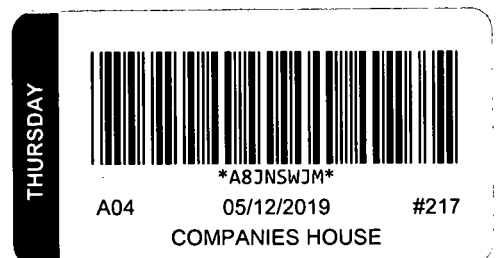


Registered number: 03958416
Charity number: 1080173

CHILDNET
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019**

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 2019

The Trustees present their annual report together with the audited financial statements of the company for the 1 April 2018 to 31 March 2019. 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 from the European Commission (EC), supporting our work on project deSHAME there is a requirement to disburse some of those funds as grants to our project partners Red Barnet (Save the Children Denmark), Kek Vonal (Hungary) and University of Central Lancashire, but none in the financial year.

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 2018-19 year.

Achievements and performance

● **REVIEW OF ACTIVITIES**

The following gives a quarterly breakdown of the activities carried out by Childnet during April 2018 – 31st March 2019.

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 2019

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 over 25,000 children over the academic year (Sept 2017-July 2018), 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. We collate the questions we receive during the sessions with children, parents and carers and staff, and try to respond to the recurring themes in blogs posted on our website. Our evaluations of the outreach work were extremely positive, with 99% of parents and carers, for example, rating the session as good (12%) or excellent (87%), and 99% will talk to their children about staying safe on the internet as a result of the session. For staff, 100% rated the session as good (18%) or excellent (82%), and the same number felt more confident about supporting their children online.

Childnet continued to be active members of the UK Council for Child Internet Safety (UKCCIS), which reformed in September 2018 to become the UK Council for Internet Safety (UKCIS). The CEO Will Gardner has been part of the Executive Board since April 2013 and was reappointed to the re-constituted Board. Childnet were active members of the UKCIS 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. Kate Edwards (Childnet's Education and Safeguarding Manager), has been an active member of the UKCIS Education group, and Will Gardner has been a member of both the Technical Working Group and the Digital Resilience Working group. Maithreyi Rajeshkumar has been a member of the UKCIS Evidence 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 700 news articles mentioning the last Safer Internet Day on 5th Feb 2019. 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. UKSIC project IV finished at the end of 2018, and we began UKSIC V in January 2019, and this project will run until the end of 2020.

April to September 2018

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 Copenhagen (June 2018). We have also shared our educational materials and resources with our colleagues from this European Network, via the Better Internet for Kids platform.

Ellie Proffitt (Education and youth engagement manager) and Maithreyi Rajeshkumar (Policy and Communications Manager) attended the Project deSHAME project Board meeting in Budapest, hosted by project partners Kek Vonal. This project is focussed on tackling online sexual harassment among teenagers, and the first reporting period was completed to the EU. The project is 80% funded by the Rights Equality and Citizenship Programme. The other partners in this project are the University of Central Lancashire, and Red Barnet (Save the Children Denmark).

The focus for this stage of the project was resource creation and preparation for piloting these which will take place between October and December this year. The toolkit comprises:

- Guidance for schools on preventing and responding to online sexual harassment (OSH).

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

- 4 lesson plans plus a bank of quick activities plus a teacher's guide. One lesson plan is to set the ground rules for this topic and this discussion. The other three focus on Defining OSH (including scenarios, identifying OSH, developing prevention messages), Responding to OSH (including victim blaming, gender/bias) and Reporting.
- Peer led workshop
- Animation and Young People interview films
- Poster
- Assembly with script
- Police handbook
- Guide on supporting young people who display harmful behaviour online

Over this period Childnet developed and released a number of new resources, including a complete set of posters for both primary and secondary schools, as well as working on the development of others.

We carried out a range of focus groups across the country with children of different ages to inform our education resource development.

Will Gardner and other Childnet staff also spoke at several UK conferences and conducted media interviews. Conferences included the online safety conference at the University of Salford, a Public Policy Exchange event on Revenge Pornography., the Marie Collins Foundation conference. Will Gardner and Becca Cawthorne attended the Facebook/Google safety summit in Ireland. Will chaired a panel discussion there.

Will Gardner also attended the meeting of the Facebook Safety Advisory Board as well as the Twitter Trust and Safety Council in the same week in July in California.

Childnet's Film Competition took place this year and was the biggest one yet. We had 223 entries, up from 127 the previous year. We had Margot James, DCMS Minister came and spoke. David Austin, CEO of the BBFC, Catherine McAllister from the BBC, Jo Van der Meer from the BFI and Lisa Prime from BAFTA were the amazing judges. 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.

The standard was incredibly high, and the theme this year was 'Connect with Respect'. There were two categories, primary and secondary, and Trinity Church of England School winning the former, and the Ferrers School winning the secondary. See the winning films here, <https://www.childnet.com/resources/film-competition/2018>. The BBC's OwnIT came to the event, and one of their YouTubers, Eman came and did some filming and interviewing with our young filmmakers, and this was then profiled on the BBC's OwnIT site.

Hannah Broadbent left the team in April as Deputy CEO. We recruited Kate Jones as the new Deputy CEO, and she started in this role in July.

Danielle Antha joined the team as a new Project Manager for the Childnet Digital Leaders programme. Siobhan Slater joined Childnet as an Administrative Assistant on a temporary basis, but which extended throughout this period, supporting all areas of Childnet's work, with an emphasis on the Childnet Digital Leaders programme.

Siobhan was volunteering in Tanzania from October and returned in January. We also recruited Marie Sedge to join the Digital Leaders team.

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. The Primary and Secondary programme both grew during this period.

October to December 2018

Caroline Hurst, Education Director, moved on from Childnet at the end of December.

Childnet responded to an ICO consultation on age appropriate design and tried canvassing our digital leaders for

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

their views. We also responded to the consultation on Relationships and Sex Education put out by the Department for Education (DfE) and we also consulted our Digital Leaders on this.

Childnet launched research on Voice-Assisted technology which we have also consulted digital leaders. We found about 70% of children use voice-activated technology, and we also put out advice from young people for other young people about this technology.

We developed a range of resources over this period including:

- Information for parents and carers on the ages and stages of their child's development in relation to technology. We have focused on the topic of digital wellbeing.
- Information on Screen time boundaries, as well as adapted an online brochure on this topic which was originally developed by the Norwegian Media Authority. We have included the voice of parents and carers in this topic, in the "What parents say" section in order to give parents confidence and ideas about how to approach this issue practically with their family.
- We have updated the section for Primary aged children on the Childnet website, aimed at young people (aged 11 and under). It has been designed so that key information is more accessible (in terms of language and key messages) and easy for young people to find. The landing page asks young people to choose if they want to: Get help, Get SMART, Get answers or Get more. The 'Get help' and 'Get SMART' pages were existing pages which have been updated, whilst 'Get answers' serves to host new content designed for 8-11 year olds. 'Get more' will serve as a portal to other relevant content available for young people available on external webpages (e.g. BBC Ownit).
- We have developed web pages on eight key areas for young people aged 8-11. Each of these starts with a frequently asked question which we have been asked by young people (e.g. What does the report button do?) Each page is designed to provide 8 to 11-year olds with impartial information framed in language they can understand, meeting needs they have expressed to us. The pages include key facts, top tips and quick activities such as quizzes to engage with. The pages are hosted on the UKSIC's main youth facing platform www.childnet.com which is the UKSIC's main youth facing platform.
- PSHE Toolkit extension – 12 short films made for this resource, to help teach around online pornography, body image and healthy relationships. We will be piloting these resources in early 2019. We created three new characters from the thoughts and opinions expressed by young people in our focus groups. These characters each deliver a monologue to camera about young people's experiences online which forms a series of short films for teachers to use on each of the three topics. These are intended to help educators facilitate discussions with young people around these topics. The scripts for the films were tested with the young people in the focus groups. Lesson plans and ideas for teachers, as well as guidance support these materials.
- Digital resilience lesson for 11 to 14-year olds. The resource contains a lesson plan, presentation and educator guide. The lesson looks at the way going online can make young people feel and gives them a platform to think and discuss online mental health. Most importantly the lesson will help young people to develop their own strategies to bounce back from difficult times online and to support their friends too.
- Films featuring Kate Edwards and Tom Pinfield have gone on Tomorrow's Child TV www.tomorrowschildtv.com/live-tctv-shows
- The STAR toolkit is a resource for educators working with children with Special Educational Needs. We began the updating and improving of this resource. The team ran several workshops with SEN teachers, as well as sessions in SEN schools with young people. This update is a very comprehensive development, responding to the need articulated in our focus groups, that the teachers needed three different ways of teaching to suit the different needs of their learners, as well as additional activities to reinforce the learning. As a result, each teaching point has an activity to suit learners who prefer a discussion-based activity, a written-based activity and a more active and practical activity.
- We updated and extended our social media guidance for all professionals after receiving feedback from a number of organizations who mentioned its use with audiences such as early years settings. We have also extended its development to create an 'Educators Pack for Online Safety Awareness' which also includes a checklist for safe use of technology with young people and an online safety calendar which highlights ways of embedding online safety messages throughout the academic year, as well as a social media guide for teachers. We held a UK Safer Internet Centre Advisory Board meeting on 1st October, the final one for this project (the new project, UKSIC V, starts on 1st Jan 2019). This meeting is chaired by Childnet's CEO, bringing together key stakeholders from industry, the charity sector, Government, education, academia and more.

In preparation for Safer Internet Day 2019 we held stakeholder meetings. In London on 1st Oct, in Cardiff in

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

October. Kate Jones ran one in Edinburgh, Will Gardner ran the Belfast event on 3rd Dec, and again in London on 5th Dec. The Education packs were launched, having also been translated into Welsh, and the focus this year is on the issue of consent online. There were packs created 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/safer-internet-day-2019/education-packs>. Verizon Media supported this work. The Welsh Government supported the translation of these resources into Welsh.

The UKSIC hosted the INSAFE training meeting in Manchester in October. This involved most of the Childnet team, and it was an excellent meeting, and a great opportunity to connect with the network. The team ran several workshops, including looking at developing educational resource for children with Special Educational Needs (SEN) run by Becky Nancarrow, Phoebe Moriarty-Roberts and Kate Edwards, on Digital Democracy by Tom Pinfield, and Project deSHAME by Maithreyi Rajeshkumar and Ellie Proffitt. Will Gardner chaired a session on the relationship between Safer Internet Centres and public service broadcasters, with Alice Webb, Director of Children's at the BBC and also representatives from Germany and Bulgaria.

Childnet participated and spoke at a number of events over this period. Will Gardner spoke at the Marie Collins conference in Maidstone in November, as well as the Facebook Community Boost event at Millbank. Will attended the opening meeting of the UKSIC Executive Board, chaired by Margot James (DCMS) and Nadim Zahawi (DfE). Will attended a roundtable run by Apple at the Houses of Parliament, attended by the Secretary of State for the DCMS. Will attended a Government away day in October at Warwick University, chaired by the DCMS secretary of state, as they assessed options for regulating the internet. Will ran a workshop at the Safer Internet Day Forum in Brussels with Geert Reynders, the father of a boy who had died playing the choking game. Kate Jones and Phoebe Moriarty-Roberts also attended the Safer Internet Forum in Brussels, and Childnet also took a young person, and her parent as a chaperone, to be part of the EU youth panel (YEP). Ellie Proffitt and Maithreyi Rajeshkumar presented and attended a conference in Brussels on digital gender-based violence, and an event on violence against women and girls in the EU.

The Childnet Digital Leaders Programme developed over this period with new modules, the recruitment of a Digital Champions Youth Advisory Board, and we held our first ever Regional Event at Titus Salt School in Saltaire on 20 November for schools across the north of England. We had 6 schools with 75 young people attend, garnering fantastic feedback and small points for improvement (mainly that they want it to be bigger and longer!) towards the next event, scheduled for March 2019.

We hosted a Project Board meeting in London for Project deSHAME, and the piloting of the resources is underway in all three countries, the UK, Denmark and Hungary. Ellie and Maithreyi delivered training sessions for Met police CSE leads on this area.

January to March 2019

The Film Competition 2019 was the 10th year, and the ceremony took place at the BFI on Tuesday 2nd July 2019. We had David Austin, CEO of BBFC, Catherine McAllister, BBC, Lisa Prime from BAFTA, and Jo van der Meer from the BFI as judges. The theme was OUR FUTURE ONLINE what can we all do to make our future internet a great and safe place? The Primary category theme was: The internet belongs to me and this is how it's going to be. The Secondary category theme was: What's your vision for a better internet?

Childnet organised and ran Safer Internet Day in the UK (5th 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, reaching 46% of children and 26% of parents. Of the children that heard SID messages, 84% said they were more aware of the importance of asking for permission before sharing content of other people online, 78% felt more confident about what to do if they were worried about something online. Of the parents that heard SID messages, 82% talked to their children about using the internet safely. Huge reach and huge impact, growing even on the record-breaking previous year.

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 the UK we marked Safer Internet Day by mobilising people across the UK 'Together for a better internet' and explore how a better internet starts with each and every one of us.

The theme for this year's Safer Internet Day in the UK was 'Our internet, our choice: understanding consent in a

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digital world'. The campaign saw so many come together to help inspire a national conversation about using technology responsibly, respectfully, critically and creatively. Over 2,100 organisations across the UK delivered activities for the day, including schools, police forces, government, companies, football clubs, charities and others – more than ever before.

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 #SaferInternetDay2019 social media campaign and make #OurInternetOurChoice pledges, showcasing how they are taking positive actions to build a better internet. We had over 8 million impressions through our Twitter campaign, as well as 14 million + views of the Safer Internet Day custom filter on Snapchat, and over 2.1 million + reach of campaign posts on Facebook.

There were youth events across the UK which helped ensure that the day really reflected the voice of young people. At these events young people met Government ministers, policy makers, industry representatives and more, with opportunities to share their experiences of being online and their recommendations for how this space can be improved for young people.

In London, over 60 young people attended a special youth-led interactive event at the BT Centre, welcoming over 100 policymakers, industry, charities and media from across a range of sectors to discuss how young people navigate the challenges around consent online. The young people ran activity stations for guests, delivered keynote speeches, gave interviews to media and took part in a panel discussion led by the BBC journalist Kate Russell. Minister for Digital, Margot James, and Department for Education Minister for Children and Families Nadhim Zahawi attended.

In Scotland Maree Todd MSP visited Newbattle High School in Midlothian to meet the students and staff as they celebrated Safer Internet Day 2019.

At Anfield, home to Liverpool Football Club nearly 500 young people from schools across the city took part in an event including an assembly, workshops focusing on consent online, stadium tours and meeting Mighty Red the LFC mascot. This event was also attended by Liverpool legend Robbie Fowler. At Goodison Park, home to Everton Football Club 240 young people from 24 schools in the city came together to take part in Safer Internet Day activities.

This nationwide day of action came as Childnet (as part of the UK Safer Internet Centre) released new research on the day, 'Our Internet, Our Choice', which surveyed 2,004 young people aged 8-17 across the UK. The findings explored young people's experiences of asking for, giving and receiving consent in an online context. Alongside the research, two films with Digital Leaders were created to explore the issue of consent as well as parents sharing without permission. These videos were viewed over 75,000 times.

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 1,000,000 downloads of the educational resources prepared for SID.

There was a wide range of media attention on the Day, and we achieved over 700 media mentions in print, TV, radio and online.

Childnet Digital Leaders champions Youth Advisory Board held its first meeting in January. Their role is to ensure the programme is youth-led, consulting with us on new modules, representing the programme at events and helping with content creation have also been active at events, including the ESCC LSCB, Police and Crime Commissioners Office and Safer Communities team conference. A group also attended an event in Parliament in Westminster.

Project deSHAME resources were launched. We held the London launch event at the LGfL office in Liverpool St. on 14th March. We had space for 60 and there was a high level of response to this, and we were oversubscribed. The Youth Advisory Board took a key role in showcasing the research and the resources and were able to reflect that they co-created these resources with the Project team. We have carried out the pilot of these resources, and we have the results of this in an impact report, which captures the evaluations of the pilot in the UK as well as in Denmark and Hungary.

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Will Gardner attended the Facebook Safety Advisory Board in January.

Kate Edwards gave the keynote speech at the London Grid for Learning conference in March, showcasing the PSHE toolkit extension in relation to a discussion on the RSE guidance from the DfE.

Kate Edwards, working with colleagues on the Education subgroup of UKCIS, drafted the Guidance for early years settings, and this was launched in February by the UKCIS.

Will Gardner attended the Chief Medical Officer roundtable, to discuss her forthcoming report on social media, screen time and mental health. He also attended a roundtable hosted by Jo Swinson MP and the Institute of Strategic Dialogue on countering online extremism.

Childnet attended several roundtables hosted by DCMS Ministers (including the Secretary of State) covering a range of topics related to online harms, including digital media literacy.

Childnet worked collaboratively, including with the Samaritans, to best respond to the challenge put forward by online challenges, and rumours relating to these reported in the media.

'Digiduck's famous friend', a new illustrated online book was released and is available in the online collection, aimed at children aged 3-7, this book explores the idea that people online might not be who they say they are, when you can't see who's behind a screen. We have already had a request to translate this into Greek, by the Greek Centre, and we have begun this work.

In a challenging economic environment, Childnet has been grateful to receive funding not aforementioned from Verizon Media, Facebook, Trend Micro, Disney, Tech UK, the Highway One Trust, Yubo, 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. The Childnet Digital Leaders programme is core to Childnet's mission of empowering children and young people, and really giving them agency and voice in their communities.

Facebook's support has enabled us to scale this extraordinary programme, and this reporting period includes the second year of their support.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

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 2019, the Directors and Trustees had previously set a reserves policy objective of having a level of reserves sufficient to cover 3 months operational costs at any one time. This is estimated currently to be around the region of £140,000. 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.

● **PRINCIPAL FUNDING**

During the year the total incoming resources of the charity amounted to £881,351 (2018: £999,077) and total resources expended were £940,928 (2018: £1,000,647). This resulted in a deficit of £59,577 for the year (2018: £1,570). The reserves therefore stood at £126,239 at the year-end (2018: £175,183), of which £36,475 was restricted and £89,764 was unrestricted (2018: £80,199 and £94,984 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

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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 2018. There were no new appointments, and no resignations during the year.

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**

Each Trustee is given a full induction which includes:

(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 Page 1 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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

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 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 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 have retained the services of 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

CHILDNET
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

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.

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 organization 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' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

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.

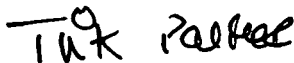
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 25 November 2019 and signed on their behalf by:



Mrs Tink Palmer, Chair

CHILDNET
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILDNET

OPINION

We have audited the financial statements of Childnet (the 'charitable company') for the year ended 31 March 2019 set out on pages 17 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 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 Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILDNET

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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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
- sufficient accounting records have not been kept; 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.

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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILDNET

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act 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 Auditors' 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.

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

USE OF OUR REPORT

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Baldwin Scofield Ltd

Chartered Accountants
Registered Auditors

3 Newhouse Business Centre
Old Crawley Road
Horsham
West Sussex
RH12 4RU
25 November 2019

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

CHILDNET
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:					
Donations and legacies	2	89,663	564,208	653,871	751,450
Charitable activities	3	227,036	-	227,036	247,283
Other trading activities		4	-	4	2
Investments	4	440	-	440	342
TOTAL INCOME		317,143	564,208	881,351	999,077
EXPENDITURE ON:					
Raising funds		331	-	331	335
Charitable activities	8	271,448	669,149	940,597	1,000,313
TOTAL EXPENDITURE		271,779	669,149	940,928	1,000,648
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS					
Net currency gains on cash investments		45,364	(104,941)	(59,577)	(1,571)
		10,633	-	10,633	-
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between Funds	16	(61,217)	61,217	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		(5,220)	(43,724)	(48,944)	(1,571)
NET MOVEMENT IN FUNDS					
		(5,220)	(43,724)	(48,944)	(1,571)
RECONCILIATION OF FUNDS:					
Total funds brought forward		94,984	80,199	175,183	176,754
TOTAL FUNDS CARRIED FORWARD		89,764	36,475	126,239	175,183

The notes on pages 20 to 31 form part of these financial statements.

CHILDNET
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REGISTERED NUMBER: 03958416

BALANCE SHEET
AS AT 31 MARCH 2019

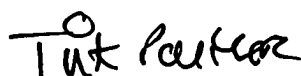
	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	11		5,289		4,275
Investments	12		1		1
			5,290		4,276
CURRENT ASSETS					
Stocks	13	2,279		3,085	
Debtors	14	122,740		72,990	
Cash at bank and in hand		474,976		517,134	
		599,995		593,209	
CREDITORS: amounts falling due within one year	15	(479,046)		(422,302)	
NET CURRENT ASSETS			120,949		170,907
NET ASSETS			126,239		175,183
CHARITY FUNDS					
Restricted funds	16		36,475		80,199
Unrestricted funds	16		89,764		94,984
TOTAL FUNDS			126,239		175,183

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 144 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 25 November 2019 and signed on their behalf, by:



Mrs Tink Palmer, Chair



Mr Graham Wallace

The notes on pages 20 to 31 form part of these financial statements.

CHILDNET
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	<u>(36,522)</u>	<u>162,829</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(5,636)</u>	<u>(4,480)</u>
Net cash used in investing activities		<u>(5,636)</u>	<u>(4,480)</u>
Change in cash and cash equivalents in the year		(42,158)	158,349
Cash and cash equivalents brought forward		<u>517,134</u>	<u>358,785</u>
Cash and cash equivalents carried forward	19	<u><u>474,976</u></u>	<u><u>517,134</u></u>

The notes on pages 20 to 31 form part of these financial statements.

CHILDNET
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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.

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 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.

1.3 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), general volunteer time is not recognised.

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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.4 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 centrally. 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.

1.5 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

1.6 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 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.

1.9 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.

1.10 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.

1.11 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.

1.12 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.

1.13 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
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. ACCOUNTING POLICIES (continued)

1.14 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 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	89,663	250,000	339,663	244,766
Grants	-	314,208	314,208	506,684
	<u>89,663</u>	<u>564,208</u>	<u>653,871</u>	<u>751,450</u>
Total donations and legacies	<u>89,663</u>	<u>564,208</u>	<u>653,871</u>	<u>751,450</u>
<i>Total 2018</i>	<u>54,766</u>	<u>696,684</u>	<u>751,450</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Consultancy income	112,117	-	112,117	110,162
Programme and other income	109,565	-	109,565	128,668
Consultancy expenses recovered	5,354	-	5,354	8,453
	<u>227,036</u>	<u>-</u>	<u>227,036</u>	<u>247,283</u>
<i>Total 2018</i>	<u>247,250</u>	<u>33</u>	<u>247,283</u>	

CHILDNET
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

4. INVESTMENT INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	440	-	440	342
<i>Total 2018</i>	342	-	342	

5. ANALYSIS OF GRANTS

	Total 2019 £	Total 2018 £
Grants to partners Safer Internet centre project	-	19,800
Grants to partners deSHAME project	-	154,718
	-	174,518
<i>Total 2018</i>	174,518	

6. DIRECT COSTS

	Total 2019 £	Total 2018 £
Staff costs	19,051	12,551
Consultancy	22,137	25,216
Hire of premises	17,621	13,560
Design and print	53,860	26,433
Motor & travel	40,024	45,433
Postage, printing and stationery	1,226	984
Wages and salaries	499,396	458,829
National insurance	47,166	42,946
Pension cost	48,251	44,882
	748,732	670,834
<i>Total 2018</i>	670,834	

CHILDNET
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

7. SUPPORT COSTS

	Total 2019 £	<i>Total 2018 £</i>
Rent and rates	19,756	19,109
Heating & lighting	1,901	1,769
Postage, printing & stationery	4,136	3,028
Telephone & communications	3,823	3,434
Publicity & marketing	34,487	16,288
Website design & hosting	83,931	65,998
Repairs & renewals	12,068	12,140
Bank charges & interest	540	1,018
Leasing charges	1,118	2,076
Computer costs	4,715	1,880
Courier services	1,592	1,842
Other	13,133	17,739
	<u>181,200</u>	<u>146,321</u>
<i>Total 2018</i>		<u>146,321</u>

8. GOVERNANCE COSTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Governance Auditors' remuneration	5,450	-	5,450	4,250
Trustee meeting costs	593	-	593	58
Governance - depreciation - tangible fixed assets	4,622	-	4,622	4,332
	<u>10,665</u>	<u>-</u>	<u>10,665</u>	<u>8,640</u>

CHILDNET
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	4,622	4,332
Auditors' remuneration - audit	5,450	4,250
	5,450	4,250

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

1 Trustee received reimbursement of expenses amounting to £467 in the current year, (2018 - 0 Trustees - £NIL).

10. STAFF COSTS

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	499,396	458,830
Social security costs	47,166	42,946
Other pension costs	48,251	44,882
	594,813	546,658

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

	2019	2018
	No.	No.
	17	15

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

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(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

11. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 April 2018	14,977	22,991	37,968
Additions	458	5,178	5,636
Disposals	(2,464)	-	(2,464)
At 31 March 2019	<u>12,971</u>	<u>28,169</u>	<u>41,140</u>
Depreciation			
At 1 April 2018	14,977	18,716	33,693
Charge for the year	114	4,508	4,622
On disposals	(2,464)	-	(2,464)
At 31 March 2019	<u>12,627</u>	<u>23,224</u>	<u>35,851</u>
Net book value			
At 31 March 2019	<u>344</u>	<u>4,945</u>	<u>5,289</u>
At 31 March 2018	<u>-</u>	<u>4,275</u>	<u>4,275</u>

12. FIXED ASSET INVESTMENTS

	Unlisted securities £
Market value	
At 1 April 2018 and 31 March 2019	<u>1</u>

Investments at market value comprise:

	2019 £	2018 £
Unlisted investments	<u>1</u>	<u>1</u>

All the fixed asset investments are held in the UK

13. STOCKS

	2019 £	2018 £
Finished goods and goods for resale	<u>2,279</u>	<u>3,085</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

14. DEBTORS

	2019 £	2018 £
Trade debtors	53,007	46,832
Other debtors	1,671	1,671
Prepayments and accrued income	68,062	24,487
	122,740	72,990

15. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	21,335	45,674
Other taxation and social security	14,416	17,537
Other creditors	-	4,447
Accruals and deferred income	443,295	354,644
	479,046	422,302

16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2019 £
Unrestricted funds						
General Funds	94,984	317,143	(271,779)	(61,217)	10,633	89,764
	94,984	317,143	(271,779)	(61,217)	10,633	89,764
Restricted funds						
UK Safe Internet Centre Phase 4	-	171,868	(174,572)	2,704	-	-
UK Safe Internet Centre Phase 5	-	68,012	(99,815)	31,803	-	-
deSHAME	-	74,328	(100,478)	26,150	-	-
Youth IGF	15	-	(575)	560	-	-
Facebook-Digital Leaders	80,184	250,000	(293,709)	-	-	36,475
	80,199	564,208	(669,149)	61,217	-	36,475
Total of funds	175,183	881,351	(940,928)	-	10,633	126,239

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2018</i>
	£	£	£	£	£
Unrestricted funds					
General funds	175,238	302,360	(236,108)	(146,505)	94,985
Restricted funds					
UK Safer Internet Centre Phase 4	-	285,376	(409,966)	124,590	-
DAPHNE-deSHAME	-	222,544	(242,225)	19,681	-
Disney	856	18,764	(21,854)	2,234	-
Youth IGF	360	-	(345)	-	15
Digital Leaders Programme	300	33	(333)	-	-
Facebook-Digital Leaders	-	170,000	(89,816)	-	80,184
	<u>1,516</u>	<u>696,717</u>	<u>(764,539)</u>	<u>146,505</u>	<u>80,199</u>
Total of funds	<u>176,754</u>	<u>999,077</u>	<u>(1,000,647)</u>	<u>-</u>	<u>175,184</u>

SUMMARY OF FUNDS - CURRENT YEAR

	<i>Balance at 1 April 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2019</i>
	£	£	£	£	£	£
General funds	94,984	317,143	(271,779)	(61,217)	10,633	89,764
Restricted funds	80,199	564,208	(669,149)	61,217	-	36,475
	<u>175,183</u>	<u>881,351</u>	<u>(940,928)</u>	<u>-</u>	<u>10,633</u>	<u>126,239</u>

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2018</i>
	£	£	£	£	£
General funds	175,238	302,360	(236,108)	(146,505)	94,985
Restricted funds	1,516	696,717	(764,539)	146,505	80,199
	<u>176,754</u>	<u>999,077</u>	<u>(1,000,647)</u>	<u>-</u>	<u>175,184</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	5,288	-	5,288
Fixed asset investments	1	-	1
Current assets	563,519	36,475	599,994
Creditors due within one year	(479,044)	-	(479,044)
	<u>89,764</u>	<u>36,475</u>	<u>126,239</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	4,275	-	4,275
Fixed asset investments	1	-	1
Current assets	513,011	80,199	593,209
Creditors due within one year	(422,302)	-	(422,302)
	<u>94,985</u>	<u>80,199</u>	<u>175,183</u>

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(48,944)	(1,571)
Adjustment for:		
Depreciation charges	4,622	4,332
Decrease in stocks	806	883
(Increase)/decrease in debtors	(49,750)	81,847
Increase in creditors	56,744	77,338
Net cash (used in)/provided by operating activities	<u>(36,522)</u>	<u>162,829</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	474,976	517,134
Total	<u>474,976</u>	<u>517,134</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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 £48,251 (2018 - £44,882). Contributions totalling £Nil (2018 - £4,447) were payable to the fund at the balance sheet date and are included in creditors.