>

CHILDNET
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

16. STATEMENT OF FUNDS (continued)

Restricted funds

UK Safe Internet Centre Phase 2	-	-	(5,000)	-	5,000	-
Film competition 2016	-	342	(5,949)	-	5,607	-
Developing Critical Thinking	-	-	(7,234)	-	7,234	-
Youth IGF	1,092	-	(170)	-	-	922
UK Safe Internet Centre Phase 3	8,165	193,303	(218,962)	-	17,494	-
Department for Culture, Media & Sport	20,695	336,700	(309,446)	-	-	47,949
Phonepay Plus	44	28,000	(26,473)	-	-	1,571
Digital Leaders Programme	14,254	106,783	(108,420)	-	-	12,617
Digital Leaders Primary Pilot	-	8,113	(2,801)	-	-	5,312
	<u>44,250</u>	<u>673,241</u>	<u>(684,455)</u>	<u>-</u>	<u>35,335</u>	<u>68,371</u>
Total of funds	<u>137,149</u>	<u>929,160</u>	<u>(914,348)</u>	<u>-</u>	<u>-</u>	<u>151,961</u>

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2017 £
General funds	83,590	363,085	(228,158)	(43,281)	175,236
Restricted funds	68,371	391,940	(502,074)	43,281	1,518
	<u>151,961</u>	<u>755,025</u>	<u>(730,232)</u>	<u>-</u>	<u>176,754</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2016 £
General funds	92,899	255,919	(229,893)	-	83,590
Restricted funds	44,250	673,241	(684,455)	-	68,371
	<u>137,149</u>	<u>929,160</u>	<u>(914,348)</u>	<u>-</u>	<u>151,961</u>

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	4,128	-	4,128
Fixed asset investments	1	-	1
Current assets	516,073	1,518	517,591
Creditors due within one year	(344,966)	-	(344,966)
	<u>175,236</u>	<u>1,518</u>	<u>176,754</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Tangible fixed assets	4,449	-	4,449
Current assets	375,977	-	375,977
Creditors due within one year	(228,464)	-	(228,464)
	<u>151,962</u>	<u>-</u>	<u>151,961</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	24,793	14,813
Adjustment for:		
Depreciation charges	4,187	3,551
Decrease/(increase) in stocks	1,604	(5,572)
Increase in debtors	(37,888)	(63,681)
Increase in creditors	116,500	38,114
Net cash provided by/(used in) operating activities	<u>109,196</u>	<u>(12,775)</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	358,785	253,455
Total	<u>358,785</u>	<u>253,455</u>

CHILDNET
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

20. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £37,857 (2016 - £28,830). Contributions totalling £Nil (2016 - £2,586) were payable to the fund at the balance sheet date and are included in creditors.