

Registered company number 02729957

Registered charity number 1013025

Scottish registered charity number SC039888



Working to Protect Children

The Lucy Faithfull Foundation
Annual Report and Financial Statements
31 March 2017

Financial statements for the year ended 31 March 2017

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THE LUCY FAITHFULL FOUNDATION

Reference and Administrative Information

Registered company number

020729957

Charity number

1013025

Scottish registered charity number

SC039888

Patrons

Mr R Monk CMG, OBE, QPM

Sir Richard Tilt

Baroness V G Howarth OBE

Trustees

Dr A Bentovim MB BS FRC Psych FRCPCH (Chair)

Mr B J Coker BA (Hons) CPFA PIIA DMS MIMgt (Honorary Treasurer) (Retired 23/11/16)

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Mrs J Leach BSc FCA

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Mrs G McKeown

Mr E M Nock OBE BA (Jt Hons) Dip IPD (Vice-Chair up to 23/11/16)

Professor D Perkins BSc MSc PhD CPsychol AFBPsS

Ms A Shepperd OBE Cert Ed CQSW (Vice-Chair from 20/06/16)

Professor A Spencer BA (Hons) MA MRes

Mr J Trotter LLB (Hons)

Mr P West QPM MA (Oxon) MSc MA

Company Secretary

Mrs A Kroeger BAcc CA(SA)

Senior Management Team

Mrs E McConnell BA (Hons) MSc, Chief Executive

Mr D Findlater, BA (Hons), MA, CQSW, FRSA Director of Research and Development (to 31/08/16)

Mr S Sauzé CQSW DIpsw, Director of Operations

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THE LUCY FAITHFULL FOUNDATION

Reference and Administrative Information (continued)

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A note from the Board Chair Arnon Bentovim

This year we have achieved so much. We have continued to work in partnership with others to build upon, develop and extend our communications campaign to deter the online viewing and sharing of sexual images of under 18s. But this work, along with our other activities across the UK, has created increased demand for our Helpline - which already helps over 4,500 people a year take action to ensure the safety of children and young people. Demand outstrips our ability to respond. If we are to pick up the phone to the 2,655 people (37% of callers) who repeatedly call and never get through we require more operators and increased funding. These are missed opportunities to provide support and help to callers to prevent abuse from taking place and empower people to protect children and young people from sexual harm.

This has been a challenging year for The Lucy Faithfull Foundation financially as we have been responding to changing market conditions, increased demand for some of our services and identified skills gaps. In response to the above challenges we recruited a Head of External Relations and Fundraising which has enabled us to increase our fundraising activity across the organisation.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Arnon Bentovim', with a long horizontal flourish extending to the right.

Arnon Bentovim



Welcome from Elaine McConnell CEO

I am tremendously proud of our achievements over the last year and the work done to protect children from sexual abuse. I would like to thank all those who have supported us to do this important work; donors, funders, government and partners without whom we could not continue. And continue we must, as there is much still to be done if we are to see a world in which children's right to live free from sexual abuse and exploitation becomes a reality.

Working with people with concerns about their own sexual thoughts or behaviour or that of another adult or child in order to protect children can be an uncomfortable and unpalatable topic for many. Which is why it is so important that we maintain our profile and continue to advocate for the active prevention of child sexual abuse by all adults and agencies rather than reacting after the event.

Clearly investment in prevention and early intervention is not just good value for money; it is an investment in human benefit and to broader society. By which we are increasing our impact and protecting more children and young people from harm, while delivering savings by reducing the demand on the criminal justice system as well as services which provide support to victims and survivors. Our work aims to prevent abuse from happening in the first place, or ever again. Child sexual abuse is preventable, not inevitable, and by working together we can have a real impact.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Elaine McConnell', written in a cursive style.

Elaine McConnell

THE LUCY FAITHFULL FOUNDATION

The Trustees, who are also Directors of the Lucy Faithfull Foundation (“the charity” or “LFF”) for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2017. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” 2015 and Financial Reporting Standard 102 in preparing the annual report and financial statements of the charity.

The Trustees who held office during the year and up to the date of this report are listed on page 2.

1. Objectives and activities

1.1 Governing document

The charity is constituted under its Memorandum and Articles of Association, as a company limited by guarantee (company no. 02729957), incorporated on 09 July 1992. It was registered as a charity in England and Wales (charity no. 1013025) on 20 July 1992. On 23 September 2008 the charity was registered with the Office of the Scottish Charity Regulator (OSCR) (Scottish registered charity no. SC039888).

The objectives of The Lucy Faithfull Foundation (LFF) are:

- to further the assessment, psychological rehabilitation, treatment, education and care of persons who have committed or are likely to commit sexual offences against others, especially children;
- to further the assessment, care and treatment of the victims (and their families) of the aforesaid offenders and to further the health and welfare of children considered to be at risk of sexual abuse;
- to assist in the prevention of sexual offences (especially those involving children);
- to further study and research into the nature, extent and probable causes of sexual offending, the effects on victims and their families, the effective prevention of such offending and the assessment, treatment and rehabilitation of offenders or likely offenders and disseminate the useful results of such research; and
- to provide education and training to professionals, school governors, parents and the general public in issues relating to sexual offences (especially those involving children), the prevention of such offences, the rehabilitation and treatment of offenders or potential offenders, and the care and treatment of victims.

1.2 Issues we seek to tackle through our activities

Our mission is to prevent the sexual abuse of children and young people by working with protective adults, those affected by abuse and those perpetrating it, including young people with harmful sexual behaviour. We are committed to using our expert knowledge to impact on public policy, and to educate families, professionals and the public. In all our work, we help children and young people to stay safe.

1.2 Issues we seek to tackle through our activities (continued)

THE LUCY FAITHFULL FOUNDATION

In doing so we will move closer to our vision to create a world in which children's rights to live free from abuse and exploitation become a reality.

- We are the only UK wide organisation dedicated entirely to preventing child sexual abuse and have been doing so since 1992.
- Our services, programmes and projects are designed to place a protective shield around children, to help prevent abuse from happening in the first place or, if it is too late, to prevent it from happening again.
- We use a comprehensive framework for preventing child sexual abuse based on a public health model of prevention to ensure our projects address the different stages of prevention and those concerned with and affected by abuse.
- We prevent abuse from happening by working in partnership with government, charitable trusts, voluntary, statutory and private sector and the public. We contribute to scientific knowledge of sexual abuse and public policy.

The majority of children who suffer sexual abuse are abused by someone they know, someone in their family or social network (including online networks). This makes it very hard for them to tell anyone. This is why we, as adults, must do all we can to protect them.

1.3 Public benefit

All of our activities are undertaken to further our charitable purposes for the benefit of the public. The Trustees use Charity Commission guidance on public benefit and comply with the requirements of the Office of the Scottish Charity Regulator.

1.4 Short term and long term aims for the year ended March 2017

We are one year into our three year strategy which was drawn up by the Trustees and the senior management team. We have struggled to see significant growth particularly in training due in part to the delay in recruiting a training manager. In the longer term we are looking to use our experience to stop young people accessing indecent images of children in the first place and work with those who have got into trouble online to prevent re-occurrence or escalation of the behaviour. We are currently seeking funding to take this forward.

Our strategic aims are:

1. We will increase our reach and work directly with 20,000 people who are affected by or worried about child sexual abuse, including concerned parents, victims and with those who have abused or are at risk of doing so in order to reduce the risk of future offending and support recovery in families. In addition we will use social media and other digital marketing activity to expand the reach of our work and increase visitor volumes to our websites by 30%.
2. We will advance the Stop it Now! prevention campaign to equip 14,000 adults with the information and skills they need to better protect children. Beyond these 14,000 adults

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1.4 Short term and long term aims for the year ended March 2017 (continued)

engaged with directly, we will also use social media and other digital marketing activity to equip a further 500,000 adults with the skills and information they need to better protect children. We will also develop a new service targeted at young people to enable them to better protect themselves and each other.

3. We will increase our delivery of training and consultancy by 25% per annum and, using our expert knowledge, will increase the skills of 15,000 professionals that have a responsibility for safeguarding children by 2018.
4. As specialists in the field we will use our knowledge to engage, challenge and influence government, civil society and other national organisations to place the prevention of child sexual abuse at the forefront of policy development and to raise its profile in the media to increase public understanding.
5. We will ensure the expertise of our staff remains at the forefront and cutting edge of developments in the field of responding to and preventing child sexual abuse, through training, research and collaboration with academic institutions and child safeguarding agencies.

Our strategic aims highlight the areas where we wish to grow and develop our services alongside which we will continue to deliver services to high risk people in the community convicted of sexual offences through our Circles of Support and Accountability.

Some areas of work remain very challenging to grow so we have decided to expand the areas where we can maximise our impact and reach while maintaining the other work streams.

1.5 Contribution of volunteers

We would like to thank all our volunteers for the valuable contribution they make without whom some of our services would be unable to continue.

Circles of Support and Accountability is a service which assists in the management of high risk people convicted of a sexual offence by placing a ring of volunteers around the person in the community. The volunteers befriend the person or 'core member' while holding him accountable for his actions and reporting any concerns to statutory organisations.

Stop it Now! Wales has benefitted from two volunteers assisting with office support, evaluations and promotion as well as delivery of programme sessions.

We have also greatly benefitted from a volunteer supporting our work on our international toolkit funded by the Oak Foundation.

Over the year we have had on average 35 volunteers, a number which fluctuates as volunteers join and leave and we estimate that they contributed 744 volunteer hours.

2. Achievements and performance

2.1 Stop It Now Prevention Activities

2.1.1 Stop It Now! UK and Ireland campaign

Stop it Now! UK and Ireland is a child sexual abuse prevention campaign. It helps adults play their part in prevention by providing sound information, educating the public, training those who work with children and families and running the Stop it Now! Freephone confidential Helpline. Previously the campaign work in England was funded via a grant from the Department for Education which ended in March 2013 and the campaign has received no core funding since.

Our three websites play a vital part in the campaign; www.lucyfaithfull.org.uk; www.stopitnow.org.uk and www.parentsprotect.co.uk. These websites formed a key aspect of our work in communicating our services to the public and professionals.

The last year witnessed strong overall growth in the numbers of people accessing our information and resources from our public-facing websites. Our Stop it Now website saw annual visitor numbers jump 235% from 107,675 visitors in 2015-16 to 360,769 in 2016-17.

In October 2015, we launched a specialist website that offers online self-help resources developed by LFF practitioners, www.get-help.stopitnow.org.uk to help people stop looking at sexual images of children. This received 31,545 visitors from the UK, as it is a new site there are no comparative figures for the previous year.

Our Parents Protect website saw a slight decrease in year on year visitor volumes from 674,805 visitors in 2015-16 to 620,219 in 2016-17.

Work is on-going to make our websites more mobile responsive which should assist in increasing visitor numbers.

2.1.2 Media coverage

The Lucy Faithfull Foundation and Stop it Now! UK and Ireland have significantly grown the level of media coverage in 2016-17, in UK national and regional print and broadcast media. In the second half of last year we secured over 40 separate pieces of coverage in UK national media. Highlights included an in-depth feature in The Economist on paedophilia which showcased the work of the Stop it Now! Helpline and quoted our expert analysis throughout. We also secured a major print and online feature in the Daily Mail on our work to support the partners of men arrested for accessing online sexual images of children. We contributed to a feature on BBC Radio 4's Today programme on online offending by making available a former offender to describe the work of Stop it Now! to help him stop accessing online sexual images of children. We also secured extensive media coverage in Wales and Scotland that significantly raised awareness of Stop it Now! in both countries. This increased visibility, has driven substantially higher visitor volumes from both countries to the Stop it Now! website. And we have proactively placed stories into UK regional media, reporting on helpline caller numbers and visitors to our Get Help website on a regional

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2.1 Stop It Now Prevention Activities

2.1.2 Media coverage (continued)

basis. This strategy has secured 169 separate pieces of coverage in UK regional media in the five month period up to March 2017.

Over the last year we have worked hard to make available to the media the voices of people we have worked with. Providing such case studies on an anonymous basis helps give a human voice to our work and illustrates the positive impact our work is having. We provided a case study as an interviewee to BBC East TV's *Inside Out* programme and to Radio 4's Today programme. The interviewee talked about how the Stop it Now! Helpline and our Inform Plus course work had been hugely important in helping him to stop looking at online sexual images of children. And we also facilitated an interview with The Daily Mail for a woman who used our Helpline and Inform services to deal with the impact of her ex-husband's arrest for looking at online sexual images of children. The interview resulted in a powerful feature that encouraged one man to call the Stop it Now! Helpline to get help after reading the piece because he feared the break-up of his own family if he kept on offending.

"By bravely speaking out, Laura hopes to highlight this is a problem that can't simply be ignored — and to show the damage such behaviour can wreak on the innocent members of an offender's family.

'It has ripped my life apart,' she says. 'It just changed everything. It struck at the heart of what we had created together.

'The suggestion that the children at the heart of our family might be at risk from their father — it was just too awful.'

2.2 Stop it Now! Wales

2.2.1 Direct delivery of public education sessions

Funding from the Welsh Government ended on 31st March 2016 so we are no longer delivering against a government contract and have moved to a self-funding model. This transition has impacted our beneficiary numbers illustrating the challenge of making our work accessible to more organisations without government funding.

In the last 12 months (2016/17) Stop it Now! Wales has delivered a range of public education awareness sessions across the whole of the country. These include courses such as Parents Protect, Parents Protect for Parents with Children with Additional Needs, Professionals Protect, Internet Safety, Understanding Sexual Behaviours in Pre and Post Pubescent Children, Child Sexual Exploitation and Safeguarding Children and Young People and Vulnerable Adults. We are very grateful to Dulverton Trust for supporting our work.

Over the year we delivered a total of 72 sessions to 954 people (269 sessions to 3,035 people in 2016/17) including professionals and others who work with children and families, parents and

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2.2 Stop it Now! Wales

2.2.1 Direct delivery of public education sessions (continued)

carers, and children and young people. We also delivered 4 Parents Protect Plus programmes for families with additional vulnerabilities.

“Bringing Parents Protect to Bridgend has been a great asset to professionals and the families they support. The Parents Protect course is delivered in a sensitive non-intrusive manner which puts our parents at ease when discussing a difficult and uncomfortable subject. The facilitator is passionate about disseminating the excellent message Stop It Now! Wales is aiming to achieve. Resources and information are relevant and up to date.

Families have told us they gained new knowledge and understanding about how sexual abuse happens, the grooming process, how to recognise signs, what is or isn't normal child development, also making them think differently about how child sexual abuse happens and it is not just strangers who harm our children. Social Work feedback has also been positive, they have commented how they have been impressed with what their families have learned and put into practise.” Bridgend County Borough Council

2.2.2 Tackling child sexual abuse and exploitation – The Dyfed Powys project

During the year we delivered 16 CSE sessions funded by the Dyfed Powys Police and Crime Commissioner and engaged with 140 people. Pre and post session evaluation forms show that participants felt much more confident about protecting children after the events.

2.2.3 Families with children who have additional needs – the Families First, Conwy Borough Council project

This year was the final year of a three year Families First funded project to develop and deliver parent and carer education and awareness raising seminars in Conwy with a focus on families with children who have additional needs. This year we delivered 20 sessions to 177 participants. Over the life of the project, between April 2014 and March 2017, a total of 61 seminars were delivered to 528 individuals. A full project evaluation has been completed and found that post session evaluation results indicate positive outcomes in all key evaluation areas. Parents and professionals who attended sessions reported feeling increasingly confident in recognising signs of sexual abuse in children. They also felt increasingly confident in understanding the actions they can take to address any concerns they have. A follow up survey showed how participants went on to take further actions following the session:

- *“Visited the Stop it Now! website. Internet safety information shared with other professions including foster carers. Signed up to receive Vodaphone Digital Parenting Magazine and shared with others.”*
- *“Visited the Stop it Now! website. I read more about internet safety and how to try to keep my own children safe.”*
- *“Given out hand-outs and advice to parents to look at the Stop it Now! website.”*

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2.2 Stop it Now! Wales

2.2.4 Policy development This year Stop it Now! Wales were appointed as joint secretariat on the newly formed Cross Party Group on Child Sexual Abuse Prevention, in partnership with NSPCC and Survivors Trust. The new Assembly Group will call for the creation of a comprehensive plan to prevent child sexual abuse in Wales.

We also launched the Stop it Now! Wales Action Group. Members include NSPCC Cymru, Victim Support, Catholic Arch Diocese Cardiff, Jig-So- Cardigan, Nota Wales, South Wales Police, Survivors Trust, Wise Kids and Cardiff University. Its remit is to meet quarterly to share thinking, best practice and experiences along with new information and ideas. It also seeks to inform and shape proposed legislation, identify gaps across Wales and offer possible solutions and use the experiences of partners with all interested groups – victims, perpetrators, families, professionals and others, to inform thinking and drive change.

We have recently been invited to join the Wales Internet Safety Partnership and Children & Families Network (WISP).

2.3 Stop it Now! Scotland

Stop it Now! Scotland provides two distinct but connected prevention projects both funded by the Scottish government. The first project is the upstream Primary Prevention Toolkit and the second project is the Early Intervention to Prevent Sexual Abuse in Scotland (EIPSAS) which covers all of our client services.

2.3.1 Upstream Primary Prevention Toolkit

Work on a Primary Prevention toolkit is underway; this is due to be online by December 2017 and will be piloted with specific organisations related to residential care, faith, sport, disabilities and LGBTQ groups.

2.3.2 Early Intervention to Prevent Sexual Abuse in Scotland (EIPSAS)

This project has been on-going with a steady number of referrals 148 offenders in 2016/17 (94 offenders in 2015/16). We also delivered our Inform programme to 30 family members in 2016/17 (15 family members in 2015/16) contributing to our overall number of beneficiaries of Inform supported by The Emmanuel Kaye Foundation. We continue to support people concerned about their sexual thinking and/or behaviour towards children and young people as well as concerned family and friends.

Four Inform Plus groups have been delivered over the last financial year. This programme works with internet offenders to provide information and advice about the criminal justice system, and to help them understand and prevent their harmful behaviour.

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2.3 Stop it Now! Scotland

2.3.2 Early Intervention to Prevent Sexual Abuse in Scotland (EIPSAS) (continued)

“Thank you for being there I think I would have ended my life without this support. The weekly sessions have given some sanity to an unsure situation and an opportunity to re-connect with the human race.”

One Inform group has been delivered to support family members of internet offenders. In addition some 27 service users with more complex needs (such as contact offenders, those with previous trauma experiences, or mental health problems and learning difficulties) have engaged in individual interventions to explore and address their needs.

2.3.3 Consultancy and Partnership working

In Scotland we have provided inputs and consultancy to other services and sectors raising awareness about our work and remit, including presenting at conferences and training events. We have been involved in much partnership work, which has included being part of the reference group to develop the National Trauma Framework for all Scottish workforces.

2.4 Stop it Now! Helpline

Our specialist confidential helpline provides advice and support to anyone concerned about their own sexual thoughts and behaviour or the behaviour of another adult, young person or child. Our experience shows that people who are aware of their own worrying thoughts about children can be helped to prevent offending before it starts and adults and young people who have already committed an abusive act online or in the real world can be helped to stop.

We aim to target those who can truly protect the child either through not offending or by up skilling the protective adults around them. Our confidential Freephone Stop it Now! Helpline is the gateway to many of our services. It is funded by Her Majesty’s Government (HMG), the Internet Watch Foundation, the Dulverton Trust and the Paul Getty Foundation. It is also supported by donations and fundraising activity in particular, the annual Prudential Cycle ride.

In the year 2016/17 there was a total of 9,338 calls to the Helpline this is a slight reduction from last year (9,414 calls in 2015/16) due to less overall funding being available to cover operator costs. The majority of callers were from people accessing illegal images of children which accounted for 46%. This demonstrates that people will seek help from a confidential advice line about very difficult personal issues.

We aim for the caller to take one clearly agreed action from each call to reduce risk of abuse to children. Other callers included adults concerned about the behaviour of another adult, professionals seeking advice, the public seeking advice on grooming, and other general information. Additional funding would allow us to assist many more beneficiaries as we are very concerned about the 2,655 callers who called during operating hours in 2016/17 but never got through; some trying repeatedly with no success.

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2.5 Deterrence campaign

In October 2015 we launched a major national campaign to deter online viewing and sharing of sexual images of children. The campaign's objectives were underpinned by our research which identified the self-justifications for offending behaviour. We created a suite of video films that would engage the target audience with key messages: sexual images of anyone under 18 are illegal; the harm caused by offending behaviour; the severe consequences for those persisting; and the availability of help to stop. The films were promoted extensively in national and regional media and they were promoted online via social media where the target audience was most likely to access them. They signposted viewers to specialist self-help resources: the Stop it Now! Helpline that offers anonymous and confidential support to adults concerned about their online sexual behaviour; and a specialist website that offers online self-help resources – www.get-help.stopitnow.org.uk. The campaign ran as a pilot until 31 March 2016, since then it has been comprehensively evaluated to assess its impact on its target audience. Evaluation shows that during the pilot period there was a 25% uplift in calls to the Helpline from adults concerned about their own online behaviour, or that of another adult.

Evaluation has also shown significant attitudinal changes among the target audience in key areas such as understanding of the law, consequences for offenders and impact of offending on child victims. The films have been watched over 9 million times and, to date, the website accessed by 42,880 people from the UK.

In 2016/2017 we continued to build on our communications campaign to deter the online viewing and sharing of sexual images of under 18s through the use of promoted social media posts and national and regional press and PR. This year we also developed deeper partnerships with other organisations. In Wales, we launched Operation NetSafe in partnership with all four police forces. The operation involved coupling deterrence communications activity (online, media relations, posters and radio adverts) with increased police enforcement. In February 2017 the campaign was supported by Welsh Rugby Union during the Six Nations tournament. On 15 March we held a NetSafe event at the Principality Stadium which was attended by 80 multi-agency professionals. Operation NetSafe has made Stop it Now! services far more visible in Wales; in the five months following the launch of NetSafe, 6,988 more people from Wales visited www.stopitnow.org.uk compared to the total of Welsh visitors to the site in the five months before the launch. We have also partnered with police in the East of England and Operation NetSafe launched across Norfolk, Suffolk, Cambridgeshire, Essex, Bedfordshire and Hertfordshire in May 2017.

In 2016/17 we have also been developing bespoke communications products for use in specific organisational settings. Working with a university and an NHS Clinical Commissioning Group we have been developing suites of products to get deterrence messages to their staff, students and service users. These campaigns will launch in 2017/18.

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2.6 Internet Offender Deterrence Services

We have continued to review and develop our suite of 'Inform' programmes which are evidenced based interventions for perpetrators and the families of those affected by harmful sexual behaviour. There are three Inform programmes, Inform, Inform Plus and Inform Young People.

2.6.1 Inform

Inform is an educative course for the partners or family members of people who have been charged in relation to viewing or downloading illegal images of children from the internet. Families are devastated by the arrest of a parent or child and are often left reeling at the potential consequences. It provides a 'safe place' where this year 102 partners or family members could start to understand the offending behaviour, to talk openly about the issues and gain support in protecting any child that may be at risk. This work is funded by The Emmanuel Kaye Foundation and some participant donations. This year 2016/17 we have run 5 group programmes (10 group programmes in 2015/16) with a total of 22 participants (45 participants in 2015/16). We delivered 17 individual programmes (17 programmes in 2015/16) and provided telephone support to 33 beneficiaries. Stop it Now! Scotland which receives a proportion of funding from our Inform grants, has delivered Inform sessions to a further 30 participants.

This is the feedback from one of the participants:

"I understand more and feel more informed and confident about internet offending, so I can pass on information and keep my family/ children/ offender safe from future offending."

2.6.2 Inform Plus

Inform Plus is an educative intervention for individuals who have been arrested, cautioned or convicted of internet offences involving indecent images of children. It can be either a group work or an individual programme which works with the participants to explore their offending behaviour and devise strategies for avoiding future internet offending. This year we have invested in revising and updating our programme materials and manuals.

Through our Internet services for offenders and our Inform Plus programmes we have provided a range of interventions to 277 men in 2016/17 (279 men in 2015/16) all of whom had been arrested, cautioned or convicted of internet offences involving indecent images of children. The programmes explore their offending behaviour and devise strategies for avoiding future internet offending.

Arrest for such offences can result in the person being removed from the family home and losing their job putting considerable financial strain on the family. Post arrest, the likelihood of suicide by the perpetrator is at its highest creating an additional anxiety for all the family as the offenders often view their future on the sex offenders' register as incredibly bleak. This program is mainly self-funding from participant fees but we do provide some subsidised places and we are grateful to HMG, The Paul Getty Foundation and Porticus UK for their support.

Feedback from the participants continues to be very positive and underlines the need at such a difficult

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2.6 Internet Offender Deterrence Services

2.6.2 Inform Plus (continued)

“This course exceeded my expectations and I would recommend it to anyone in this situation. I would happily pay more for this course if I had to because it’s been the most rewarding and enlightening aspect since my arrest.”

“This course was a huge support, both in terms of exploring why I offended and information on the criminal justice system. Fantastic.”

2.6.3 Computer monitoring software

Securus is computer software, available to men arrested for internet-related offences, which enables our specialist staff to monitor the data being viewed on the offenders’ computer or laptop. Knowing that what is being viewed online will be assessed by our staff, works as a deterrent against accessing illegal sites.

Currently we are monitoring 72 people (80 people in 2015/16) using the Securus software, a number which fluctuates during the year.

2.7 Working with Young People and their families

2.7.1 Inform Young People (YP)

Inform YP is for children and young people who have displayed problematic or risky sexual behaviour on the internet (such as ‘sexting’) or in the ‘real world’, to prevent an escalation or recurrence of that behaviour. This includes working with the parent or carer to provide them with the skills to support the young person.

This year we have worked with and helped 23 young people 2016/17 and their parents or carers compared to 33 in 2015/16. Although this is a considerable drop compared to the 33 young people we saw last year, our work with the families of young people with problematic behaviours has continued through the Helpline service and we are conscious of growing need for young people services. However rather than promoting our existing services in 2016/17 we have been working on developing new relevant effective programmes and seeking funding to progress this further.

Given the circumstances families find themselves in following the arrest of a loved one for accessing illegal images of children we do not envisage that these programmes will ever become entirely self-funding. It is important therefore that these valuable interventions are accessible to those who need it and do not become the preserve of those who have the ability to pay.

We are grateful to Dulverton Trust, Whitegates Children’s Trust and Porticus UK for their continued support.

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2.7 Working with Young People and their families

2.7.2 Internet Safety

Other work with young people included delivering Internet Safety sessions in schools reaching 511 children (1,092 in 2015/16) who learnt how to be safe online. We also delivered Internet Safety seminars to 122 adults (532 in 2015/16), up skilling them to keep their children safe online. We are thankful to Dulverton Trust and the schools who have all contributed to the cost of delivering these prevention sessions and supporting us in updating our materials.

2.8 Circles of Support and Accountability (CoSA)

CoSA help re-integrate convicted adult sex offenders safely into society, preventing the isolation that increases the risk of reoffending. A 'Circle' consists of a group of volunteers supported by professional staff, set up around a 'core member' who will have committed a sexual offence. They befriend the core member while holding him accountable for his actions and reporting any concerns to statutory organisations. There is strong evidence for the effectiveness of CoSA.

Our West Midlands CoSA project runs in collaboration with the National Probation Service who contributed 3 part time coordinators over 2016/17, (4 in 2015/16) and the Central England Quakers who contribute primarily in kind. Funding for the year came from Esmée Fairbairn.

We ran three Circles of Support and Accountability in 2015/16 this compares to an average of 5 Circles of Support and Accountability in 2015/16. Two groups ran in Redditch and one was in Birmingham. Using 17 volunteers we have worked with and impacted these three core members in the community to reduce their likelihood of reoffending.

2.9 Training and Consultancy

During the year we provided 161 training days to 2,980 (150 training days to 2,234 in 2015/16) participants, of which, 622 received Safer Recruitment training.

Attendees come from a variety of settings including education, Children's Services, local authorities, County Councils and fostering agencies. Our training aims to help professionals to better protect children in their care and we encourage them to share their learning with other professionals and parents. The Lucy Faithfull Foundation has a history of working very closely Child and Family Training over previous years. I am pleased that this year we have marked the publication of the revised guide on Working with Sexual Abuse which was edited by Hilary Eldridge the former Chief Executive of The Lucy Faithfull Foundation. This is part of a series of safeguarding intervention guides for professionals working with children.

We have continued to do some work with the Department of International Development (DFID) albeit at a reduced volume and have assisted Montserrat in interviewing and recruiting their new social services department. As yet we do not know what the commissioning arrangements will be for the coming year.

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2.10 Expert Assessments and Interventions

We work with the Family Court System, Local Authorities, Disclosure and Barring Service and others to provide expert Assessments and Interventions from our multi-disciplinary team. These assessments break down in the following way: 78% Social Services, 16% Legal Services, 6% for DBS and the others who were mainly self-funding. In 2016/17 the breakdown was as follows 75% Social Services, 16% Legal Services, 3% DBS and 6% other.

Throughout the year we undertook 27 (23 last year) legal assessments and 136 (106 last year) for local authorities.

We have seen an 8% growth in interventions, 57% were for Social Services and 25% were with young people for Rochdale Borough Council and 6 other authorities in the Greater Manchester area. Social Services and Rochdale interventions made up 94% of interventions in 2015/16.

2.11 Research and Development

We have been collaborating with OnlineProtect in the trialling of their Pathways Model for Internet Offending. This has involved facilitators of the Inform Plus group delivering a session on the Pathways Model, and facilitating the completion of psychometric tests at pre, post and follow-up. At the end of the financial year, the next phase of this research, which involves trialling the Pathways Model within individual Inform Plus courses, was commencing.

We have aided a number of Masters students in the completion of their dissertations. This has included research around professionals' views on the criminalisation and potential therapeutic application of child images, the impact of sex offender registry on family members of offenders, and approaches to the management and treatment of sexual thoughts or fantasies. We have also supported doctoral level research around internet offending and impulsivity.

We have also been working collaboratively with universities and other professionals. This has included our involvement in research with Coventry University and University of the Sunshine Coast around perceptions of, and engagement with, sexually-themed online content. We have been working with the National Crime Agency and an NHS mental health trust on research around suicide prevention. We are also a partner in research being led by the University of Edinburgh, and funded by the NSPCC, focusing on deterrence and online offending.

Members of staff have been involved in and attended meetings for the research reference group for the Centre of Expertise regarding child sexual exploitation. The Foundation continues to be involved in the centre, and has offered research related support to other professionals on the reference group.

Our published journal article, January 2017 in the Journal of Sexual Aggression on the Inform Plus course evaluation, focussed on the qualitative interviews with Inform Plus group members and non-offending partners and family members. The results suggested that internet offenders reported feeling better able to manage the thoughts, feelings and behaviours which may be related to their internet offending; to initiate self-driven change; to facilitate communication within and beyond the

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2.11 Research and Development (continued)

group setting; and to make accessible to the participants the possibility and goal of a desirable future away from offending. Non-offending partners and family members and other associated professionals independently validated these results.

The Get Support website for men troubled by their sexual thoughts and behaviour online, www.get-support.stopitnow.org.uk has now entered the testing and evaluation phase, this has been funded by Emmanuel Kaye Foundation.

2.11.1 Development of an international toolkit

We are just coming to the end of an Oak Foundation funded project to develop an international child sexual abuse prevention toolkit that can be used by a nation, area or region to develop a considered and credible strategy for the prevention of child sexual abuse. The toolkit aims to guide users through the process of creating a child sexual abuse prevention strategy and build a plan to prevent child sexual abuse based on their understanding of the place they are in and the particular problems children face. It includes guidance on understanding child sexual abuse and the process of thinking about child sexual abuse in their communities. Based on that understanding and an understanding of how abusers operate, it helps users consider what is known about prevention and helps them decide, with others, what a good plan for prevention might look like. It includes prevention strategy templates and examples. The biggest part of the toolkit is made up of example programmes and interventions from around the world, some 180 example interventions, which users can browse. In 2016/17 we piloted the use of the toolkit with two NGOs in Bulgaria and are now moving into the next phase of the project which, over the next three years, will see us help a further three countries develop child sexual abuse prevention plans.

2.12 Fundraising

In 2016 10 riders (15 last year) made up from staff, their relatives and friends and other supporters took part in the Prudential Ride, London to Surrey 100 mile cycle challenge. A huge thank you to our team for all their hard work in training and taking part on the day, and also for raising an impressive total of over £8,600 for us.

We would like to send our sincere thanks to Urban Bulldogs Against Kids Abuse (UK) for their donation of £419.50 and their on-going fundraising efforts.

2.13 Donations and grants

We are grateful to the governments of England and Scotland who continue to support our work despite their budget cuts. Unfortunately funding from the central Welsh government ended in March 2016. We would like to thank the charitable trusts who have supported us including: Whitegates Children's Trust, Porticus UK, Dulverton Trust, Esmée Fairbairn Foundation, Emmanuel Kaye Foundation, The Oak Foundation, Paul Getty Foundation, Charles Haywood and The Internet Watch Foundation.

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2.13 Donations and grants (continued)

We are appreciative of the valuable support from Google who continue to offer a grant to fund Google Ads that advertise the Foundation's services to a wide range of potential service users online.

In addition to this support, Google has also provided specific support in 2016-17 in the form of dedicated online interventions it serves to people making online searches that might indicate a sexual interest in children. These interventions encourage offenders to visit the Get Help section of our Stop it Now! website, and between 1 April 2016 and 31 March 2017 the website received 2,801 visits as a result of these interventions alone.

We are grateful to the private donors, including our service users, who have supported our work and we would like to thank everyone who has given money to further our aims in safeguarding children and preventing sexual abuse.

2.14 Significant positive and negative factors both within and outside the charity's control which have affected the achievement of its objectives

2.14.1 Staffing changes

We have had a number of significant staff changes this year, our Director of Research and Development, Donald Findlater left on 31 August 2016. Stop it Now! and the programmes LFF offer are a testament to his achievements. He has worked tirelessly nationally and internationally to further the understanding of child sexual abuse both in the academic and public arenas. We are delighted that he continues to work with us on a consultancy basis so his wealth of knowledge and experience is not lost to the Foundation.

Our Manager in Scotland Martin Henry who after a brief retirement at the end of the year and has now gone on to head up the Scottish Footballers Abuse Investigation. He has championed Stop it Now! in Scotland from the start and developed its services and materials and his expertise will be missed. We are however, delighted to welcome Stuart Allardyce, our new national manager who has a wealth of knowledge and experience in the prevention of child sexual abuse and is chair of Nota Scotland.

We have re-structured to better increase our managerial capacity, to provide greater oversight of operations and delivery of services to maximise our impact.

3. The future

Although this year we have seen significant financial challenges we continue to have a growth strategy particularly around increased training. The Board has positively determined invest in LFF despite the loss and use our reserves to deliver services. Over the coming year we will continue to invest in LFF with a view to raising funds so that we will be in a position to strengthen our reserves. This investment shows the confidence the Trustees have in LFF's ability to reverse its financial position. In order to achieve this we will be investing in sales and marketing of our training, assessments and interventions.

We are also looking to increase our work with young people, who are accessing illegal images online and are presently seeking funding for this. In addition we would like to build on our Deterrence

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Campaign which started in 2015 increasing the number of settings in which we run our communications campaign to deter the online viewing and sharing of sexual images of under 18s.

3.1 Future of Stop it Now! Wales

Stop it Now! Wales moved from a fully funded project supported by Welsh Government to a self-funding model in April 2016. This year the project continued to deliver services through some grant funded work and through a fee paying model. The project continues to secure bookings and deliver services across Wales and additional grant funding to support the work is being sought. We continue to receive excellent testimonials from beneficiaries and demand for our services remains strong. Over the next three years, alongside continued delivery of current services, we have ambitious plans to develop our work further. We have four main areas of focus: service delivery; service development; sharing of our knowledge and experience; and influencing policy development. Alongside continued delivery, we plan to further develop our one-to-one work with the most in need and marginalised families. We will also continue to work with the Welsh Assembly through the Cross Party Group on Preventing Child Sexual Abuse.

3.2 Future of Stop it Now! Scotland

Stop it Now! Scotland is due to pilot a Deterrence Campaign in Edinburgh, the Lothian and Borders. There are also discussions about expanding our work to young people and increasing our geographical reach to make our services more accessible to people in Scotland. We also hope to further develop our digital marketing and increase our presence in the media so more people are made aware that child sexual abuse is preventable and that everyone who comes into contact with children has a role in safeguarding them against abuse. We are presently seeking funding and in negotiation with partnership organisations.

4. Structure governance and management

4.1 Organisational Structure

The charity's Trustees are directors of the company for the purposes of charity law and under the company's Articles. The charity is run by a Board of Trustees which meets on a quarterly basis, and at such other times as considered necessary. The Board has a Governance, Finance and General Purposes Committee, which meets quarterly and at such other times as considered necessary and reports back to the Board.

There is a requirement for one third of Trustees to resign annually by rotation. At the last AGM Barry Coker our Honorary Treasurer retired. Mr Coker has been on the Board of Trustees since 1997 and has made a significant contribution to the Foundation, the Board and Governance, Finance & General Purposes Committee over the years and will be sorely missed.

In line with the procedure for rotation of one third of the Board annually and in accordance with the Articles and Memoranda Arnon Bentovim, Mel Nock and Jane Leach resigned and were re-elected.

The Board of Trustees seeks to ensure the needs of the groups listed in the objects of the charity are appropriately reflected through the diversity of professional experience within the Trustee body. This diversity also provides support regarding technical matters related to operating in a modern business

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environment. Potential Trustees are considered for appointment by the Governance, Finance and General Purposes Committee and recommendation for their appointment is put forward to the full Trustee Board.

Our Trustees have examined the learning from The Kids Company failures, have reviewed our Board membership and governance and are confident that the present arrangements are suitable.

In terms of full time equivalent numbers staffing levels are unchanged year on year at 48. These are made up of 46 full time and part time staff in 2016/17 compared to 50 in 2015/16 and 58 sessional staff working across the organisation (44 last year). In addition 31 volunteers work in Circles of Support and Accountability, the international toolkit and Stop it Now! Wales (48 last year).

Staff receive supervision, training and support related to their differing personal needs and arising out of the nature of the tasks and advice provided by the charity.

Our staff and volunteers are our primary asset and the Trustees wish to thank them for their commitment and contribution to our success in 2016/17.

4.2 How the charity makes decisions

The day to day management of LFF is delegated to the Chief Executive and the senior management team. It is the responsibility of the Chief Executive to implement the policy and strategy adopted by and within a budget approved by the Trustees. The Chief Executive reports regularly to the Trustees on the activities undertaken in managing LFF and provides them with regular management accounts sufficient to explain the financial position of LFF.

The Board of Trustees reviews and assesses the risks facing the charity on an on-going basis. A Risk Register identifying strategic risks, operational risks and opportunities is regularly reviewed.

Regular meetings involving the Governance, Finance and General Purposes Committee and also the senior management team identify new areas of risk and consider these in relation to the organisation's activities. The teams review the projects regularly with particular attention to risk management. Awareness of the possible impact of risks on the charity enables the Board to take all reasonable steps to minimise or remove risk and have appropriate controls in place.

LFF's risk management register was last updated and approved by the Trustees on [9th June 2017](#). LFF's risk register is a working document and is reviewed regularly to ensure that we as an organisation maximise opportunities and manage risks within a changing environment and aim for diversification of funding sources to support the activities. Quarterly reports are provided to Trustees showing the progress of longer term contract/grant funded projects, grant applications in process and the progress of spot purchases and short term contract activity.

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety and for promoting and safeguarding the welfare of children and adults. This year we will continue to review and update our policies and procedures.

4.3 The policies and procedures for the induction and training of Trustees

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The Trustees induction enables any new Trustees to become familiar with their obligations and with operational matters in respect of the work of the charity, including the accounting framework and future plans and objectives. The Board recognises the importance of Trustees undertaking on-going development as needed.

4.4 Arrangements for setting pay and remuneration of the charity's key management personnel and any benchmarks

Terms and conditions of employment are reviewed annually by the General Finance and General Purpose Committee and recommendations are made to the Board.

4.5 Affiliation with an umbrella group

Through our delivery of Circles of Support and Accountability we are affiliated with Circles UK who we helped to establish as the umbrella group bringing together all those delivering this service. Circles UK have developed a Code of Practice to promote consistency and standards.

We were recently audited against the 42 criteria set out in the Code of Practice by Circles UK and achieved a score of 90% demonstrating our compliance.

Our membership entitles us to use the Circles of Support and Accountability branding and we provide data to them every six months. Circles UK use this data to inform research and development of Circles of Support and Accountability in the UK and abroad.

In order to be a member we pay a subscription charge of £175 per annum and attend regular strategic and operational meetings.

5. Exemptions from disclosure

There has been no omission of Trustee or senior staff members' details.

6. Funds held as custodian Trustee on behalf of others

No Trustee is acting as custodian Trustee.

7. Financial review

7.1. Income and expenditure – Current year

During 2016/17 our unrestricted reserves reduced by £169,849 to £785,427 (2016: increased by £52,968 to £955,276). We utilised our unrestricted reserves to maintain services, develop staff skills and invest in fundraising and other strategic developments.

7.1. Income and expenditure – Current year

At the same time our restricted reserves reduced by £138,687 to £377,945 (2016: increased by £73,994 to £516,632) as we progressed and completed a number of programmes for which grant support had been secured in prior years.

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The budget for 2016/17 had been set to achieve a modest surplus of £32,000 (2016: *breakeven*). The significant variance with budget is attributable to these key factors:

- The difficulty in finding the right individual to drive the development of our training and consultancy work delayed the implementation of plans for growth but these are now underway.
- Anticipated grant funding to continue our work with low risk internet offenders did not come through. This resulted in less work for our sessional staff resource, though our permanent staff was redeployed to other services.
- A self-funding model for our Stop it Now! training and awareness raising activity in Wales was challenging to develop due to the financial constraints of organisations we work with in Wales who had previously been able to access our courses at no cost. Fee paying bookings and grants for our services only started coming through in sufficient volume to sustain the service, in the second half of the year, following considerable efforts with fundraising and marketing.
- Last minute cancellations and postponements of Assessments and Intervention work continued at high levels this year, resulting in lower sales than we needed to achieve our budgeted income and overhead recovery.

7.1.1 Restricted income & costs

Restricted income decreased by 29% to £948,844 (2016: £1,339,429).

The main factors giving rise to the income fall, relate to the grant reduction year on year from the Welsh and Scottish Governments and the fact that the Get Help Website amortisation funding was all received last year.

The end of core grants support by the Welsh Government for the Stop It Now! activity in Wales, accounts for £121,972 of the decrease in income and the Scottish Government grant income was down by £123,483. However the latter is not a reflection of support for the work in Scotland. Activity levels in Scotland, reflected in resources expended, increased by 44% with 2 new staff joining the team to deliver the Survivor Scotland projects, funded from the grants totalling £128,230 that were secured in 2015/16.

A grant from the Greater Manchester Police and Crime Commissioner of £119,000 was received towards the end of the year to develop a range of sexual crime prevention activities in 2017 and 2018.

7.1.2 Unrestricted income & costs

The Foundation's unrestricted charitable income has declined over the last year by 14% to £1,111,573 (2016: £1,288,246)

7.1. Income and expenditure – Current year

The most significant variance is in the work for DFID and the FCO, relating to the overseas territories. This made up £258,821 of last year's income but it is only £14,507 in this financial year.

7.1.2 Unrestricted income & costs (continued)

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The reduction in work from DFID and the FCO had been anticipated and adjusting our costs, with the flexibility provided through our sessional staff resource, helped mitigate the impact on the bottom line. The hoped for development of other training and consultancy work has been slow to come through and this income declined by 8% this year to £185,241 (2016: £202,730).

Although we have seen increases in demand for our Assessments and Intervention work with income levels up 10% to £638,288 (2016: £575,871), the squeeze on margins by the Legal Aid Agency together with the unpredictable and fluctuating demand from referrers has resulted in relatively higher assessment costs and a minimal increase in surpluses from this work.

Participant fees have fallen by £10,580 to £229,164 (2016: £239,744). 83% of these fees come from the Inform Plus course participants and the fall in revenue reflects the financial difficulty faced by many of the people we work with, putting added pressure on our need for charitable trust funding to subsidise places.

Sundry Income totals £35,697 (2016: £4065) It includes recognition of income from Insurers of £12,703 that offsets costs, as well as the release of provisions for potential liabilities, held in prior years, that are no longer needed.

7.2. Income and expenditure – Next year

7.2.1 Restricted Income

We are holding £377,945 of restricted reserves. £89,780 of the grant for Tackling Child Sexual Exploitation is being held to offset the amortisation costs of the Get Help website and films in 2017/18 and £4,832 of the Scottish Government funding is being held to cover the future year's depreciation on the telephone and photocopier equipment purchased for the Edinburgh office.

£104,008 of the £119,000 grant received from the Greater Manchester Police and Crime Commissioner in March 2017 is held in reserves to deliver the "Accord" Project. This is a multidisciplinary initiative incorporating partners from KPMG, the Manchester Metropolitan University, The University of Central Lancashire, The Change Project and iThree. The Foundations role in the project is to ensure that a prevention philosophy is adopted and influences all elements of the project itself.

The remaining £179,325 is to cover a mix of service costs in 2017/18 as set out in Note 19 to the Financial Statements.

HMG continues to fund the Helpline at a rate of £18,061 per month and £49,500 is due from the Internet Watch Foundation, supported by the Internet Service providers, being year 4 of a 4 year grant commitment to the Helpline service.

7.2. Income and expenditure – Next year

7.2.1 Restricted Income (continued)

The Scottish Government core funding of £90,000 per year is agreed for 2017/18 and 2018/19. In addition they have made an interim £15,000 grant for project work pending the application process

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For the Survivor Scotland fund being completed. Stop It Now! Scotland have also received a £20,000 donation in April 2017 from an anonymous donor as well as £5,000 grant funding from Christina Mary Hendrie Foundation for work with young people.

Conwy Borough Council have committed £5,000 to continue our Parents Protect work in North Wales in Quarter 1 and 2 of 2017/18 with discussions in progress to extend to the end of the year.

Charles Haywood has awarded us £30,000, split evenly over the next two years to support work with young people and the Emmanuel Kaye Foundation have set aside £5,000 for 2017/18 to provide on-going support for the new Get Support website which they funded over the last two years.

The Dulverton Trust committed to support Stop It Now! activities for two years and the 2nd year payment of £30,000 is due in June 2017.

The Oak Foundation remain committed to developing the work started with the International Tool Kit and a new 3 year grant is in discussion.

We continue to work closely with our existing grant funders and project discussions and new applications are in the pipeline.

7.2.2 Unrestricted Income

The potential to develop our Training and Consultation work has been identified, with opportunities to significantly grow our Safer Recruitment Training as well as other Professionals Training. This remains one of the key objectives in the Foundation's three year Strategy. Marketing activity is now in progress and with a Training Manager in post from 1st May 2017, plans for growth are now realistic.

This year has seen a modest increase in referrals for Assessments and Interventions. We aim to continue to build on this with targeted marketing of our services in areas where we have permanent staff capacity and or sessional staff resource.

The appointment of the External Relations and Fundraising Manager at the end of June 2016 has enabled us to increase our fundraising activity. With the assistance of Trustees, we have been able to identify potential charitable trust funders as well as major donors and we are optimistic about the opportunities to grow our unrestricted income.

We have gained new supporter groups over the last year including UBAKA Biker Club (Urban Bulldogs Against Kids Abuse) and the Freemason's Domatic Lodge. Both groups have enthusiastically embraced our holistic approach to stopping child sexual abuse and are committed to help raise awareness as well as fundraising. Donations from our supporters in the first three months of 2017/18 is just under £20,000.

7.2. Income and expenditure – Next year

7.2.2 Unrestricted Income (continued)

In addition we are working with Alpha Financial Markets Consulting as their nominated Charity of the Year for 2017. They are committed to providing us with their expertise to create a much needed new

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Helpline database that will streamline processes and enable expansion cost effectively. Although Alpha plans some fundraising the added value of their commitment will be in the free consultancy, which extends beyond the Helpline database into a number of other areas including staff communications.

All our services are subject to on-going reviews, focusing on improving service delivery and identifying cost efficiencies where possible. We continue to encourage participant contributions and the level of the fees and the availability of the service is regularly reviewed, scaled back or increased, depending on the funding mix we can secure.

The aim is to achieve sustainability for the Foundation by ensuring that each service and project has sufficient funding to achieve full cost recovery within a reasonable timeframe.

Given the above, the Trustees are confident that it is appropriate to prepare the financial statements on a going concern basis.

7.3 Reserves policy reflecting principal risks

The Trustees keep the reserves under regular review. The reserves policy is to achieve unrestricted and undesignated funds which equate to six months' of total expenditure plus allowance for other risks, commitments and obligations. The unamortised and undepreciated value of capitalised expenditure in fixed assets is reviewed annually and provided for in restricted and designated funds.

This policy results from the Trustees' review of risk in light of the following issues:

- ***The short term nature of grants***
LFF has a high investment in retaining its staff whose specialist skills are vital to our future. We need time to secure replacement activities, retrain staff where necessary and switch staff into new areas of work.
- ***The variable nature of grants and the uncertainty of timing of renewal***
It is often the case that we are not told whether some grants will be renewed until the previous year's grant has come to an end. In addition, there can be a significant time lag between projects starting and the funding being finalised and received, so we need to be able to fund our work in the interim period.
- ***The Impact of fluctuations in demand for services and Government grant support***
We need to be able to retain staff during periods when the demand for services slows as a consequence of funding constraints and utilise them on unfunded and or underfunded activities to ensure we maintain the skill base that is essential for the Foundation's future.

7.3 Reserves policy reflecting principal risks (continued)

- ***Grant payment cash flow***
We have to be able to fund the costs of grant funded projects for up to 4 months before payments are received when grant funders require payment by results and or pay quarterly in arrears.

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- ***Challenges to fee levels***

We continue to experience challenges from the Legal Aid Agency (LAA) in respect of expert witness hours, fees and expenses. This requires us to fund the cost of challenging decisions and to fund the delays caused in the interim by the need for LAA approval ahead of work being undertaken.

- ***Flexibility, security and planning opportunities***

We wish to be able to respond to new developments where necessary and need sufficient reserves to be able to develop programmes and retrain staff.

At the end of 2016/17, we have general free undesignated reserves of £755,925 which is 60% of the target level (2016: 70% of target). In spite of the fall in actual reserves against target, the Trustees still consider that the current reserves level is sufficient to ensure that charitable activities can be sustained through short term dips and breaks in funding, and provision is made to fully meet all staff obligations in the event of long term changes.

7.4 Treasury policy

Funds are held in cash and fixed term deposits, access to which reflects our operational needs and the interest rates obtainable. We maximise interest earned whilst minimising the risk and staying fluid enough to meet any eventualities, as authorised by GF & GPC.

7.5 Related party transactions

There were some related party transactions in the year ended 31 March 2017. Details are included in note 25 to these financial statements.

8. Statement of Trustees' responsibilities

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

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

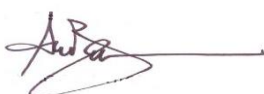
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Trustees of the company at the date of approval of this report is aware there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Crowe Clark Whitehill LLP are the auditors for the Foundation and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. In preparing this report, the trustees have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

The Trustees' Report was approved by the Board of Trustees on 4th September 2017 and signed on its behalf by:



Dr Arnon Bentovim MB BS FRC Psych FRCPCH DPM - Chairman

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Independent Auditor's Report to the Members of The Lucy Faithfull Foundation

We have audited the financial statements of The Lucy Faithfull Foundation for the year ended 31 March 2017 set out on pages 31 to 51.

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 Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditor

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as Auditor under section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 charitable 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.

Independent Auditor's Report to the Members of The Lucy Faithfull Foundation (continued)

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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Guy Biggin

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date: 12 September 2017

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE LUCY FAITHFULL FOUNDATION

Statement of Financial Activities

(Incorporating an Income and Expenditure Account)
for the year ended 31 March 2017

		Unrestricted funds	Restricted funds	Total funds 2017	Unrestrict ed funds	Restricted funds	Total funds 2016
		£	£	£	£	£	£
Income from:							
Donations & Legacies	2	166,497	-	166,497	169,071	-	169,071
Charitable Activities	5	1,111,573	948,844	2,060,417	1,288,246	1,339,429	2,627,675
Investments	3	6,494	-	6,494	4,600	-	4,600
Total Income		1,284,564	948,844	2,233,408	1,461,917	1,339,429	2,801,346
Expenditure on:							
Raising funds	4	26,463	-	26,463	7,820	-	7,820
Charitable Activities	6	1,427,950	1,087,531	2,515,481	1,402,629	1,265,435	2,668,064
Total Expenditure		1,454,413	1,087,531	2,541,944	1,410,449	1,265,435	2,675,884
Net Income (Expenditure)	8	(169,849)	(138,687)	(308,536)	51,468	73,994	125,462
Other gains and losses on disposal of fixed assets		-	-	-	1,500	-	1,500
Net Movement in funds		(169,849)	(138,687)	(308,536)	52,968	73,994	126,962
Reconciliation of funds							
Total funds brought forward		955,276	516,632	1,471,908	902,308	442,638	1,344,946
Total funds carried forward	18,19	785,427	377,945	1,163,372	955,276	516,632	1,471,908

All amounts relate to the continuing activities.

The notes on pages 34 to 51 form part of these financial statements.

THE LUCY FAITHFULL FOUNDATION


Balance Sheet as at 31 March 2017

Registered number: 02729957

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	11	89,780	179,560
Tangible assets	12	33,795	34,031
Investments	13	100	400,100
		<u>123,675</u>	<u>613,691</u>
Current assets			
Debtors	15	409,712	329,294
Cash at bank and in hand	16	877,570	816,743
		<u>1,287,282</u>	<u>1,146,037</u>
Creditors:			
Amounts falling due within one year	17	247,585	(287,820)
		<u>1,039,697</u>	<u>858,217</u>
Net current assets		<u>1,039,697</u>	<u>858,217</u>
Net assets		<u><u>1,163,372</u></u>	<u><u>1,471,908</u></u>
Funds			
Unrestricted funds	18	785,427	955,276
Restricted funds	19	377,945	516,632
Total funds	18,19	<u><u>1,163,372</u></u>	<u><u>1,471,908</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were authorised for issue and approved by the Trustees on 4th September 2017 and signed on their behalf by:



Dr Arnon Bentovim MB BS FRC Psych FRCPCD DPM
Chairman

The notes on pages 34 to 51 form part of these financial statements.

THE LUCY FAITHFULL FOUNDATION

Statement of Cash flows
For the year ended 31 March 2017

	Note	2017 £	2016 £
Cash flows from operating activities:			
Net cash provided by operating activities	26	(332,052)	475,981
Cash flows from investing activities:			
Interest received	3	6,494	4,600
Release from fixed term deposit	13	400,000	
Investment in fixed term deposit	13		(400,000)
Purchase of intangible fixed assets	11	-	(269,340)
Purchase of tangible fixed assets	12	(13,615)	(44,060)
		<hr/>	<hr/>
Net cash allocated to investing activities		392,879	(708,800)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		60,827	(232,819)
Cash and cash equivalents at the beginning of the reporting period		816,743	1,049,562
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period	16	877,570	816,743
		<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements For the year ended 31 March 2017

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice 2015 applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006] and UK Generally Accepted Practice as it applies from 1 January 2015.

Lucy Faithful Foundation 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 note(s).

Under section 405 of the Companies Act 2006, consolidated accounts have not been prepared as the inclusion of the dormant subsidiaries is not material for the purpose of giving a true and fair view. Therefore the financial statements present information on the parent entity as an individual undertaking only.

(b) Company Information

The charity is a company limited by guarantee (company no. 02729957) and a registered charity in England and Wales (charity no. 1013025), and in Scotland (Scottish registered charity no. SC039888), which is incorporated and domiciled in the UK. The address of the registered office is Bordesley Hall, The Holloway, Alvechurch, Birmingham B48 7QA.

(c) Going concern

The Trustees have determined that there are no material uncertainties over the charitable company's ability to continue as a going concern. The charity produces annual budgets and forecasts which take into account expected changes in the funding streams and which demonstrate that the charity will be able to continue to operate. As described in section 7.2 of the Trustees' Report, the charity has secured funding in the form of a number of government grants and contracts as well as funds from charitable trusts for 2017/18. Due to this secured funding the Trustees have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. On this basis, the Trustees consider it appropriate to continue to prepare the financial statements on the going concern basis.

(d) Financial Instruments

The charity 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

Investments, held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

Notes to the financial statements For the year ended 31 March 2017

1. Accounting policies (continued)

(e) Fund accounting

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the objects of the charity.

Designated funds comprise general funds, which have been set aside at the discretion of the Trustees for specific purposes.

Restricted funds are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes. The aim and use of the restricted funds are set out in the notes to the financial statements.

(f) Income

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grant income is recognised when the related provisions for the grant have been met. Donations are recognised when the charity is legally entitled to the income and the amount can be quantified with reasonable certainty.

When funding has been specified by the funder as being for a future period, or the charity has not yet demonstrated entitlement to the income, then the income is deferred.

Where material, donated facilities and services or gifts-in-kind are recognised in the SOFA at market value.

The charity recognises residuary legacies once probate has been granted which therefore requires an estimation of the amount receivable.

Work in progress at the year end is accrued for and valued based on detailed timesheets indicating the level of work completed.

All other income is accounted for on an accruals basis.

(g) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the acquisition, the proportion of staff time spent, or as a % of the total direct expenditure on each type of activity.

Dilapidation provision – The charity has provided for its possible liability in relation to its leasehold property which has been estimated as disclosed in note 22

Governance costs comprise of constitutional and statutory requirements incurred in the general running of the charitable company.

Ex gratia payments are made in line with the terms of settlement agreements and accrued for at the point of commitment when the amount of the payment can be reliably measured.

Notes to the financial statements For the year ended 31 March 2017

1. Accounting policies (continued)

(h) Intangible fixed assets

Identifiable non-monetary asset (in excess of £1,000) without physical substance are valued at a realistic replacement cost and amortised over the expected useful economic life as follows:

Website and films	33.33% straight line
-------------------	----------------------

Amortisation is included within charitable activities.

(i) Tangible fixed assets

Tangible fixed assets are depreciated at rates calculated to write off the cost on a straight line basis over the expected useful economic lives of the assets as follows:

Motor vehicles	25% straight line
Office equipment	20% straight line
Computer equipment	33.33% straight line
Furniture and fittings	20% straight line
Office Refurbishment	25% straight line

The charity has a policy of capitalising fixed assets where expenditure on such assets is in excess of £1,000. The amounts capitalised are net of recoverable VAT.

(j) Operating leases

Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are recognised in the SOFA over the period of the lease.

(k) Investments

Fixed asset investments are stated at market value at the balance sheet date. Investments in subsidiaries are valued at cost less provision for impairment.

(l) Recognition of liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the company to the obligation

(m) Taxation

The company is a registered charity, and as such is entitled to tax exemptions on all its income and gains properly applied for its charitable purposes.

(n) Volunteers

The contribution of volunteers is not valued in the accounts. Most of our volunteers work on the Circles of Support and Accountability project, where their local community base is core to the running of successful circles. In addition we benefit from a few volunteers who supplement our staffing resource with specialist clinical skills or administrative support.

(o) Pensions

With effect from May 2014 the charity automatically enrolls all qualifying new employees into the NEST contributory pension scheme. Employer contributions are accounted for when they fall due. Pension cost are apportioned to projects and services based on the allocation of staff time between activities. The costs are split between restricted and unrestricted in line with the related income and funding for the activity.

**Notes to the financial statements
For the year ended 31 March 2017**

1. Accounting policies (continued)

(p) Software

The cost of new software is fully written off in the period incurred. Support and maintenance costs are recognised in the period to which they relate.

(q) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described above, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and

Liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below (as applicable):

- Residuary legacies – The charity recognises residuary legacies once probate has been granted which therefore requires an estimation of the amount receivable.
- Dilapidation provision – The charity has provided for its possible liability in relation to its leasehold property which has been estimated as disclosed in note 22.
- Intangible assets – The charity estimates the value of the non-physical assets based on their original and cost and replacement cost.
- Depreciation and amortisation – The charity depreciates and amortises its assets at rates calculated to write off the cost on a straight line basis over the expected useful economic lives.

2. Income from Donations and Legacies

	2017			2016		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
Donations	31,540	-	31,540	30,631	-	30,631
Gift in Kind	121,216	-	121,216	111,641	-	111,641
Inform Participant Donations	970	-	970	3,905	-	3,905
Fundraising events	8,681	-	8,681	12,894	-	12,894
Legacy	4,090	-	4,090	10,000	-	10,000
Total Income from Donations & Legacies	166,497	-	166,497	169,071	-	169,071

THE LUCY FAITHFULL FOUNDATION

**Notes to the financial statements
For the year ended 31 March 2017**

2. Income from Donations and Legacies (continued)

Gifts in Kind represents the value of Google advertising provided at no charge for the Stop It Now! and Parent Protect websites. The prior year comparatives have been adjusted to include both websites. Previously only the Stop It Now! website advertising had been valued. Unrestricted expenditure on charitable activities includes the value of £121,216 for advertising. (2016: £111,641, previously recorded as £35,965 as one of the websites omitted in prior year)

3. Income from Investments

	2017			2016		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
Bank interest from monies on deposit	6,494	-	6,494	4,600	-	4,600

4. Expenditure on Raising Funds

	2017			2016		
	Staff Costs	Support Costs	Total Costs	Staff Costs	Support Costs	Total Costs
	£	£	£	£	£	£
Fundraising costs	14,397	12,066	26,463	1,364	6,456	7,820

THE LUCY FAITHFULL FOUNDATION

Notes to the financial statements
For the year ended 31 March 2017

5. Income from Charitable Activities

	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Unrestrict ed funds £	Restricted funds £	Total funds 2016 £
Government funding for:						
Stop It Now Helpline		296,727	296,727	-	256,727	256,727
Tackling child sexual exploitation		224,000	224,000	-	609,000	609,000
Stop it Now! Campaign Scotland		94,747	94,747	-	218,230	218,230
Stop it Now! Campaign Wales		15,000	15,000	-	131,972	131,972
Consultancy to developing prevention philosophies for Greater Manchester Police and Crime Commissioner		119,000	119,000			
Training & Consultancy in the overseas territories funded by Department for International Development	14,507		14,507	158,580	-	158,580
Other Training & Consultancy for the Foreign and Commonwealth Office	-		-	100,241	-	100,241
	14,507	749,474	763,981	258,821	1,215,929	1,474,750
Charitable Trust Grant funding for:						
Stop It Now Helpline		49,500	49,500	-	74,500	74,500
Stop It Now International Tool kit		20,870	20,870	-	-	-
Stop It Now Prevention activities		35,000	35,000	-	-	-
Inform and Inform for Young People and Inform Plus		89,000	89,000	-	31,000	31,000
Research & development		5,000	5,000	-	18,000	18,000
	-	199,370	199,370	-	123,500	123,500
Other Income generated from:						
Training & Consultancy activities for local authorities, statutory agencies and other organisations	185,241		185,241	202,730	-	202,730
Assessments & Intervention for the Family Court, Local Authorities, DBS, Faith Groups & Individuals	638,288		638,288	575,871	-	575,871
Participant fees for Securus, Inform, Inform Plus, Inform for Young People and Other Intervention	229,164		229,164	239,744	-	239,744
Contribution from Schools for work with parents and students	8,676		8,676	7,015	-	7,015
Sundry Income	35,697		35,697	4,065	-	4,065
	1,097,066	-	1,097,066	1,029,425	-	1,029,425
Total Income from Charitable activities	1,111,573	948,844	2,060,417	1,288,246	1,339,429	2,627,675

**Notes to the financial statements
For the year ended 31 March 2017**

6. Expenditure on Charitable Activities

2017

	Unrestricted Expenditure			Restricted Expenditure			Total Expenditure 2016/17		
	Staff Costs	Other Costs	Total Costs	Staff Costs	Other Costs	Total Costs	Staff Costs	Other Costs	Total Costs
	£	£		£	£		£	£	£
Stop It Now! Prevention activities	43,480	145,233	188,713	103,853	160,743	264,596	147,333	305,976	453,309
Stop It Now Wales	35,025	10,432	45,457	17,491	5,209	22,700	52,516	15,641	68,157
Stop It Now Scotland	21,005	3,812	24,816	189,053	34,306	223,359	210,058	38,118	248,176
Stop It Now Helpline	14,717	3,611	18,328	267,561	65,652	333,213	282,278	69,263	351,541
Internet Offender Deterrence Services	181,812	60,967	242,780	82,668	25,504	108,172	264,480	86,471	350,951
Young People and their families	6,843	2,256	9,099	10,667	3,516	14,183	17,510	5,772	23,282
Circles	1,244	321	1,565	25,629	6,606	32,235	26,873	6,927	33,800
Training & Consultancy	136,784	66,897	203,681	4,522	10,470	14,992	141,306	77,367	218,673
Assessments & Intervention	504,497	128,688	633,185	-	-	-	504,497	128,688	633,185
Research & Development	38,725	21,601	60,326	34,681	39,400	74,081	73,406	61,001	134,407
	984,132	443,818	1,427,950	736,125	351,406	1,087,531	1,720,257	795,224	2,515,481

**Notes to the financial statements
For the year ended 31 March 2017**

6. Expenditure on Charitable Activities (continued)

2016

	<i>Unrestricted Expenditure</i>			<i>Restricted Expenditure</i>			<i>Total Expenditure 2015/16</i>		
	<i>Staff Costs</i>	<i>Other Costs</i>	<i>Total Costs</i>	<i>Staff Costs</i>	<i>Other Costs</i>	<i>Total Costs</i>	<i>Staff Costs</i>	<i>Other Costs</i>	<i>Total Costs</i>
	£	£		£	£		£	£	£
Stop It Now! Prevention activities	26,402	126,005	152,407	87,888	149,999	237,887	114,290	275,804	390,094
Stop It Now Wales	5,386	2,877	8,263	89,935	48,046	137,981	95,321	50,923	146,244
Stop It Now Scotland	2,686	550	3,236	128,996	26,415	155,411	131,682	26,965	158,647
Stop It Now Helpline	16,278	4,740	21,018	261,037	75,998	337,035	277,315	80,738	358,053
Internet Offender Deterrence Services	167,727	59,947	227,674	147,970	83,344	231,314	315,697	143,291	458,988
Working with Young People and their families	13,766	5,195	18,961	27,294	10,064	37,358	41,060	15,259	56,319
Circles	-	-	-	30,751	17,786	48,537	30,751	17,786	48,537
Training & Consultancy	277,414	139,239	416,653	-	-	-	277,414	139,239	416,653
Assessments & Intervention	410,348	124,424	534,772	-	-	-	410,348	124,424	534,772
Research & Development	7,065	12,780	19,845	53,940	25,972	79,912	61,005	38,752	99,757
	<u>927,072</u>	<u>475,757</u>	<u>1,402,829</u>	<u>827,811</u>	<u>437,624</u>	<u>1,265,435</u>	<u>1,754,883</u>	<u>913,181</u>	<u>2,668,264</u>

**Notes to the financial statements
For the year ended 31 March 2017**

7. Support costs	Finance	IT	HR	Total
2017	£	£	£	£
Stop it Now! Prevention activities	23,028	11,527	5,047	39,602
Stop it Now! Wales	3,143	1,574	689	5,406
Stop it Now! Scotland	11,446	5,730	2,508	19,684
Stop it Now! Helpline	16,214	8,116	3,553	27,883
Internet Offender Deterrence Services	16,187	8,103	3,547	27,837
Young People and their families	1,074	538	235	1,847
Circles	1,559	781	342	2,2
Training & Consultancy	19,722	9,872	4,322	33,916
Assessments & Intervention	56,568	28,317	12,397	97,282
Research & Development	6,199	3,103	1,359	10,661
Fundraising	<u>1,220</u>	<u>611</u>	<u>267</u>	<u>2,098</u>
	<u>156,360</u>	<u>78,272</u>	<u>34,266</u>	<u>268,898</u>
 <i>2016</i>				
<i>Stop it Now! Prevention activities</i>	<i>24,694</i>	<i>12,347</i>	<i>5,402</i>	<i>42,443</i>
<i>Stop it Now! Wales</i>	<i>4,254</i>	<i>2,127</i>	<i>931</i>	<i>7,312</i>
<i>Stop it Now! Scotland</i>	<i>4,615</i>	<i>2,308</i>	<i>1,010</i>	<i>7,933</i>
<i>Stop it Now! Helpline</i>	<i>10,416</i>	<i>5,208</i>	<i>2,279</i>	<i>17,903</i>
<i>Internet Offender Deterrence Services</i>	<i>36,552</i>	<i>18,276</i>	<i>7,996</i>	<i>62,824</i>
<i>Young People and their families</i>	<i>1,638</i>	<i>819</i>	<i>358</i>	<i>2,815</i>
<i>Circles</i>	<i>1,412</i>	<i>706</i>	<i>309</i>	<i>2,427</i>
<i>Training & Consultancy</i>	<i>29,306</i>	<i>14,653</i>	<i>6,411</i>	<i>50,370</i>
<i>Assessments & Intervention</i>	<i>37,614</i>	<i>18,807</i>	<i>8,228</i>	<i>64,649</i>
<i>Research & Development</i>				
	<u>2,887</u>	<u>1,444</u>	<u>632</u>	<u>4,963</u>
	<u>153,388</u>	<u>76,695</u>	<u>33,556</u>	<u>263,639</u>

THE LUCY FAITHFULL FOUNDATION

**Notes to the financial statements
For the year ended 31 March 2017**

	Staff costs £	Support costs £	2017 Total £	2016 Total £
8. Net income is stated after charging:				
Governance costs:				
Auditor's remuneration:				
Fees payable to the auditor for the audit of the annual financial statements	-	18,166	18,166	18,176
Fees payable to the auditor in respect of tax advisory services	-	498	498	2,730
Independent review of implementation of policies and procedures	-	-	-	51,475
Trustees' expenses/meetings	-	8,595	8,595	7,163
Company secretarial	5,993	-	5,993	5,800
Apportionment of management time	20,970	-	20,970	18,767
	<u>26,963</u>	<u>27,259</u>	<u>54,222</u>	<u>104,111</u>
Amortisation costs			89,780	89,780
Depreciation costs			13,851	10,029
Operating lease payments			81,450	81,772

9. Staff	2017 Full time equivalent No.	2016 Full time equivalent No.
The average weekly number of persons employed by the group during the year was:		
Charitable activities	47	47
Governance	1	1
	<u>48</u>	<u>48</u>

The average headcount for 2017 is 106 (2016: 94).

	2017 £	2016 £
Staff costs for the group comprised:		
Wages and salaries	1,556,645	1,572,608
Social security costs	143,008	141,377
Healthcare	3,734	4,251
Pension costs	<u>31,267</u>	<u>38,011</u>
	<u>1,734,654</u>	<u>1,756,247</u>

THE LUCY FAITHFULL FOUNDATION

Notes to the financial statements For the year ended 31 March 2017

9. Staff (continued)

One employee earned between £70,000 - £80,000 including contributions payable into a pension scheme of £7,000. (2016: No employee earned more than £60,000)

The key management personnel of the charity during the year comprise the Trustees, Chief Executive, Director of Operations, Director of Finance and the Director of Stop It Now! and Research & Development who left at the end of August 2016. The total employee benefits of the key management personnel of the charity were £223,546 (2016 - £272,951).

Ex gratia payments for 2 staff totalling £21,493 were paid during the year in line with the terms of settlement agreements drawn up in consultation with Trustees, our solicitors and or our Insurers. (2016: £9,000)

10. Trustees

No trustees received remuneration in the year. (2016: One trustees received remuneration of £23,685 for consultancy work on the Stop It Now Wales! Project)

Reimbursed expenses incurred in the year on behalf of 5 trustees were £2,011 (2016: £3,645 for 5 trustees). These expenses relate to travel and subsistence.

11. Intangible fixed assets

	Internally Developed Website & Films
Cost	£
At 1 April 2016	269,340
At 31 March 2017	269,340
Amortisation	
At 1 April 2016	89,780
Charge for the year	89,780
At 31 March 2017	179,560
Net book value	
At 31 March 2016	179,560
At 31 March 2017	89,780

**Notes to the financial statements
For the year ended 31 March 2017**

12. Tangible fixed assets

	Office & Computer equipment £	Refurbishment & Furniture & fittings £	Total £
Cost			
<i>At 1 April 2015</i>	52,362	28,460	80,822
Additions	13,615	-	13,615
	<hr/>	<hr/>	<hr/>
At 31 March 2017	65,977	28,460	94,437
	<hr/>	<hr/>	<hr/>
Depreciation			
<i>At 1 April 2016</i>	36,585	10,206	46,791
Charge for the year	7,767	6,084	13,851
	<hr/>	<hr/>	<hr/>
At 31 March 2017	44,352	16,290	60,642
	<hr/>	<hr/>	<hr/>
Net book values			
<i>At 31 March 2016</i>	15,777	18,254	34,031
At 31 March 2017	21,625	12,170	33,795

13. Investments

	2017 £	2016 £
Fixed term deposit with Lloyds Bank	-	400,000
Unlisted investment in dormant subsidiaries	100	100
	<hr/>	<hr/>
	100	400,100
	<hr/>	<hr/>

The charity holds unlisted investments at a net book value of £100 (original cost of £200) in the following subsidiary undertakings, both of which are dormant:

	Country of Incorporation	Principal activity	Class of shares	Percentage of share capital held
Stop it Now! UK & Ireland Limited	England	Dormant*	Ordinary £1	100%
Lucy Faithfull Foundation Trading Limited	England	Dormant*	Ordinary £1	100%

14. Taxation

The company is a registered charity, and as such is entitled to tax exemptions on all its income and gains properly applied for its charitable purposes.

THE LUCY FAITHFULL FOUNDATION

**Notes to the financial statements
For the year ended 31 March 2017**

15. Debtors

	2017	2016
	£	£
Trade debtors	163,169	270,514
Prepayments	37,891	22,802
Accrued income from charitable activities	40,591	35,978
Accrued grants income	168,061	-
	<hr/>	<hr/>
	409,712	329,294
	<hr/>	<hr/>

16. Analysis of cash and cash equivalents

	2017	2016
	£	£
Cash in Hand		816,743
	877,570	<hr/>
	<hr/>	<hr/>
Total cash and cash equivalents	877,570	816,743
	<hr/>	<hr/>

17. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	63,429	82,931
Amount due to group undertakings	100	100
Taxation and social security	66,866	75,762
Accruals	78,993	91,963
Deferred income	38,197	37,064
	<hr/>	<hr/>
	247,585	287,820
	<hr/>	<hr/>

Deferred Income is made up as follows:

	£
<i>Deferred income at 1 April 2016</i>	37,064
Resources deferred in the year	38,197
Amounts released from previous years	<u>37,064</u>
Deferred income as at 31 March 2017	38,197
	<hr/>

As at 31 March 2017 the charity was holding funds received in advance for work that will be undertaken in 2017/18.

THE LUCY FAITHFULL FOUNDATION

**Notes to the financial statements
For the year ended 31 March 2017**

18. Funds

The general funds represent the unrestricted funds of the charity.

The designated funds form part of unrestricted funds but the Trustees have specifically set aside these sums out of the income in 2016/17. £24,003 set aside to cover the future years' depreciation on the Helpline Office telephone system and refurbishment undertaken in 2015 and £5,499 is set aside to cover future years depreciation on the server purchased in 2016.

Restricted funds comprise funding received in relation to specified activities in furtherance of the objects of the charity. These grants support the charity's work in relation to practitioner-led tasks, offering clinical and other support on offence prevention programmes, assessment, intervention and consultancy related to adults and young people who abuse children.

An amount of £89,780 is held in restricted reserves to cover the amortisation costs in 2017/18 relating to the intangible asset of the Stop It Now! Get Help website and films.

	1 April 2016	Incoming resources	Resources expended	31 March 2017
	£	£	£	£
Unrestricted - General funds	909,347	1,284,564	1,437,986	755,925
- Designated funds				
Stop it Now! Wales	3,650	-	3,650	-
Helpline Office changes	34,031	-	10,028	24,003
Computer Equipment	8,248	-	2,749	5,499
	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	955,276	1,284,564	1,454,413	785,427
Total restricted funds	516,632	948,844	1,087,531	377,945
	<hr/>	<hr/>	<hr/>	<hr/>
Total Funds	1,471,908	2,233,408	2,541,944	1,163,372
	<hr/>	<hr/>	<hr/>	<hr/>

THE LUCY FAITHFULL FOUNDATION

Notes to the financial statements
For the year ended 31 March 2017

19. Restricted Funds	1 April 2016 £	Incoming resources £	Resources expended £	31 March 2017 £
Government Funding				
Her Majesty's Government				
for Stop it Now! Helpline	-	296,727	280,843	15,884
for tackling child sexual exploitation	187,160	224,000	275,390	135,770
Greater Manchester Police and Crime Commissioner				
for developing prevention philosophies	-	119,000	14,992	104,008
The Scottish Government				
for Stop it Now! Scotland	160,513	94,747	223,359	31,901
Conwy County Borough Council				
for Stop it Now! Wales Parent Protect	-	10,000	10,000	-
Dyfed-Powys Police and Crime Commissioner				
for Stop it Now! Wales Parent Protect	-	5,000	5,000	-
Surrey Police and Crime Commissioner				
for child sexual exploitation prevent campaign	849		849	-
Total Government funds	348,522	749,474	810,433	287,563
Charitable Trust Funding				
The Internet Watch Foundation				
for Stop it Now! Helpline	21,691	49,500	52,370	18,821
Paul Getty Foundation				
for Stop it Now! Helpline and follow up services	25,000	-	13,431	11,569
Dulverton Trust				
for Stop it Now! prevention activity	-	35,000	24,506	10,494
Porticus UK				
for Inform, Inform Plus & Inform for Young People	-	42,000	42,000	-
Whitegates Children's Trust				
for work with children and young people	886	2,000	2,886	-
Esmee Fairbairn Foundation				
for Circles of Support and Accountability	51,700	-		
	32,235			19,465
The Oak Foundation				
for Stop it Now! International Prevention Tool	46,267	20,870	61,824	5,313
Emmanuel Kaye Foundation				
for Inform work with families of Internet offenders	10,346	30,000	35,589	4,757
for Paedophile self help materials and online tool kit	8,720	5,000	11,072	2,648
for online mutual support service	3,500	-	1,185	2,315
Charles Haywood				
for Inform work with young people and their families	-	15,000	-	15,000
Total Charitable Trust funds	168,110	199,370	277,098	90,382
Total Restricted Funds	516,632	948,844	1,087,531	377,945

THE LUCY FAITHFULL FOUNDATION

**Notes to the financial statements
For the year ended 31 March 2017**

20. Analysis of net assets between funds

	Fixed assets £	Net current assets £	Fund Balances £
Unrestricted funds	29,603	755,824	785,427
Restricted funds	94,072	283,873	377,945
	<hr/>	<hr/>	<hr/>
Total funds	123,675	1,039,697	1,163,372
	<hr/>	<hr/>	<hr/>

21. Members' liability

The charity does not have a share capital and is limited by guarantee. In the event of the charity being wound up, the maximum amount which each member is liable to contribute is £5. There were 11 members at 31 March 2017 (2016: 12).

22. Commitments under operating leases

At 31 March 2017 the charity had future minimum lease payments under non cancellable operating leases as follows:

	2017		2016	
	Land and buildings £	Other £	Land and buildings £	Other £
Not later than one year	35,800	5,298	55,241	4,925
One to five years	-	697	26,539	4,925
	<hr/>	<hr/>	<hr/>	<hr/>
	35,800	5,995	81,780	9,851
	<hr/>	<hr/>	<hr/>	<hr/>

The charity has provided for its possible liability for dilapidations in relation to its two leasehold properties. This has been estimated at £6,000 per property, £12,000 in total.

23. Contingent liabilities

There were no contingent liabilities at the year end, none in the previous year.

24. Capital commitments

There were no capital commitments at the year end, none in the previous year.

THE LUCY FAITHFULL FOUNDATION

Notes to the financial statements For the year ended 31 March 2017

25. Related party transactions

There was one related party transaction in the year with CaSE Insurance which is part owned by Bates Wells & Braithwaite London LLP. The purchase of insurance services from CaSE totalled £13,293 (2016: £13,091). In addition legal advice was provided by Bates Wells Braithwaite to the value of £15,403 during the year (2016: £17,446). Amounts owed to Bates Wells & Braithwaite London LLP as at 31 March 2017 are £8,004 (2016: £348). The entities are deemed to be related parties as Mr J Trotter who is a Trustee of The Lucy Faithfull Foundation also has involvement with Bates, Wells & Braithwaite London LLP.

There were no other transactions relating to Trustees this year. (2016: Consultancy fees of £23,685 paid to Ms G McKeown who is a Trustee of The Lucy Faithfull Foundation for management consultancy for Stop It Now! Wales. In addition a net £161 purchase of materials from Child and Family Training deemed to be related parties as Dr A Bentovim is a Director of Child and Family Training and is Chair of Trustees of The Lucy Faithfull Foundation.)

Mr D Findlater was the Director of Research and Development and Stop It Now! for the Lucy Faithfull Foundation until the end of August 2016. During this time his wife was a part time employee of The Lucy Faithfull Foundation and one of his sons was on a monthly retainer. Remuneration to these related parties totalled £4,791 in 2016/17 (2016: £14,215. In addition £20,755 contract awarded to Eastgate Construction in 2016 for the refurbishment of the Epsom Office. This was deemed to be a related party transaction as one of Mr Findlater's sons works for this supplier.)

26. Reconciliation of net income to net cash flow from operating activities

	Notes	2017	2016
Net (loss)/income for the reporting period		(308,536)	125,462
Adjustments for:			
Amortisation charges	8,11	89,780	89,780
Depreciation charges	8,12	13,851	10,029
Interest received	4	(6,494)	(4,600)
Profit on sale of fixed assets	12	-	1,500
(Increase)/decrease in debtors	15	(80,418)	222,259
(Decrease)/increase in creditors	17	(40,235)	31,551
		<hr/>	<hr/>
Net cash provided (to) by operating activities		(332,052)	475,981
		<hr/>	<hr/>

**Notes to the financial statements
For the year ended 31 March 2017**

27. Financial Instruments

Financial assets that are debt instruments measured at amortised cost:

	2017	<i>2016</i>
	£	<i>£</i>
Trade Debtors	163,169	270,514
Fixed term deposits	-	400,000
Cash at bank and in hand	877,570	816,743
	<u>1,040,739</u>	<u>1,487,257</u>

The impairment to trade debtors during the year was £1,552 (2016: £9,696).

Financial liabilities at amortised cost:

	2017	<i>2016</i>
	£	<i>£</i>
Trade Creditors	<u>63,429</u>	<u>82,931</u>