

ANNUAL REPORT 2020

GIVING CHILDREN
IN CRISIS
A CHANCE
FOR CHANGE

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MESSAGE FROM THE CHAIR OF TRUSTEES

COVID-19 has hit many families at a time when they were already at crisis point. While the pandemic has affected everyone in the country, we were not all equally equipped to fight it, and so it has been particularly hard for those whose circumstances were already extremely challenging.

As the crisis struck we were preparing to close out the 2019/20 financial year and planning for the new strategic period. Instead, we have had to reassess and consider where our focus should lie. I am relieved that the work we had undertaken delivering our Chances for Children grants in 2019-20 has put us in a great position to do this. Our grants of up to £2,000 are designed to help provide children and young people with a safe and nurturing home that meets their developmental needs while

We have completed our first full year with Chances for Children grants as our exclusive offering, delivering more than originally targeted.

promoting their learning and enabling them to build new support networks. With everyone spending more time in the home, and school/college attendance limited for the majority of children and young people, our grants have never been more vital.

There have been significant successes for Buttle UK in 2019/20. We have completed our first full year with Chances for Children grants as our exclusive offering, delivering more than originally targeted. We always knew that by moving to Chances for Children grants - which are larger than our previous grants - we would have to work with fewer beneficiaries.

Therefore, we are focused on increasing funding to reach more children and young people. This year, our £10m fundraising campaign reached the halfway mark. A huge thank you to our Campaign Board and our incredible funders for enabling this achievement. During this crisis, you have shown that you are ready to work with us to support even more children. It is greatly appreciated and means also that we will reach our target sooner than expected.

COVID-19 has altered the breadth of our plans for the year ahead - our main focus now is on providing a significant increase in our Chances for Children grants. However, our new 5-year strategy (created in 2019-20) frames our approach to grant making in the longer term. Our Chances for Children grants provide a range of support that is unique in our sector and we see high demand across the UK. Our aim is to meet more of this demand in the simplest and most supportive way for our beneficiaries. Our Chances for Children grants also provide funding to attend boarding school for some children who have very disrupted and chaotic home lives. We received excellent coverage in the media for this work in 2019. While the crisis has meant boarding school closures for a period, this is an area of our grant giving that will receive renewed focus as the restrictions are lifted.

We strive to be the best possible grant giver for children and young people in crisis. To do this we continue to improve our systems, to develop our expert team, provide clarity on our funding purpose, and to increase beneficiary engagement to build grant packages that suit them.

Alongside this we are working with others in the grant giving sector and wider civil society to improve the support we can offer collectively, and also increasing engagement with the wider public to support our work.

We have much to do and our success is critical. Children and young people will need the additional financial support we offer more than ever during 2020 and beyond.



Professor Caroline Gipps

ABOUT BUTTLE UK

Buttle UK is dedicated to helping children and young people who are in crisis, change their lives. How we help is incredibly simple: we provide individually tailored grants that invest in children and young people's present and future lives.

Families on very low incomes cannot afford even small capital spends for essential household items and are faced with a choice of more debt or simply going without, adding stress to already difficult circumstances. We pay for things that children and young people in crisis are living without, items and activities their peers would not consider being unavailable to them. We aim to support their social and emotional wellbeing and to maximise their capacity to engage in education and learning. We also pay for things that can help a child have a better life in the longer term: a laptop to enable a homeless teenager access their first college course, therapy or counselling for a child who has lived with domestic abuse.

Throughout our 67-year history we have always known that the use of a small amount of funding at the right time - if it is used to meet material needs and in combination with existing services and provision - can have a disproportionately positive impact on the lives of vulnerable children, young people and their families. Alleviating their difficulties by astute use of a relatively small amount of cash can have benefits far beyond the practical or monetary value of the award. For example, some children do not have their own bed. A bed for a child means better sleep, which in turn means they can concentrate better at school. Meeting that cost also relieves the financial pressure on the family and that reduces stress in the home. All of which has a positive impact on a child's wellbeing.

Buttle UK operates across the UK and, in 2019-20, provided £2.32million (adjusted to £2.15m, see note 5 and 6 of financial statements) in timely, individually targeted grants to support 2,593 children and young people. Our work generates extensive data and insights into levels of vulnerability and poverty and ways in which it can be addressed which we make available to the wider social care sector.

OVERALL AIM

At Buttle UK we aim to ensure "the maintenance, education and advancement in life of children and young people who are ordinarily resident in the United Kingdom who are in need of financial assistance, with a preference for children who are, or were, adopted, children of lone parents or children who are orphaned and who have or are being deprived of a normal family life."

These aims are consistent with the guidance on public benefit provided by the Charity Commission for England and Wales. In planning activities, and reviewing grant policy and criteria, Trustees consider the 'public benefit requirement', and are confident that all activities we undertake demonstrate this requirement.

Our strategic goals

This year the Trustees and staff created a new 5-year strategy for Buttle UK. In this period, we will focus on the power of experts inside and outside of our organisation to increase and improve our Chances for Children grants. Combining the talent of our own team, the experience of our beneficiaries, the expertise of frontline agencies and the pool of funding and data from grant givers in our sector and beyond, we will deliver the best for disadvantaged children and young people in crisis.

Buttle UK will deliver more Chances for Children grants to children facing a wide range of issues. Their voices will guide our decision making as they will be an active part of our expert team, as we strive to improve our work. We will lead the way as an impact focussed grant-giver because the difference we seek in children's lives will be clear, monitored and improved. This impact clarity will drive our communications and fundraising to increase awareness and financial support. Whilst our niche grant giving will remain, we will deliver funds alongside other organisations to increase the number of children, young people and families we work with and ensure they have the best grants package available, providing simple support in a time of crisis.

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Our key strategic pillars are:

PILLAR 1

Creating Chances for Children 2.0 for more children in crisis

We continue to learn more about our Chances for Children grants every day, and refining and developing them is a key aspect of our 5-year strategy. Crucial to this development will be to focus on the clear purpose of our grants in the short and long term, the difference we aim to see and can prove through direct evidence and we would like to see through relevant broader research. We will increase the support offered through our Chances for Children grants to more children and young people in crisis and align these grants with our Support for Boarding grants to offer integrated, beneficiary focussed funding by everyone in our Grants Development team.

PILLAR 2

Engaging and involving beneficiaries

Through our grants, Buttle UK gives children and young people in need the power to shape a better future for themselves. We pride ourselves on the expertise within our team and the connections we have with frontline services, and want to give the same recognition to 'experts by experience'. Our research has shown how impactful grants can be when provided alongside other support. We are also aware referrers are stretched and families (particularly children) and young people are not always consulted. It is when their voices come together with professionals that support offered can best meet their needs. We can trigger a wider effect of our grants by encouraging partner agencies to work in a more flexible, holistic and child-centred way.

PILLAR 3

Collaborating to maximise the breadth and impact of our support

Throughout our history we have built a significant network of individuals and organisations with whom we can collaborate to help further the impact we have as a charity for children and young people across the UK. Collaborating with key stakeholders will enable us to increase the number of children and young people our funds support and improve the impact and experience of our support by working as a collective, rather than a single unit. With an improved, collective offer, we will then look to collaborate on joint funding bids/partnerships.

PILLAR 4

Income growth

Through investment in fundraising, we will build support for our Chances for Children grants from the general public, corporates and trusts, and therefore be able to offer more children and young people in crisis these grants each year. We will build strong fundraising income streams, to work alongside our endowment, that help create a sustainable funding base for the organisation - during and beyond - the period of this strategic plan.

PILLAR 5

Know, learn, lead: Building a future-ready team

We recognise that our people and team are the single most important resource we have to achieve our strategic goal. We envision building an adaptable team with a strong trust-focused culture, that gives people the confidence to push-boundaries on what we can achieve together.

Our cross-cutting themes

Our strategic pillars will be influenced by and have an impact on other areas of our work. Key cross-cutting themes are:

Equity, diversity and inclusion

We believe that we can build better grant support for children and young people by embracing diversity across our team. Engagement of thought from different demographics is vital to ensuring our grants remain relevant for those we work with. We must also support a diverse range of communities in our grant giving and adapt our processes to enable this.

Impact measurement

Our impact measurement will be aligned to our Theory of Change so that everything we do is measured against our purpose. We will know when we are successful in our interventions and what we are not doing well so that we can continuously improve our work.

Marketing and communications

Since changing our grant giving from 'basic essentials' to Chances for Children grants we have updated much of our communications, but key external communication tools such as our website, brand and elevator pitch highlight what we do, not why we do it. Using the Theory of Change to focus on our purpose will have a major effect on our internal and external communications messaging. Our fundraising growth strategy will also influence our communications.

Technology

Technology can provide the exponential difference we need to ensure the best possible service and impact for children and young people we work with. We will consider

the enabling power of technology across each of our strategic themes, working with experts where needed and not being afraid to lead the way where we feel the biggest difference can be made.

As a result of these decisions and the effect of COVID-19 we have set the following key objectives for 2020-21:

A) Chances for Children 2.0

We will deliver 1,800 Chances for Children grants across the team and align our outcomes and impact to our updated Theory of Change.

B) Engaging and involving beneficiaries

We will agree a plan for ongoing involvement of beneficiaries in the organisation.

C) Collaboration

We will deliver collective funding pilots with other individual grant givers in the sector.

D) Income growth

We will achieve a stretch target of £1.95m.

E) Know, learn, lead

We will understand the baseline of our current staff offer and develop this whilst improving process documents for the team.

Delivering and improving Chances for Children is the focus of our new strategy

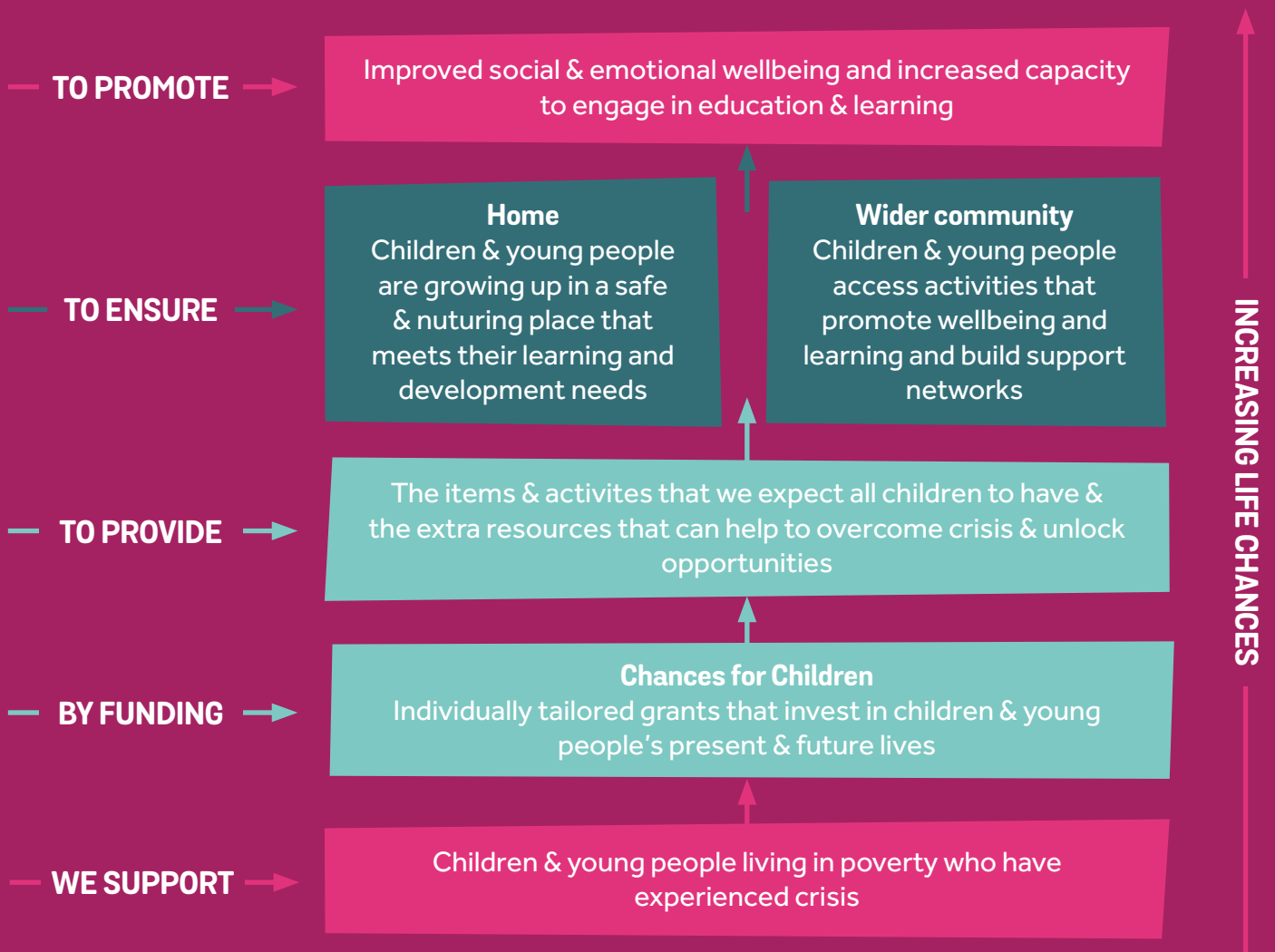
Buttle UK has developed Chances for Children grants after our testing indicated that increasing the value of a grant from around £300 to between £1,000 and £2,000, tailored to the specific needs of the grantee, could have a much greater impact. The impact we seek is highlighted in our 'Theory of Change' below which was updated this year. These are innovative, high impact grants that offer a service that is unique to Buttle UK. We have provided these grants across a range of key target groups (families affected by domestic abuse, kinship care families, young people estranged from their families and struggling families). The results have been incredibly positive and we have learned:

- A grant averaging £1,500 has the potential to make a lasting difference and facilitate outcomes of other service providers in moving a family or young person beyond crisis, towards a genuine turning point in their lives.
- These larger grants help service providers to work beyond funding and procedure constraints and so they are able to do more for their clients.

Children and young people living in poverty are both materially and socially deprived. Their families are unable to afford even a limited range of the social activities enjoyed by most children and young people. The funding of 'extra-curricular' activities builds confidence, self-esteem and socialisation skills. Alongside meeting material needs, these grants offer a very cost-effective intervention if used for children who are experiencing developmental issues, or young people suffering isolation.

In addition, our grants can support children with places at boarding school, for children who come from very disrupted and chaotic homes, where the opportunity to attend a boarding school brings stability, security and aspiration that may be missing at home. This is something that Buttle UK has done for all of its 67 years, and independent evaluation undertaken in the last year has demonstrated how these grants remain an important way to both fulfil our objectives and meet all aspects of our updated 'Theory of Change'. Indeed, for the right child, at the right time, the opportunity can be transformative.

BUTTLE UK THEORY OF CHANGE – GRANT MAKING



Grant making policies

Our strategy of grant giving, focused on newborn to 20-year-olds, is at the core of our activity. We focus on personalised and transformative outcomes for our beneficiaries through our Chances for Children grant provision.

We provide financial help to children who are living in severe poverty and in crisis. The children and young people we support also face additional social issues such as domestic abuse, drug and alcohol misuse, estrangement, illness, distress, abuse, neglect, behavioural or mental health issues.

We also support young people trying to further their education or employment, who, because of estrangement, receive no support from their parents or guardians.

Each case is individual so what is included in our grants will vary. We provide direct financial support to assist

with setting up home; improving emotional, mental or physical wellbeing and/or removing the barriers to achieving better educational engagement and attainment. Each package of support can be worth up to £2,000.

Our boarding school offer also aims to support children and young people who are aged between 11 and 18, who are either adopted or cared for by grandparents, relatives or friends, from single parent families or with two carers, where one is very severely incapacitated through illness or disability.

We focus on personalised and transformative outcomes for our beneficiaries through our Chances for Children grant provision.

ACHIEVEMENT, PERFORMANCE AND PLANS FOR THE FUTURE

Achievements against 2019/20 aims and objectives

Through our direct grant giving, we are able to create a positive change to children and young people's lives, giving them a chance to focus more on their education or gaining employment, lifting them out of a crisis at a critical period in their life.

We set the following goals in 2019/20 to further this work, in line with our overall strategy:

1. Deliver a focused, reflective approach to our grant giving, driving to continuously improve our offer to children and young people in need.
2. Develop our impact culture both internally and externally. Our interventions are intentional and evidence-based, and we will share with key stakeholders our journey, the simple support we offer, our successes and failures and our learning from these.
3. Meet the fundraised income expectations for 2019-20 of £1.85m as a stretch target and continue to build and invest further in our fundraising capacity to meet longer term income goals.
4. Ensure resources and processes are in place to effect the wide-ranging objectives outlined above.
5. Create a new five year strategy (2020-2025) for the organisation.

Achievements in 2019-20

- > We have supported 1,593 grants against the business plan target of 1,300.
- > Delivered our first full year of Chances for Children grant support, providing grants to support 2,593 children and young people (including 182 in boarding school).
- > Raised income of £1.8m through fundraising.
- > Raised over half of our £10m Chances for Children Campaign target within three years.
- > Staff and Trustees created a new strategy for 2020-25.
- > Increased the number of schools we are partnering with formally to 32.
- > Developed a new Theory of Change for Buttle UK.
- > Developed key relationships with other individual grant givers for collaborative working in 2020.
- > Connected our grant giving under one team and our Chances for Children offer.
- > Delivered over 700 pre-paid cards as an alternative to cheques to agencies.
- > Received excellent coverage for our work in a wide range of national and local media, in print and online, as well as radio and television.

CASE STUDIES

Note: names have been changed to protect anonymity, with the exception of Logan, Tyler and Denise who have given their permission.

Jacob and Hannah's story

Jacob, aged 10, and Hannah aged 5, witnessed their mother, Iris, being hurt and abused by Hannah's father many times. However, it was not until Iris found the courage to leave him and flee to her mother's house in late 2019, that Iris fully understood how much it had affected not just her, but also the children. Jacob is only now starting to work through his anger, and Hannah is very clingy to her mother.

Iris and her children were waiting for social housing when COVID-19 struck, and the UK went into lockdown. As the lockdown began to be lifted, they have finally been awarded a flat through social housing. Through our Chances for Children grants we help a lot of families fleeing domestic abuse get a fresh start. However, COVID-19 has only made things more complicated for families trying to move forward, and we have seen an increase in the numbers of families applying for our support. For these families, it is harder to access support services due to social distancing and finding employment is particularly difficult right now.

Children can't attend school, and being stuck in a house without even the essentials, is harder than ever. Even as schools begin to re-open, not every child is able to return.

Hannah and Jacob are continuing to stay at home due to health issues that Hannah suffers, which put her at high risk.

Our Chances for Children grant provided a package of support to help the children with some of their urgent needs during this crisis.

Iris requested help with some key bits of furniture, so we provided beds for the kids, a chest of drawers, desks and a sofa. We also helped with towels, sheets and some new clothing for the children. We also aim to support children's capacity to engage in education and improve their wellbeing, so we provided a tablet along with books, games and toys for both Hannah and Jacob. Finally, because of how challenging the current situation is, we have awarded a small emergency fund, to help cover expenses during this difficult time.

Jacob, Hannah and their mother show that recovering from crisis is often a case of getting over a number of hurdles. When we give someone an initial helping hand, they are more likely to negotiate the next hurdle and progress out of crisis, into a better future.

Katy's story

Katy is 16, both her parents are dependent on alcohol and when she was living with them she was witness to ongoing domestic abuse within the home. Her sister is also using drugs and alcohol and an incident occurred where she became violent to Katy. At this point social services were called and Katy moved out of the family home into an emergency respite placement with the help of a teacher.

From there Katy moved into supported accommodation, where she has her own flat.

Our Chances for Children grant has paid for a new laptop, but also for some new clothes as she has little spare funds to pay for anything like this.

She is on a Social Care Level 2 course, which she is really enjoying and plans to move on to Level 3. Her

long-term aspiration is to work in the health care sector either as a paramedic or midwife.

Katy is on a very low income, and does not have a laptop. The majority of her course at this stage is theory and she was handing work in late as she could not always get access to a computer. As a result of the COVID-19 crisis, she began to really struggle with her coursework as she was trying to complete it on her phone. Our Chances for Children grant has paid for a new laptop, but also for some new clothes as she has little spare funds to pay for anything like this.

Katy struggles with her emotional and mental health, but finds enjoyment in exercise and is on a local football team. She tended to be isolated in the evenings, even before the crisis, and would benefit by having something to do outside of the flat. The gym can be a social environment too, which would be great for Katy, so we have agreed to look at funding gym membership once the restrictions lift.

Logan and Tyler's story

Since the day they were born, Denise has been one of the main carers for her grandsons, Logan and Tyler. In 2014, this became a permanent arrangement when the boys' mother was no longer able to care for them.

They are now safe and settled in their new home. However, with little income and overcrowded conditions, Denise struggled to provide some of the things the boys needed to help them recover from the experiences they faced in their early years. Both boys find it hard to manage their emotions and this can often cause conflict, both between them and with Denise. They currently both receive additional educational support from their school, and from other local support workers. Through this support Buttle UK was approached to help provide them with some basic things. These are things most of us would take for granted, but the family were not able to afford. However, with them, the boys can settle into their new home, and this is the start point to improving their wellbeing.

Firstly, Buttle UK's Chances for Children grant, funded by the Radio 4 Appeal, was able to pay for

new beds and bedding for the boys. This made a huge difference, especially for Logan who has problems with bed wetting. Now they both have comfortable and clean new beds to call their own. Buttle UK also provided the boys with new clothes, as many of the old ones had to be thrown out when they arrived, and they were quickly growing out of the rest. On top of this, the boys were also given new bedroom storage furniture, so they had somewhere to store their new clothes.

Finally, the grant funded football and boxing training for the boys to help them in the longer term.

Due to the COVID-19 health crisis, they have not been able to access the training yet. However, they are excited to get started as soon as they can.

With help from Buttle UK, and everyone else who has supported the family, Denise says the boys are settling in really well to their new home. She can see them start to thrive and enjoy the childhood they deserve.

Helen's story

Helen's parents were both alcohol dependent and her dad's behaviour was controlling and abusive to both Helen and her mum. He had recently passed away, but Helen's mum continued to struggle with alcohol and was unable to care for her daughter properly.

Helen and her mum had been living at her aunt's home for a number of years and this had provided some stability for Helen. When her dad was alive Helen was on a Child Protection Plan, but following his death the plan was removed and social services became less involved. However, her mum's drinking started to worsen and her aunt was not able to care for her 100% of the time.

Helen was acting as a carer for her Mum and was relying upon neighbours to take care of her. Her Mum was not working and her aunt was on a very low wage, which just about kept the household ticking over.

Due to ongoing concerns for Helen's wellbeing, social services became involved again.

Helen's primary school were aware of the problems she was facing. Helen was a bright pupil and well thought of by her teachers. Boarding was suggested as a way to remove Helen from an unstable home situation, as she could be on a trajectory towards going into care. There were a number of professionals supporting the family and wide agreement amongst them in support of a boarding place. Buttle UK awarded a Support for Boarding grant, which enabled Helen to start at a school. To begin with Helen felt guilty for having left her mum and worried about how she would cope without her. The school provided counselling to help her deal with this.

While her home situation remains unchanged Helen is reported to be thriving at school. Her tutor describes her as "a simply excellent" student. Helen is flourishing academically and is involved in activities such as sports and music. Her former primary school headmistress has told Buttle UK that the boarding school placement has been "life changing" for Helen.

KEY STATISTICS

In 2019–20:

We passed the halfway point in our Chances for Children campaign raising

£5.6million of our **£10million** target.

We made grants worth **£2.32m*** reaching **2,593** children and young people.

We made **1,593** grants against the target we set at the beginning of the year of **1,300**.

29 students from a total of 41 (71%) funded through our Support for Boarding grants obtained **5 or more A*-Cs** including Maths and English.

In comparison on average, **63% of all children** obtain 5 A*-Cs, and only **19% of Children in Need** achieve these same results (DfE 2019, Children in Need of Help and Protection: Data and Analysis).

Through our Chances for Children grants, the items and costs that we funded most of were:



Sport, Art, Music & Leisure Activities
1,191 items | **£243,409**



Bed and/or Bedding
867 items | **£153,707**



IT Equipment
857 items | **£243,096**



Home Appliances
600 items | **£124,569**



Home Furnishing
547 items | **£89,465**



Educational Toys & Books
452 items | **£62,560**



School Uniform & Equipment
449 items | **£68,440**



Storage Furniture
379 items | **£97,062**



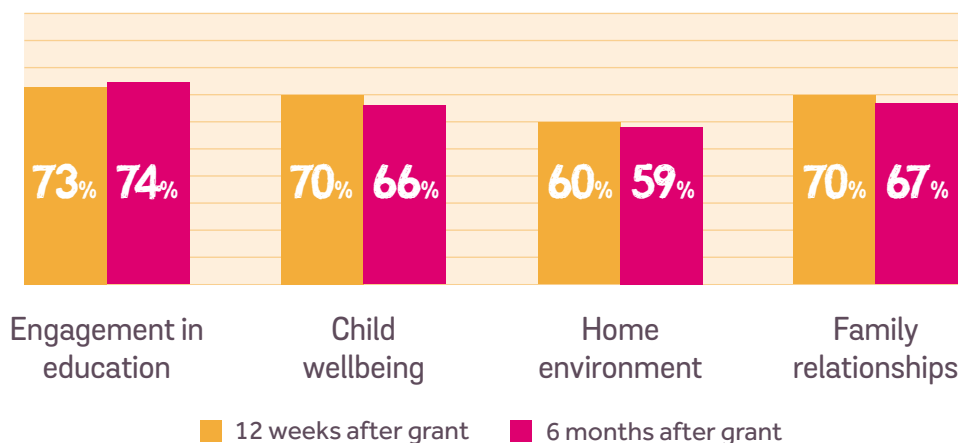
Children's Clothing
369 items | **£77,943**



Activities for the family
346 items | **£59,600**

* the value of grants delivered in the Financial Statements is adjusted downwards to £2.15m to reflect the writing off of historical current liabilities which are no longer carried as there is no prospect of uncashed cheques being spent.

Average improvement scores reported by parents/beneficiaries following their grant were over 50% increases across all outcomes, with our grants having the highest impact for parenting capacity/parents' ability to cope and children's capacity to engage in education. Comparison between the surveys responses at 12 weeks and 6 months shows that improvements are largely sustained across all outcomes over a 6-month period.



FINANCIAL REVIEW

Statement of Financial Activities (SOFA)

The following summarises the key figures from the 2019-20 SOFA.

ALL FUNDS	DIRECT COSTS	SUPPORT COSTS	2019-20 TOTAL	2018-19 TOTAL	% CHANGE
Income					
Investment	1,158		1,158	1,128	+2.5%
Charitable activities	289		289	272	+6%
Donations and legacies	1,192		1,192	1,945	(-39%)
Total income			2,639	3,345	
Expenditure					
Raising funds			875	705	+19.5%
Charitable activities					
- Grants to individuals and charities	1,534	514	2,048	3,394	(-29%)
- Grants for Children's Education	790	231	1,021	1,007	+1%
Total charitable activities	2,324	745	3,069	4,401	(-29%)
Grants not Utilised			(171)	(171)	
Total expenditure			2,898	4,230	(-31.5%)
Net expenditure before revaluation of investments			1,134	1,761	(-26%)

All figures expressed in £'000.

Total income was lower in 2019-20 by £0.7m and the reasons for this are twofold. The principal reason for this is that, after 14 years of delivering the Emergency Essentials Programme for BBC Children in Need the programme was wound up and no funds were attributed to this year's accounts. The SMT and Trustees decided not to tender for a further period when the contract came up for renewal in March 2018 as they wanted to focus their efforts on the strategy to deliver Chances for Children grants. Additionally, the Beds for Kids campaign which raised £354k in 2018-19 did not run during the period under review.

To make up for the reduction in funds from BBC Children in Need and Beds for Kids, our Chances for Children campaign provided an increased level of fundraised income during the period 2019-20. The fundraised income allocated to this year's grants amounted to £1.2m a 37% decrease over last year's £1.9m. Fundraised income carried forward amounts to £589k as it was restricted funding for future periods and some of it arrived too late for this year's allocation. The fundraising has been provided from a number of different sources, including trusts, foundations, individual and corporate donors. The prospects for further growth through the campaign in 2020-21 are promising.

Principal Donors

RECEIVED IN YEAR	TOTAL (£)
National Lottery Community Fund	189,000
The Italian Job event	133,017
Graphite Capital	101,003
People's Postcode Lottery	100,000
Dunlossit and Islay Community Trust	100,000
Comic Relief	75,815
City Bridge Trust	75,000
The Billington Foundation	59,046
Colin Crawshaw	50,000
Mercers' Company	45,000
Schroder Foundation	40,000
ArgoGlobal	38,429
Clothworkers' Foundation	35,000
Edward Gostling Foundation	25,000
Denbighshire Foyer	20,000
Millhills Charitable Trust	17,500
Dreams Beds	17,500
BBC Radio 4 Appeal	12,460
Medlock Charitable Trust	10,000
Charles Lewis Foundation	10,000
Cyril Taylor Foundation	9,000
Others, including anonymous donations	318,037
	1,480,807

Grant making policies

Overall expenditure on overheads increased by £20,000 in 2019-20 and this is principally due to the recruitment of a full and stable team of staff as well as the investment in new systems notably the upgrading of the grants database and a new finance system. The expenditure on grants and the associated administration and infrastructure costs of delivering those grants decreased as a result of the closing down of the small grants awarded through BBC Children in Need's Emergency Essentials Programme (£0.568m) and the end of the Dreams Beds for Kids programme (£354k in 2018-19) which meant a reduction of £1m in available funds for awarding grants.

The 10-year grant history, by programme, is set out in the table below and this also shows

the overall cost, as a percentage, of delivering a grant over that same period.

The deficit of £1.13m in 2019-20 is funded by the capital element of the total return allocation referred to below.

The endowment fund is the Charity's principal asset in the balance sheet at £50.8m. In addition, there are £828k of restricted reserves and £2.4m of unrestricted reserves. The value of the endowment fund was adversely affected by the violent moves in the global stock markets during the final quarter of the financial year. The subsequent improvement in investment markets has clawed back some of those losses, but the markets remain volatile.

Grant history by programme, with support costs as a percentage of total charitable expenditure, 2010–20

YEAR	SMALL GRANTS		CHANCES FOR CHILDREN ¹		BOARDING		DAY FEES ²		TOTAL		SUPPORT	TOTAL	%
	NO	£'000	NO	£'000	NO	£'000	NO	£'000	NO	£'000	£'000	£'000	SUPPORT
2010-11	7,891	1,704	-	-	327	772	208	312	8,426	2,788	559	3,347	16.7%
2011-12	9,279	2,135	-	-	305	782	291	373	9,875	3,290	635	3,925	16.2%
2012-13	11,654	2,675	-	-	282	766	280	356	12,216	3,797	641	4,438	14.4%
2013-14	11,888	2,689	-	-	312	892	106	116	12,306	3,697	666	4,363	15.3%
2014-15	10,197	2,189	504	474	314	974	28	46	11,043	3,683	821	4,504	18.2% ³
2015-16	9,148	2,321	583	596	323	991	14	26	10,068	3,934	934 ⁴	4,849	19.3%
2016-17	9,408	2,603	576	414	276	917	3	7	10,263	3,941	1,047	4,981	21.0%
2017-18	11,505	3,144	946	593	242	866	1	3	12,694	4,606	1,369	5,975	22.9%
2018-19	4,093	1,000	1,580	1,765	186	752	0	0	5,859	3,517	1,328	4,845	27.4%
2019-20	0	0	1,411	1,363	182	790	0	0	1593	2,322	1,350	3,503	26.3%

¹ These include the various enhanced package approach projects, Anchor, Estranged Young People.

² This programme closed in 2013 and no further grants will be made.

³ The increase in support costs as a percentage of total charitable expenditure from 2014 onwards is mainly due to the enhanced package approach to grant giving which requires more caseworker input to build a bespoke grant that can make a more significant difference in a child/young person's life.

⁴ The first-time application of the Charities SORP FRS 102 in 2015-16 led to a change in the way support costs were calculated in that governance costs were required to be included as a charitable activity cost for the first time.

Investments and investment policy

The investment portfolio is managed by two major fund managers. BlackRock manage a total of approximately £37.7m in a mix of active and passive funds investing in global equities and fixed interest and a portfolio of directly invested UK equities. In addition, there are some non-discretionary holdings in property and private equity investments, predominantly held through funds. Ruffer manage approximately £10.8m in their Absolute Return Fund. During 2019-20 the Trust invested in the Mayfair Pitch Property Fund in the amount of £2.2m. The overall investment policy is to maximise long term total return, accepting a medium level of risk, such that the real capital value is maintained whilst allowing the charity to fulfill its grant giving obligations. Whilst noting that performance is of paramount importance, the Trustees have engaged with the need to include a sustainable investment framework within the investment strategy and have reflected this engagement in their updated statement of investment principles document. The performance of both managers is measured against market-based benchmarks, and monitored by an Investment Committee comprising five Trustees, some with relevant financial services expertise. The overall performance in the year was adversely impacted by the drastic stock market deterioration which occurred during the final quarter of the financial year to 31 March 2020. Annual performance of the endowment was -8.4%. The hedge that had been put in place limited the impact which was a satisfactory outcome. Since the end of the financial year, global stock markets have rebounded and this has had a positive impact on the value of the endowment.

At the end of June 2020, the value of the endowment had increased to £57.3m. At 31 March 2020, the endowment valuation was £50.8m so the June valuation shows an increase of about 10% over the quarter. The economic slowdown that is widely predicted will undoubtedly have an impact on the valuation of the endowment, but prospects remain reasonably good whilst the world continues to see low interest rates and innovation throughout all business sectors.

Buttle UK has recently updated its Statement of Investment Principles (SIP) in order to more particularly align our investment strategy to take account of sustainable investment. The Trustees take their responsibilities as stewards of the charity's assets seriously and strive to appoint investment managers who invest responsibly in keeping with the charity's beliefs. This entails both excluding certain sectors, and ongoing engagement within sectors and with individual companies. The Trustees encourage their managers to engage with companies on issues that support our charitable beliefs.

The Trustees seek to appoint investment managers who are actively involved in applying Environmental, Social and Governance (ESG) criteria across the investment process. In addition, the Investment Committee regularly reviews the investment managers' policies on ESG matters including monitoring their track record of positive engagement with businesses. The Trustees encourage their investment managers to notify the Investment Committee of investment opportunities which will help Buttle invest according to the Charity's core beliefs. Both of our managers are signatories to the UN's Principles of Responsible Investment.

The Trustees monitor the ongoing climate change debate and advocate active ownership and engagement rather than divestment as a general principle. This applies especially with regard to fossil fuels as the large oil and gas companies are the biggest investors in renewable energy.

Buttle UK endeavours to avoid investing in companies or organisations whose primary activities are detrimental to child welfare including the exploitation of child labour as this is contrary to the Charity's objectives. Specific sectors where the Charity does not knowingly invest are (1) the manufacture/dealing in certain weapons and armaments (2) payday lending (3) any company which derives more than 25% of its revenue from gambling, any company where more than 25% of its turnover derives from the production, distribution or sale of alcohol and any company where more than 25% of its turnover derives from the production, distribution or sale of tobacco.

The assets of the Graphite Capital Bursary Fund (£0.5m), a restricted investment fund, are managed by Ruffer in their Absolute Return Fund and they follow the same investment principles as are applied to the Buttle UK investment also held by them.

Buttle UK endeavours to avoid investing in companies or organisations whose primary activities are detrimental to child welfare including the exploitation of child labour as this is contrary to the Charity's objectives.

Total return

In 2006, the Charity Commission granted Buttle UK a total return order, permitting the spending of the unapplied total return of its endowment, but with the key responsibility of balancing the needs of current and future beneficiaries. Annually, the Trustees decide on an appropriate amount to allocate to unrestricted funds from the endowment, which can include an element of capital from the unapplied total return. Due consideration is given to ensure the real capital value of the endowment, as adjusted for inflation, is not affected by any allocation to unrestricted reserves. The split between the real capital value of the endowment, as adjusted for inflation, and the capital from the unapplied total return, as adjusted for inflation, is calculated annually, reported and then carried

forward for consideration in future years. The total return allocation was fixed by the Trustees at £2.4 million in 2019-20 for the ongoing regular activities of the Charity. The total drawdown in 2019-20 at £2.4m represents 4.7% of the current endowment value and this reflects the decision to draw on the accumulated unapplied total return to increase, inter alia, the funds available for grant giving. The Trustees recognise that to maintain this level of allocation long term will require favourable investment conditions, and they keep the level of the sums withdrawn annually under review.

The details of the movement on the unapplied total return are set out in note 17.

Reserves

Buttle UK's historic policy was to maintain liquid reserves of 6-months' expenditure on unrestricted funds. This level of reserves takes account of the need to be able to continue grant support, in particular for the education programmes, should there be a setback in the sources of income. As an order of guidance, if all the children and students we supported through our education programmes at 31 March 2020 were to complete their anticipated period at their schools or colleges, and we continued to support them, the total grants paid out to them in future years would be approximately £4.25m over the next six years. With the adoption of total return the concept of maintaining unrestricted cash reserves to cover this is not considered necessary, as Trustees could transfer part of the unapplied total return to unrestricted

free reserves if the need arose. We will, however, continue to hold significant balances in cash and cash based funds. Typically, the unrestricted fund holds net current assets of approximately £500,000+ in the endowment, variable amounts in cash and cash based funds.

The endowment fund is the charity's principal asset in the balance sheet at £50.8m. In addition, there are £0.8m of restricted reserves and £2.4m of unrestricted reserves.

COVID-19

Impact and Operational Mitigation

In light of the COVID-19 pandemic, which resulted in the economic lockdown of the whole of the country in March 2020, management has had to change operational practices drastically. Staff have been working from home, as recommended by the government. Our stakeholders have had to do the same, which has resulted in Buttle UK needing to find new ways of delivering our grants since it was no longer possible for beneficiaries to receive cheques. Consequently, we speeded up the introduction of delivering grant payments through BACS and additionally provided targeted prepaid cards, up to the value of £250, straight to a family, after assessment of the situation with the referral agency.

We have seen that demand for our services has substantially increased and fortunately our donors have understood that the COVID-19 pandemic is having a negative impact on families in need. We have been able to raise additional funds during this period and anticipate

that grant delivery during the year up to 31 March 2021 will more than double over the year under review. Chances for Children grants are budgeted to reach £4.5m for the year 2020-21 and funding for this expenditure has already been secured.

As noted in the risk management review (e), it is possible that future donations are negatively impacted for the year 2021-22 because donors may conclude that the extra funding provided during the COVID-19 pandemic is not repeated. Donors may even reduce future donations. The fundraising team is putting in place measures to seek alternative funding by piloting a project to investigate the prospects for Buttle UK to raise funds through an Individual Giving programme. This would raise the profile of Buttle UK nationally. Trustees have approved an initial project and will analyse the results by the end of 2020. This will provide the necessary comfort as to whether to invest further in this project.

Risk management

The Trustees have considered the major risks to which the charity is exposed, have a process of regularly reviewing those risks and have established systems and processes to manage them. They are of the view that an appropriate control framework is in place, recognising that no system of internal control can provide absolute assurance of elimination of risk. In addition, the Governance Advisory Committee provides a mechanism for reviewing compliance with policy, law and systems.

The major risks may be summarised as follows:

- A) Governance risks** – the risk that SMT agree ways of working without fully consulting Trustees, thus putting the organisation at risk of working outside the objects as defined by the Trust Deed.

Frequent meetings between the CEO and the Chair on current plans and activities provide the requisite checks and balances to prevent any deviation from the charity's objects. Buttle's various committees are also in place to provide a forum for discussion with the Trustee Board.

- B) Financial** – the risk the endowment assets are mismanaged to the extent the capital value and income is seriously diminished; the risk that restricted funds are not spent properly or the risk that there are insufficient unrestricted funds for the Charity to operate in the long term.

The majority of the endowment assets are managed by two reputable external fund management organisations who are closely monitored by the Investment Committee. The portfolio is well diversified and a proportion of investments are held in liquid funds to ensure there is sufficient cash to manage the Charity. The Charity has an adequate reserves policy that is reviewed by the Board of Trustees annually. The global stock markets have entered a period of exceptional volatility which means that the risk to the value of the Endowment assets has increased. Trustees are in regular contact with their Investment Managers and have put in place a hedge to mitigate market movements.

- C) Reputation** – the risk that Trustees, Staff or Volunteers act inappropriately or cause a serious breach of confidentiality with any of the charity's stakeholders; the risk that there

are safeguarding issues at schools where we are funding children's education which brings us into disrepute.

Policies are in place, and regularly reviewed, to ensure all personnel understand their responsibilities when acting on the charity's behalf. Full briefing notes are provided to Trustees and volunteers to ensure the correct message is conveyed externally and schools are continually assessed to ensure they provide the best environment for children.

- D) Fundraising** - there is a rapid increase in funds as a result of the COVID-19 crisis which overwhelms the systems and means that the funding obligations to donors cannot be met.

Policies are in place to review on an ongoing basis income, systems and staff capacity. Early notification to funders of any problems is provided, where appropriate.

- E) Reputation** - conversely, as a result of COVID-19 fundraising success, the longer-term fundraising income goals are impaired and the charity may suffer reputational damage as it is unable to provide assistance to its beneficiaries on a sustained basis.

The Campaign Board activity is engaged in forward planning and forecasting to manage the longer-term fundraising capacity of the charity.

- F) Operational** - COVID-19 has an effect on staff health, particularly grant officers who deliver grants to our beneficiaries.

This risk is being closely monitored.

STRUCTURE, GOVERNANCE & MANAGEMENT

Charitable status

Buttle UK is a registered charity for the benefit of children and young people, administered and managed in accordance with the rules of a Scheme made by the Secretary of State for Education and Science on 26 March 1971, as amended by Charity Commission Schemes dated 19 August 1972, 22 February 1988, 26 October 1993 and 5 September 2006. Buttle UK is a registered charity in England and Wales under the Charity Commission and in Scotland under OSCR. The Charity Commission for Northern Ireland has begun registering charities but anticipate this will take another two to three years to complete. Buttle UK has not yet been called forward to apply for registration.

Public benefit

The Trustees confirm they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Commission.

Governance

Buttle UK's Scheme provides for a minimum of eight Trustees and a maximum of twenty. The current thirteen Trustees provide substantial support and advice to the work of the charity.

Trustees acknowledge that governance is not a role for Trustees alone; it includes the way the Trustees work with the Chief Executive and staff to ensure that the charity is effectively and properly run, and meets the needs of our beneficiaries through a good quality service. The Trustees confirm they have due regard to the Charity Governance Code published by the Charities Commission.

No Trustees are remunerated for their roles on the Trustee Board although expenses for travel are paid if requested.

Recruitment, induction and training of Trustees

Induction programmes are tailored to Trustees' individual needs and ongoing training is provided as required. Trustees are supported to attend good governance training and basic training in investments is provided for Trustees with limited experience of working with endowments.

Our Trustee recruitment mirrors Buttle UK's staff recruitment process with a mixture of SMT and trustees interviewing candidates who are sought from an open application process, advertised across relevant publications, websites and social media. Trustees are recruited for a period of three years with an expectation that this would be renewed so a six-year term is usual. Renewal for a further term is possible but resignation must occur after nine years.

It is recognised that Trustees have differing skills and time commitments, and that the governance model should allow flexibility in helping Trustees to offer these skills and time in the way that is appropriate for both them and Buttle UK. There are a number of functions and roles that Trustees are invited to contribute to, including the development of our future strategy, the policy of our grant giving programmes, the overseeing of projects, support in developing partnerships to enhance our work, support our fundraising activities, audit, finance and investment, governance, education and social care.

There will be changes to our Trustee Board in 2020/21 as the third terms of our Chair and Vice-Chair will come to an end. There will be close liaison with all Trustees on the recruitment process for these two critical roles and **the Governance Advisory Committee** will support the Chair and CEO on this.

Fundraising disclosure

Fundraising at Buttle UK is undertaken by the internal fundraising team and a volunteer committee (the Chances for Children Campaign Board). The Board of Trustees regularly review the guidance produced by the Charity Commission on fundraising (CC20) and are satisfied that Buttle UK's practices conform with this guidance.

Buttle UK is registered with the Fundraising Regulator.

There have been no reported failures by Buttle UK, or any person acting on its behalf, to comply with fundraising standards or regulation, in 2019/20 (or, indeed, at any point previously), and the same is true of complaints in relation to fundraising activities. All staff and volunteers representing the charity for the purposes of fundraising have either a job description and process of internal appraisal (in the case of staff) or a clear terms of reference (in the case of volunteers). There are regular meetings between volunteers and staff. As required by the Charity Commission guidance, Buttle UK has complied with both available guidance and legislation to protect vulnerable people and other members of the public from behaviours which constitute an unreasonable intrusion on a person's privacy, are unreasonably persistent or places undue pressure on a person to give money or other property.

There were no complaints relating to fundraising during the period under review.

Management

The Chief Executive is responsible for the delivery of Buttle UK's objectives and related performance management processes through the staff group. Board members are kept up to date on progression of the organisation business plan through the inclusion of a tracker in the CEO's report in the quarterly board papers. Trustees continue to be kept informed of the activities of the charity through quarterly Trustee/staff seminars which will be arranged throughout 2020-21 and through contact with Grant Development Officers local to them where appropriate. All staff meet together twice a year to ensure that everybody is fully informed about priorities and activities, and can contribute to future strategy and new developments. A performance and development system ensures that staff work to objectives and that their skills development is encouraged.

The charity's remuneration policy is to review the salaries of all employees annually and benchmark them against published salary survey data within the charity sector. Adjustments are made to ensure employees are paid a fair salary for the work they do and in line with other similar organisations in the sector.

Statement of the Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to Charities in England and Wales, Scotland and Northern Ireland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity 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 judgements and estimates that are reasonable and prudent
- > state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- > prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed, 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.

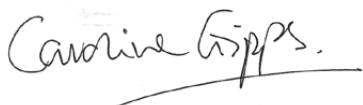
So far as each of the Trustees is aware at the time the report is approved:

- > There is no relevant audit information of which the charity's auditors are unaware, and
- > The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Haysmacintyre LLP have expressed their willingness to continue as the charity's auditors. Approved by the Trustees on 17th September 2020 and signed on their behalf by:



Caroline Gipps – Chair of Trustees

Reference and administrative details

Buttle UK

Registered Charity No - 313007 / Scotland - SCO37997

Head office: 15 Greycoat Place, London, SW1P 1SB

Trustees

Professor Caroline Gipps

Chair

Damian Ettinger

Deputy Chair

Mark Alexander

Lucinda Baxter

David Buttle

Chantelle Chamberlin

Jill Dinsmore

Thomasina Findlay

Rosemary Norris

Peter Orlov

Michael Seaton

Alex Tennant

Leo Wong

Staff

Chief Executive:

Joseph Howes

Senior Management Team:

Richard Barron

Director of Fundraising & Marketing

Paddy Zervudachi

Director of Finance & Administration

Clare McGread

Head of Grant Development

Staff:

Chris Davis

Bernie Doyle

Adrienne Gregory

Ffion Haf

John Hamilton

Gabriele Joceryte

Beth McIvor

Keeley Mudd

Gari Sparling

Amelia Smith

Diane Smith

Andrew Walters

Professional advisers

Investment Advisers & Manager

BlackRock Investment
Management UK Ltd
12 Throgmorton Avenue
London, EC2N 2DL

Investment Managers

Ruffer LLP
80 Victoria Street
London, SW1E 5JL

Auditors

Haysmacintyre LLP
10 Queen Street Place
London, EC4R 1AG

Solicitors

Stone King
16 St Johns Lane
London, EC1M 4BS

Property Advisers

Tuckerman
27 Bream's Buildings
London, EC4A 1DZ

Bankers

Clydesdale Bank
146-158 Kensington
High Street
London, W8 7RL

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BUTTLE UK

Opinion

We have audited the financial statements of Buttle UK for the year ended 31 March 2020 which comprise Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- > give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of the charity's net movement in funds for the year then ended;
- > have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- > have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011, and section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities

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

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 22 the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material

if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Chair's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- > adequate accounting records have not been kept by the charity; or
- > sufficient and proper accounting records have not been kept; or
- > the charity financial statements are not in agreement with the accounting records and returns; or
- > we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other

than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP
Statutory Auditors
28 September 2020

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

BUTTLE UK STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 MARCH 2020

All figures expressed in £'000	NOTE	ENDOWMENT FUND	RESTRICTED FUNDS	UNRESTRICTED GENERAL FUNDS	TOTAL 2020	TOTAL 2019
INCOME FROM:						
Donations and legacies	16	-	1,192	-	1,192	1,945
From charitable activities	16					
Grants – BBC Children in Need		-		-		272
Grants – Postcode Lottery		-	100	-	100	-
Grants – National Lottery		-	189	-	189	-
Investment	3	1,144	7	7	1,158	1,128
TOTAL INCOME		1,144	1,488	7	2,639	3,345
EXPENDITURE ON:						
Raising funds						
Voluntary income		-	-	570	570	410
Investment management fees	17	263	7	-	270	260
Total raising funds		263	7	570	840	670
Charitable Activities	5,6					
Small grants		-	-	-	-	1,222
<i>Chances for Children</i> grants		-	1,363	514	1,877	2,172
Grants for children's education		-	616	405	1,021	1,007
Research and projects		-	-	35	35	35
Total charitable activities		-	1,979	954	2,933	4,436
TOTAL EXPENDITURE		263	1,986	1,524	3,773	5,106
Net income/(expenditure)		881	(498)	(1,517)	(1,134)	(1,761)
Transfers between funds	10	(2,400)	183	2,217	-	-
Net (expenditure)/income before other recognised gains/(losses)		(1,519)	(315)	700	(1,134)	(1,761)
(Losses)/Gains on investments	13	(3,449)	7	-	(3,442)	(3,276)
NET MOVEMENT IN FUNDS		(4,968)	(308)	700	(4,576)	1,515
Balances at 1 April 2019		55,763	1,136	1,757	58,656	57,141
TOTAL FUNDS CARRIED FORWARD	21	50,795	828	2,457	54,080	58,656

All of the above results are derived from continuing activities.
There were no other recognised gains or losses other than those stated above.

In accordance with Charities SORP FRS 102 charitable activities comprise both grants and the associated support costs allocated to each activity. Details are shown in notes 5 and 6. Full details of the grants given are shown in the Trustees' Report.

The notes on pages 28 to 44 form part of these financial statements.

BUTTLE UK BALANCE SHEET AT 31 MARCH 2020

	NOTES	ENDOWMENT FUND (£'000)	RESTRICTED FUNDS (£'000)	GENERAL FUND (£'000)	TOTAL 2020 (£'000)	TOTAL 2019 (£'000)
FIXED ASSETS						
Tangible fixed assets	11	-	-	-	-	10
Intangible assets	12	-	-	60	60	76
Investments	13	50,933	518	-	51,451	56,256
TOTAL FIXED ASSETS		50,933	518	60	51,511	56,342
CURRENT ASSETS						
Debtors	14	172	8	23	203	592
Cash at bank and in hand	22	(290)	943	2,520	3,173	2,908
TOTAL CURRENT ASSETS		(118)	951	2,543	3,376	3,500
CREDITORS:						
Amounts falling due within one year	15	(20)	(341)	(146)	(507)	(786)
NET CURRENT (LIABILITIES)/ASSETS		(138)	610	2,397	2,869	2,714
NET ASSETS BEFORE LONG TERM CREDITORS		50,795	1,128	2,457	54,380	59,056
CREDITORS:						
Amounts falling due after more than one year	15	-	(300)	-	(300)	(400)
NET ASSETS		50,795	828	2,457	54,080	58,656
FUNDS						
Endowment Fund		50,795	-	-	50,795	55,763
Restricted Funds	16	-	828	-	828	1,136
Unrestricted Funds						
- General Fund		-	-	2,457	2,457	1,757
TOTAL UNRESTRICTED FUNDS		-	-	2,457	2,457	1,757
TOTAL CHARITY FUNDS		50,795	828	2,457	54,080	58,656

Approved and authorised for issue by the Trustees on 17 September 2020 and signed on their behalf by:
Caroline Gipps - Trustee & Thomasina Findlay - Trustee

The notes on pages 28 to 44 form part of these financial statements.

BUTTLE UK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	NOTES	2020 (£'000)	2019 (£'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	19	(2,286)	(3,847)
CASH FLOWS FROM INVESTING ACTIVITIES			
Income from investments		1,158	1,128
Purchase of fixed asset investments		(13,673)	(29,219)
Proceeds from the sale of fixed asset investments		15,035	31,577
Net purchase of fixed assets		(15)	(39)
NET CASH PROVIDED BY INVESTING ACTIVITIES		2,505	3,447
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		219	(400)
Net Debt at the beginning of the year		2,908	3,308
NET DEBT AT THE END OF THE YEAR		3,127	2,908

The notes on pages 28 to 44 form part of these financial statements.

1. Accounting Policies

a) Statement of Compliance

The financial statements are prepared under the historical cost convention modified to include the revaluation of fixed asset investments and in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

b) General information

The charity is an unincorporated charity registered in England and Wales (charity number 313007) and also a registered charity in Scotland (charity number SCO37997). The charity's registered office is 15 Greycoat Place, London, SW1P 1SB.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The COVID-19 pandemic has raised serious issues for the country. However, Buttle UK has been able to rise to the challenges that this brings. It is clear that COVID-19 has caused an increase in the demand for Buttle UK services. As a result, donors recognise the situation and have been willing to respond positively to enable the Charity to continue its work.

The budget for 2020-21 has been increased from an initial £1.9m of Chances for Children grant expenditure

to £4.5m. The additional funding required to deliver this sizeable increase in grants has already been secured, not least through a grant of £2m from the National Lottery Community Fund.

In order to manage this substantial increase in funding additional resources are being recruited so that Buttle UK can fulfil the COVID-19 emergency funding commitments that have been provided by our supportive funders. Additionally, the endowment fund has performed well since the beginning of the financial year. The Endowment is valued at £56.439m at the end of June 2020 which is an increase of 8.5% from the end of March valuation. The drawdown from the endowment will be slightly lower than over the last few years at £2.195m. This has been achieved by taking cost cutting measures and taking account of funds carried forward that were unspent during 2019-20.

Cash reserves are healthy with cash balances at 30 June 2020 of £3.8m.

In order to manage the increased demand for Buttle UK services, management is recruiting an additional 3 members of staff who are contracted on a time limited basis until June 2021, by which time the COVID-19 emergency funding that has been received will have to be spent out.

e) Donations and legacies

Grants, donations and legacies are accounted for when receivable. Where a donor imposes time restrictions on when a donation can be spent the relevant amounts are carried forward as deferred income.

f) Income from fixed asset investments

Dividend income is recognised on the basis of the ex-dividend date. Fixed interest security income is accounted for on an accruals basis.

g) Grants payable

Grants are given in accordance with the Rules of Buttle UK (approved 6 July 1987, subsequently revised by several resolutions drawn up by committees and approved by the Trustee Board). Grants are accounted for in the Statement of Financial Activities in the year in which they are authorised. Any amounts which have been authorised but which remain unpaid at the year-end are included within current liabilities in the balance sheet. Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

h) Expenditure

Expenditure is included on an accruals basis.

Costs of raising funds comprise those costs directly attributable to managing the investment portfolio, raising investment income and fundraising expenses. Fundraising expenses include an estimate of staff time spent on this activity in accordance with note 5.

Costs of charitable activities include grants made in their different categories, plus an apportionment of staff and overhead costs in accordance with notes 5 and 6. The cost of the overall direction and administration of each activity, comprising salary, operational and administration costs are apportioned on the basis of an estimate of staff time attributable to each activity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Operating leases

Rentals payable under operating leases, where substantially all of the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight-line basis over the minimum period of the lease.

j) Tangible fixed assets

Fixed assets, including computer software, valued at £500 or more are capitalised.

Fixed assets are depreciated at rates calculated to write off the cost of each asset, less estimated residual value, evenly over its expected useful life, as follows:

Leasehold improvements - Over 5 years

Fixtures, fittings and computer equipment - Over 4 years

Intangible assets (database) - Over 5 years

k) Fixed asset investments

Listed equity shares and fixed interest stocks are included in the balance sheet at market values as at the year-end. Unlisted securities are valued at the most recent sale value or Directors' valuation.

Realised and unrealised gains and losses on assets held in a particular fund form part of that fund and movements are accounted for in the Statement of Financial Activities (SOFA).

l) Endowment fund

The permanent endowment fund comprises the original capital fund, and the unapplied accumulated gains on this fund, established to provide income for the charity.

Buttle UK has adopted a total return approach to its endowment allowing both income and some capital gains to be spent in furthering the objects of the charity. Further information is given in notes 2 and 18 to the accounts.

The fund is principally represented by the capital investments included in fixed assets, with the balance held as net current assets.

Gains on sale and revaluation of related investment assets are credited to the Statement of Financial Activities.

m) Restricted and unrestricted funds

Restricted funds are those the use of which is restricted by the conditions imposed by the donors.

General funds are those used for the general advancement of the charity's objectives. The General Fund represents the unrestricted funds of the charity.

n) Pension scheme – for 2019 comparative information

Contributions to the defined contributions scheme are charged in the SOFA in the year they are due.

o) Financial instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

p) Significant judgement and sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 require the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the charity's accounting policies. There are no significant areas where judgement was needed other than on those already included in the accounting policies.

2. ENDOWMENT

The endowment fund was first established in 1937 to provide an income for the charitable and philanthropic work of the charity. The Scheme made in 1971 by the Secretary of State for Education and Science (Under Section 18 of the Charities Act 1960), which now governs the operation of the charity, perpetuates the terms of the original endowment. This provided for the fund to be retained, and only the income arising available to be spent.

However, on 28 March 2006 the Charity Commission granted an order to the charity entitling it to adopt a total return approach to its endowment, and this approach was adopted as from 1 April 2006. This entitles the charity to spend the unapplied total return of the endowment, but within the context of balancing the interests of current and future beneficiaries. The movements on the fund in the year are detailed in note 16.

3. Investment Income

	2019		2018	
	£'000	%	£'000	%
INCOME FROM INVESTMENTS:				
Equity shares	1,134	98	1,103	98
Fixed interest stocks	-	-	-	-
TOTAL	1,134	98	1,103	98
Interest on deposits	24	2	25	2
TOTAL INCOME FOR THE YEAR	1,158	100	1,128	100

4a. Allocation of Support Costs & Overheads (Current Year)

SUPPORT COST	TOTAL (£'000)	GOVERNANCE (£'000)	FUNDRAISING (£'000)	RESEARCH/ PROJECTS (£'000)	SMALL GRANTS (£'000)	CHANCES FOR CHILDREN GRANTS (£'000)	BOARDING GRANTS (£'000)
Percentage (%)	100%	9%	30%	-	-	39%	22%
Staff costs	782	10	247	35	-	350	140
TOTAL STAFF COSTS (NOTE 7)	782	10	247	35	-	350	140
Premises	165	15	50	-	-	64	36
Communications	63	6	19	-	-	25	13
IT & depreciation	111	10	33	-	-	43	25
Fundraising	149	-	149	-	-	-	-
Impact & Evaluation	23	2	7	-	-	9	5
Training & recruitment	20	2	6	-	-	8	4
Audit, legal & professional fees	27	2	8	-	-	11	6
Trustee	8	1	2	-	-	3	2
General	2	-	1	-	-	1	-
TOTAL 2020	1,350	48	522	35	-	514	231
TOTAL 2019	1,329	28	382	35	222	407	255

Basis of allocation:

Staff costs are allocated on the basis of estimates of actual time worked on each activity. Other costs are allocated on the basis of staff costs with the exception of fundraising costs which are allocated to Fundraising only.

4b. Allocation of Support Costs & Overheads (Prior Year)

SUPPORT COST	TOTAL (£'000)	GOVERNANCE (£'000)	FUNDRAISING (£'000)	RESEARCH/ PROJECTS (£'000)	SMALL GRANTS (£'000)	CHANCES FOR CHILDREN GRANTS (£'000)	BOARDING GRANTS (£'000)
Percentage (%)	100%	5%	26%	-	25%	24%	20%
Staff costs	750	-	230	35	76	269	140
TOTAL STAFF COSTS (NOTE 8)	750	-	230	35	76	269	140
Premises	219	10	57	-	55	53	44
Communications	61	3	16	-	15	15	12
IT & depreciation	68	3	18	-	17	16	14
Fundraising	160	8	42	-	40	38	32
Training & recruitment	27	2	7	-	7	6	5
Audit, legal & professional fees	22	1	6	-	6	5	4
Trustee	7	-	2	-	2	2	1
General	15	1	4	-	4	3	3
TOTAL 2019	1,329	28	382	35	222	407	255
<i>TOTAL 2018</i>	<i>2,054</i>	<i>-</i>	<i>685</i>	<i>-</i>	<i>541</i>	<i>501</i>	<i>327</i>

5. Analysis of Charitable Expenditure

	DIRECT COSTS (£'000)	SUPPORT COSTS (£'000)	TOTAL 2020 (£'000)	DIRECT COSTS (£'000)	SUPPORT COSTS (£'000)	TOTAL 2019 (£'000)
Small grants	-	-	-	1,000	222	1,222
Chances for Children grants	1,534	514	2,048	1,765	407	2,172
Boarding grants	790	231	1,021	752	255	1,007
Research/projects	-	35	35	-	35	35
TOTAL FOR 2020	2,324	780	3,104	3,517	884	4,401
Grants not utilised*	(171)	-	(171)	-	-	-
ADJUSTED TOTAL	2,153	780	2,933	3,517	884	4,401

* Grants not utilised are historical grants that have been unnecessarily carried as current liabilities beyond the period during which they are expected to be spent. Uncashed cheques have been a continuing problem for many years. This write off addresses the issue.

6. Analysis of Grants to Individuals & Organisations

	RESTRICTED COSTS (£'000)	GENERAL COSTS (£'000)	TOTAL 2020 (£'000)	RESTRICTED COSTS (£'000)	GENERAL COSTS (£'000)	TOTAL 2019 (£'000)
GRANTS TO INDIVIDUALS						
Small grants for essential items	-	-	-	970	30	1,000
<i>Chances for Children</i> grants	1,534	-	1,534	1,765	-	1,765
Grants for children's education	616	174	790	210	542	752
TOTAL FOR 2020	2,150	174	2,324	2,945	572	3,517
Grants not utilised*	(171)	-	(171)	-	-	-
ADJUSTED TOTAL	1,979	174	2,153	2,945	572	3,517

* Grants not utilised are historical grants that have been unnecessarily carried as current liabilities beyond the period during which they are expected to be spent. Uncashed cheques have been a continuing problem for many years. This write off addresses the issue.

7. Analysis of Staff Costs

	2020 (£'000)	2019 (£'000)
Salaries and wages	654	595
Redundancy costs	10	-
Social security costs	69	64
Employers contribution to defined contribution pension schemes	49	84
Other costs	-	7
TOTAL	782	750

The average number of employees during the year was as follows:

	2020 (£'000)	2019 (£'000)
Grant & project administration	9	8
Management and administration	3	4
Fundraising and promotion	4	3
TOTAL	16	15

The number of staff whose salaries exceeded £60,000, excluding employer pension contributions, and fell within the following bands were:

	2020 (£'000)	2019 (£'000)
£90,000 - £99,999	-	-
£80,000 - £89,999	1	1
£60,000 - £69,999	2	2

Employer's contributions totalling £14,965 (2019: £27,139) were made to a defined contribution pension scheme in respect of the above.

The total employee benefits, including pension contributions and life assurance premiums, of the key management personnel were £249,114 (2019: £294,429).

The Trustees were not paid or received any other benefits from Employment with the Charity in the year (2019:£nil). No Trustee received payment for professional or other services supplied to the Charity (2019:£nil)

8. Related Party Transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties (2019: None)

9. Auditors' Remuneration

Auditors' remuneration comprised an audit fee of £11,100 (exclusive of VAT), (2019: £10,520).

10. Transfers Between Funds

Current year - The following transfers were made between funds during the year:	ENDOWMENT FUND (£'000)	RESTRICTED FUND (£'000)	GENERAL FUND (£'000)	PENSION FUND (£'000)
Transfer from Restricted Funds to General Funds in relation to support recovery costs	-	183	(183)	-
Transfer from unapplied total return to General and Restricted Funds in respect of charitable activities:				
<i>Regular transfer</i>	(2,400)	-	2,400	-
NET MOVEMENTS IN 2020	(2,400)	183	2,217	-
NET MOVEMENTS IN 2019	(2,400)	(90)	2,490	-

Prior year - The following transfers were made between funds during the year:	ENDOWMENT FUND (£'000)	RESTRICTED FUND (£'000)	GENERAL FUND (£'000)	PENSION FUND (£'000)
Transfer from Restricted Funds to General Funds in relation to support recovery costs	-	(90)	90	-
Transfer from unapplied total return to General and Restricted Funds in respect of charitable activities:				
<i>Regular transfer</i>	(2,400)	-	2,400	-
NET MOVEMENTS IN 2019	(2,400)	(90)	2,490	-
NET MOVEMENTS IN 2018	(3,650)	(285)	2,984	(951)

11. Tangible Fixed Assets

	LEASEHOLD IMPROVEMENTS (£'000)	COMPUTER EQUIPMENT (£'000)	FURNITURE & FITTINGS (£'000)	TOTAL (£'000)
COST				
AT 1 APRIL 2019	114	206	39	359
Additions	-	-	-	-
AT 31 MARCH 2020	114	206	39	359
ACCUMULATED DEPRECIATION				
AT 1 APRIL 2019	114	196	39	349
Charge for the year	-	10	-	10
AT 31 MARCH 2020	114	206	39	359
NET BOOK VALUE AT 31 MARCH 2020	0	0	0	0
<i>NET BOOK VALUE AT 31 MARCH 2019</i>	<i>0</i>	<i>10</i>	<i>0</i>	<i>10</i>

12. Intangible Fixed Assets

	DATABASE (£'000)	TOTAL (£'000)
COST		
AT 1 APRIL 2019	107	107
Additions	15	15
AT 31 MARCH 2020	122	122
ACCUMULATED DEPRECIATION		
AT 1 APRIL 2019	31	31
Charge for the year	31	31
AT 31 MARCH 2020	62	62
NET BOOK VALUE AT 31 MARCH 2020	60	60
<i>NET BOOK VALUE AT 31 MARCH 2019</i>	<i>76</i>	<i>76</i>

All of the above assets are used for charitable purposes.

13. Fixed Asset Investments

	ENDOWMENT		RESTRICTED LISTED	TOTAL 2020	TOTAL 2019
	LISTED (£'000)	UNLISTED (£'000)	LISTED (£'000)	(£'000)	(£'000)
Market value at 1 April 2019	55,459	196	600	56,256	55,338
Additions at cost	13,662	-	11	13,673	29,219
Disposal proceeds	(14,935)	-	(100)	(15,035)	(31,577)
TOTAL	54,186	196	511	54,893	52,980
Investment gains/(losses)	(3,254)	(195)	7	(3,442)	3,276
AT 31 MARCH 2020	50,932	1	518	51,451	56,256
HISTORICAL COST AT 31 MARCH 2020	46,215	1	482	46,698	46,840

The restricted investment comprises the Graphite Capital Bursary Fund and represents funds received from Graphite Capital, a leading private equity investor, which are invested in the CF Ruffer Absolute Return C Income Fund. These funds are being drawn down over a 10 year period commencing in October 2014 to support grant awards to estranged young people through our Chances for Children grant provision.

Listed and Unlisted Investments in the endowment fund are direct holdings of the charity.

Cash invested in the Institutional Cash Series Fund at 31 March 2020 was £2,003,019. (2019: £2,002,000)

Subsequent to the year end, the value of the fixed asset investments has risen to £56.7m at the end of June which is a rise of about 8.5%. This is a substantial reversal of the drop in value which occurred during the first quarter of the year 2020.

14. Debtors

	2020 (£'000)	2019 (£'000)
Prepayments & accrued income	183	379
Other debtors	20	213
TOTAL	203	592

15. Creditors

Amounts falling due within one year:	2020 (£'000)	2019 (£'000)
Accruals for grants	326	421
Accruals & deferred income	100	100
Other creditors	81	265
TOTAL	507	786
Amounts falling due after more than one year:		
Deferred income	300	400
TOTAL	300	400

Deferred income comprises grant income received in the current accounting period which will be spent in future accounting periods

Reconciliation of deferred income	2020 (£'000)	2019 (£'000)
Balance brought forward at 1 April	400	500
Amounts released to income	(100)	(100)
BALANCE CARRIED FORWARD AT 31 MARCH	300	400

16. Restricted Funds

	BALANCE 1 APRIL 2019 (£'000)	INCOME (£'000)	EXPENDITURE (£'000)	TRANSFERS & INVESTMENT GAINS (£'000)	BALANCE 31 MARCH 2020 (£'000)
FOR GRANTS					
BBC Children in Need	9	-	(9)	-	-
Westnedge	-	5	(6)	1	-
SFIA	120	-	(120)	-	-
Goldman Sachs Gives	8	-	-	(8)	-
Graphite Capital	62	107	(107)	8	70
City Bridge Trust	47	75	(74)	-	48
Comic Relief	(17)	76	(16)	(9)	34
Mercers' Company	15	45	(45)	-	15
Clothworkers' Foundation	35	-	(35)	-	-
Garfield Weston	75	-	(68)	(9)	(2)
National Lottery	-	189	(148)	(41)	-
Postcode Lottery	-	100	(26)	-	74
Various	782	891	(1,332)	248	589
TOTAL	1,136	1,488	(1,986)	190	828

Transfers to/from restricted funds, also disclosed in Note 11 above, have been made principally to match administration and support costs funded by donors for a specific project or grant programme or where funds have been incorrectly disclosed in prior years.

16. Restricted Funds

USE OF RESTRICTED FUNDS

BBC Children in Need	Refund of Unspent Grants
Westnedge	<i>Chances for Children</i> grants for adopted children
SFIA Educational Trust	<i>Chances for Children</i> , Support for Boarding
Goldman Sachs Gives	<i>Chances for Children</i> , overhead costs associated with making grants for children affected by domestic abuse in London
Graphite Capital	<i>Chances for Children</i> grants, estranged young people in the UK
City Bridge Trust	<i>Chances for Children</i> grants for those children affected by domestic abuse in London
Comic Relief	<i>Chances for Children</i> grants, for those children affected by domestic abuse in West Midlands The deficit at the year end represents grants made in advance of income received in the next accounting period.
Mercers' Company	<i>Chances for Children</i> , Support for Boarding
Clothworkers' Foundation	<i>Chances for Children</i> grants
Garfield Weston Foundation	<i>Chances for Children</i> grants, estranged young people in the UK
National Lottery	<i>Chances for Children</i> grants, for those children affected by domestic abuse in West Midlands
Postcode Lottery	<i>Chances for Children</i> grants

16. Restricted Funds (Cont.)

DETAILED COMPARATIVES OF RESTRICTED FUNDS

	BALANCE 1 APRIL 2018 (£'000)	INCOME (£'000)	EXPENDITURE (£'000)	TRANSFERS & INVESTMENT GAINS (£'000)	BALANCE 31 MARCH 2019 (£'000)
FOR GRANTS					
BBC Children in Need	338	272	(568)	(33)	9
Tom Ap Rhys Pryce	-	2	(2)	-	-
CTF Training	4	-	(4)	-	-
Westnedge	-	5	(6)	1	-
SFIA	265	-	(145)	-	120
Goldman Sachs Gives	-	8	-	-	8
Graphite Capital	93	105	(122)	(14)	62
City Bridge Trust	42	325	(274)	(46)	47
Comic Relief	-	50	(67)	-	(17)
Mercers' Company	15	45	(45)	-	15
Clothworkers Foundation	-	35	-	-	35
Garfield Weston	150	-	(65)	(10)	75
Dulverton Trust	-	30	(30)	-	-
Various	1,059	1,350	(1,627)	-	782
TOTAL	1,966	2,227	(2,955)	(102)	1,136

16. Restricted Funds – Prior Year

Transfers to/from restricted funds have been made principally to match administration and support costs funded by donors for a specific project or grant programme or where funds have been incorrectly disclosed in prior years

DETAILED COMPARATIVES - USE OF RESTRICTED FUNDS

BBC Children in Need	Small grants through the Emergency Essentials Programme
Tom Ap Rhys Price	<i>Chances for Children</i> , Support for Boarding
SFIA Educational Trust	<i>Chances for Children</i> , Support for Boarding
Goldman Sachs Gives	<i>Chances for Children</i> , overhead costs associated with making grants for children affected by domestic abuse in London
Graphite Capital	<i>Chances for Children</i> grants, estranged young people in the UK
City Bridge Trust	<i>Chances for Children</i> grants for those children affected by domestic abuse in London
Comic Relief	<i>Chances for Children</i> grants, for those children affected by domestic abuse in West Midlands
Mercers' Company	<i>Chances for Children</i> , Support for Boarding
Dulverton Trust	<i>Chances for Children</i> grants, estranged young people in the UK (excluding Northern Ireland and London)
Garfield Weston Foundation	<i>Chances for Children</i> grants, estranged young people in the UK
Clothworkers' Foundation	<i>Chances for Children</i> grants
CTF Training	<i>Chances for Children</i> grants

17. Total Return Application

The Charity Commission permitted the charity to adopt the use of the total investment powers in relation to its permanent endowment investments by an order dated 28 March 2006. The power permits the Trustees to invest the portfolio to maximize total return and to apply an appropriate portion of the unapplied total return to income each year. Until the power is exercised to transfer a portion of unapplied total return to income (as disclosed in the funds transfers, note 11), the unapplied total return remains invested as part of the permanent endowment. The power was implemented on 1 April 2006.

The Westnedge Fund refers to a legacy received in 2001 as a permanent endowment for the benefit of adopted children.

The investment fund & application of total return to permanent endowment funds	MAIN FUND (£'000)	WESTNEDGE FUND (£'000)	TOTAL 2020 (£'000)
Value of permanent endowment at 1 April 2019	55,645	118	55,763
Less: Value of Main Fund at 5 April 1978	(7,247)		(7,247)
Value of Westnedge Fund at 31 March 2001		(73)	(73)
Unapplied total return at 1 April 2019	48,398	45	48,443
Add: Investment return			
Dividends and interest in the year	1,141	3	1,144
Realised and unrealised gains/(losses)	(3,451)	2	(3,449)
Deduct: Investment management fees	(262)	(1)	(263)
Unapplied total return before transfer to income	45,826	49	45,875
Less: Unapplied total return applied	(2,395)	(5)	(2,400)
Unapplied total return at 31 March 2019	43,431	44	43,475
Add: Endowment value at 5 April 1978	7,247		7,247
Endowment value at 31 March 2001		73	73
Permanent endowment including unapplied total return at 31 March 2020, constituting the investment fund	50,678	117	50,795

18. Operating Lease Commitments (Land and Buildings)

The charity had total future minimum lease payments under non-cancellable operating leases as follows for each of the following periods:

	2020 (£'000)	2019 (£'000)
Less than one year	150	66
Between two & five years	371	-
TOTAL	521	66

19. Reconciliation Of Net Income/(Expenditure) To Net Cash Flow From Operating Activities

	2020 (£'000)	2019 (£'000)
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	(4,576)	1,515
Depreciation	41	71
(Gains)/losses on investments	3,442	(3,276)
Change in investment cash and capital commitments	(45)	-
Investment income	(1,158)	(1,128)
(Increase)/decrease in debtors	389	47
Increase/(decrease) in creditors	(379)	(1,076)
NET CASH USED IN OPERATING ACTIVITIES	(2,286)	(3,847)

20. Analysis of Net Debt

	AT 1st APRIL 2019 (£'000)	CASH FLOWS (£'000)	OTHER CHANGES (£'000)	AT 31st MARCH 2020 (£'000)
Cash at bank & in hand	402	198	-	600
Bank deposits (less than 3 months)	2,506	68	-	2,574
TOTAL CASH AND CASH EQUIVALENTS	2,908	266	-	3,174

21. Analysis of Net Assets

CURRENT YEAR	ENDOWMENT FUND (£'000)	RESTRICTED FUNDS (£'000)	UNRESTRICTED GENERAL FUNDS (£'000)	TOTAL FUNDS (£'000)
Fixed assets	-	-	60	60
Investments	50,933	518	-	51,451
Current assets	(118)	951	2,543	3,376
Current liabilities	(20)	(341)	(146)	(507)
Long term liabilities	-	(300)	-	(300)
TOTAL	50,795	828	2,457	54,080

PRIOR YEAR	ENDOWMENT FUND (£'000)	RESTRICTED FUNDS (£'000)	UNRESTRICTED GENERAL (£'000)	TOTAL FUNDS (£'000)
Fixed assets	-	-	86	86
Investments	55,656	600	-	56,256
Current assets	328	1,036	2,136	3,500
Current liabilities	(221)	(100)	(465)	(786)
Long term liabilities	-	(400)	-	(400)
TOTAL	55,763	1,136	1,757	58,656

22. Staff Retirement Benefit Scheme

The charity operates a defined contribution scheme operated with Aviva (formerly Friends Life), whereby the Charity pays 12% of Members' salaries plus life insurance and administration costs for members who joined before 2018. Contributions for members joining from 2018 onwards are at the rate of 7%. Contributions (including member contributions) and premiums paid in the year amounted to £76,665 (2019: £112,000).



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