

BUTTLE UK ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 March 2021

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MESSAGE FROM THE CHAIR OF TRUSTEES

This has been an incredibly challenging year for the children and young people we work with. We have seen a 68% increase in applications for our Chances for Children grants and I am extremely proud of our response to this. It has been clear that whilst we have all struggled, we are not 'all in the same boat' and the pandemic has exacerbated the inequalities children in crisis already faced across the UK.

Our funders have also been amazing and worked with us to ensure we were able to help so many in crisis. We hope to continue our close work with them and, using more of our own endowment alongside their support, plan to 'step up' and maintain a higher level of grant funding for at least the next two years, as the longer-term aftermath of COVID-19 becomes more apparent. I must congratulate the Campaign Board, our funders and the fundraising team for the amazing achievement of raising £10m as part of the Chances for Children campaign. What an incredible success, a huge thank you to all of the work they have done to make this happen. The need to continue the campaign is clear and the Campaign Board have agreed a new goal of an additional £10m over the next 3-5 years. The next phase will launch this year, with a focus on securing funds to increase the wellbeing, and capacity to engage in education, of the children and young people so affected by this pandemic.

Whilst we aim to provide more Chances for Children grants than in pre-COVID times, we will return our focus to our full strategy in 2021-22. Our ongoing challenge in this pandemic will be to maintain a balance between our frontline grant provision and our strategic delivery, both are critical to being able to deliver the best possible support for children and young people. We have managed to update our systems this year, delivering and integrating a new finance system and website, and early in 2021-22 we will have an improved grant application system for

our referral agencies, making the process of providing applicant information easier and clearer.

There is only so much we can and should do on our own. The challenges children and young people face are too complicated for one organisation to solve. This year - whilst continuing to work with agencies to deliver our grants - we will also work with other individual grant providers to learn about the benefits and challenges of collectively supporting children, young people and their families. In recognition that we must refocus our efforts on building a more equitable, diverse and inclusive organisation, we will also begin our strategic journey towards Buttle UK becoming 'inclusive by instinct', something that will involve all staff and trustees. In many ways, our focus on involving children, young people and families in our decision-making will support us on our Equity, Diversity and Inclusion journey too as we begin to engage their wealth of diverse experiences to help us improve our grants. Finally, we will continue to ensure we are providing the best possible support and development to our staff team, who have achieved so much this year whilst working from their homes.

Our Chances for Children grants pay for normal things that we would want all children and young people to have, but their parent or carers cannot otherwise afford. Not extraordinary, but critical things in their lives. While there is now hope that restrictions can finally be lifted, and that the recovery process can begin, the accumulated problems of the last 12 months for these children and young people will be felt for a long time yet.



Jill Dinsmore, Chair of Trustees

ABOUT BUTTLE UK

Buttle UK is a charity dedicated to helping children and young people in the UK who have experienced crisis, living in financial hardship and dealing with multiple challenging social issues.

We have been doing this since 1953. We provide support designed to improve emotional, educational and social outcomes through our Chances for Children grants and, for some children whose home environment is disruptive and chaotic, grants which allow them to go to boarding school. All our grants are designed to help provide a safe and nurturing environment to grow up in and access to activities that promote wellbeing and help strengthen support networks. Ultimately, we aim to increase the capacity of children and young people to engage in education and improve their social and emotional wellbeing.

Chances for Children grants offer direct financial support of up to £2,000. These grants provide a holistic package of support addressing the physical, emotional and educational needs of children aged 0-20. The grants pay for everyday things that most of us would take for granted, such as a child's bed, a cooker or a fridge. But they also pay for things that enable a child to thrive, like after school activities or IT equipment to support their education. Evaluation has repeatedly found

that these grants can have a disproportionately positive impact compared to their monetary value.

Where a child's home environment is not the best place for us to provide support, we offer grants that allow for a place at boarding school. We have been offering this type of support for more than 65 years, and have consistently seen over this time that boarding can support a child's developmental needs through providing routine, increased stability and emotional and social support. The level of aspiration offered by a boarding education can also help to raise a young person's educational attainment. In some cases, it is transformational.

We focus our support on grantmaking, this is where we have expertise and experience to make the biggest difference. Buttle UK operates across the UK and, in 2020-21, provided £4.78m in timely, individually targeted grants to support 6,333 children and young people. There are fantastic organisations fighting for policy changes within government to build long-term solutions to end child poverty. Our work generates extensive data and insights into levels of vulnerability and poverty from those with direct experience and the frontline teams that they work with. We share what we hear and learn with the wider social care sector to support positive change for children and young people in crisis and poverty.

Buttle UK provides grants for children and young people in crisis and who are financially excluded.



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.

Buttle UK provides grants for children and young people in crisis and who are financially excluded. The impact we seek from our grantmaking is to improve children and young people's wellbeing and increase their capacity to engage in education.

OUR STRATEGIC GOALS

In 2020-21, we began the first year of our five-year strategy for Buttle UK created by staff and trustees. COVID-19 altered the breadth of our plans over the previous year: our main focus was on providing a significant increase in our Chances for Children grants. However, our five-year strategy frames our approach to grantmaking in the longer term and progress has still been achieved. Within this strategic 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 those we support, 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.

Our key strategic pillars:

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 five-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, individually focused funding by everyone in our Grants Development team.

Through our grants, Buttle UK gives children and young people in crisis 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 2

Co-production and Accountability

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 3

Collaborating to maximise the breadth & impact of our support

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 4

Income Growth

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 goals. 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 aim for all our staff and trustees to become inclusive by instinct in the way we work at Buttle UK. 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.

Based on this strategy, what was achieved and was delayed because of our focus on delivering a high volume of grants, and in consideration of how Buttle UK will step up in our response to COVID-19, we have set the following key objectives for 2021-22:

A) Chances for Children 2.0

We will deliver 2,320 Chances for Children grants across the team and align our application, outcomes and impact to our updated theory of change.

B) Co-production and Accountability

We will agree a plan for ongoing involvement of the communities we support in the organisation.

C) Collaboration

We will deliver collective funding pilots with other individual grant givers in the sector and engage local authorities in their role to play.

D) Income growth

We will aim to achieve a stretch target of £1.95m and test an individual giving fundraising approach.

E) Know, Learn, Lead

We will provide staff with the tools, training, support and systems to ensure a flexible working environment that delivers for children and young people in crisis.

Delivering and improving Chances for Children grants 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 from our work is highlighted in our 'Theory of Change'.

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, young people estranged from their families and struggling families).

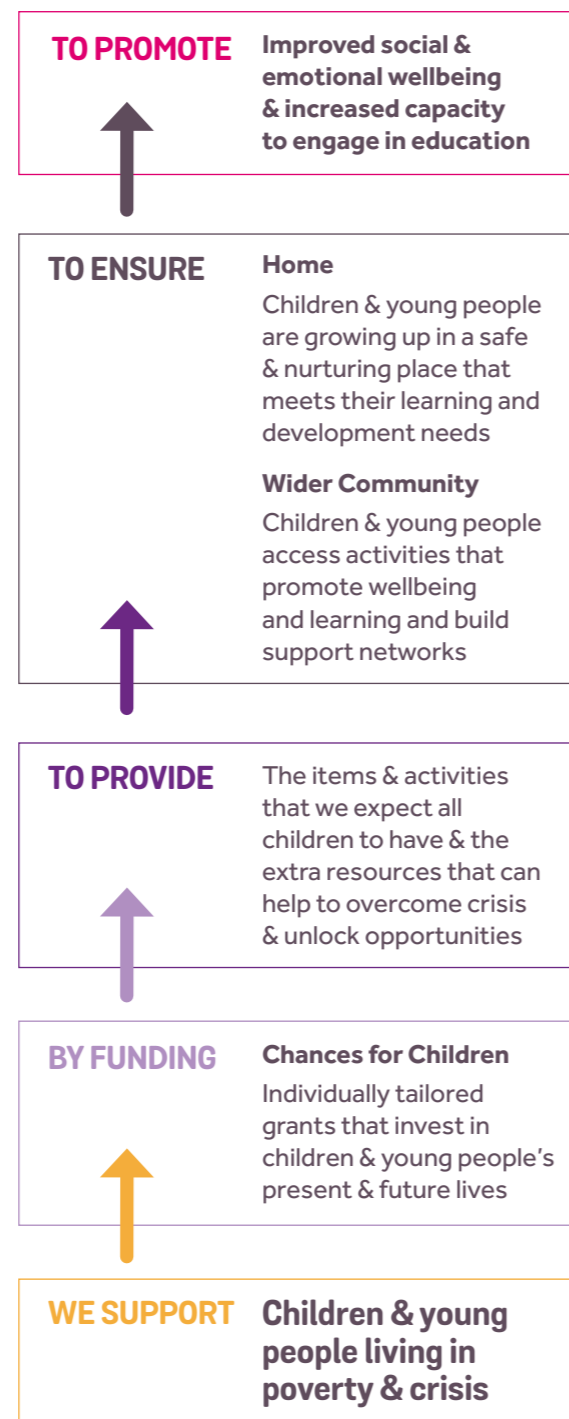
The results have been incredibly positive and we have learned:

- > A grant averaging £1,500 has the potential to make a lasting difference and facilitate outcomes of other service providers in moving 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 68 years, and independent evaluation has demonstrated how these grants remain an important way to both fulfil our objectives and meet all aspects of our 'Theory of Change'. Indeed, for the right child, at the right time, the opportunity can be transformative.

BUTTLE UK THEORY OF CHANGE



Grant making policies

We provide individually tailored grants of up to £2,000 for children and young people who have experienced a crisis that has recently had a significant and enduring impact on their social and emotional wellbeing and educational engagement. We fund items and activities to help improve children and young people's social and emotional wellbeing and increased capacity to engage in education and learning.

Our funds support children and young people from newborns to 20-year-olds to help them achieve personalised and transformative change to move on from crisis.

The children and young people we support are living in severe poverty, on average on incomes of less than £14,000 per year. They suffer deprivation as a result and face additional serious social issues around them such as domestic violence, drug and alcohol misuse, estrangement, illness, distress, abuse, neglect, behavioural or mental health issues.

Each case is individual so what is offered via our grants varies too. Frontline workers, who make the applications on behalf of the children and young people, work with them to find out about their needs as well as their interests and ambitions. Our financial support assists with improving

emotional, mental and social wellbeing and increases young people's capacity to engage with education and learning through funding activities, items for the home, clothes, therapeutic support and much more. Each package of support can be worth up to £2,000.

Our boarding school offer supports a small number of children and young people, aged between 11 and 16, whose home environment is so challenging that there is a serious risk of family breakdown. We have been supporting boarding places for young people for more than 65 years. We have seen that boarding can support a child's developmental needs through providing routine, increased stability and emotional and social support. The level of aspiration offered by a boarding education can also help to raise a young person's educational attainment.

ACHIEVEMENT, PERFORMANCE & PLANS FOR THE FUTURE

Achievements against 2020/21 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 2020/21 to further this work, in line with our overall strategy:

a) Chances for Children 2.0

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

b) Co-production and Accountability

We will agree a plan for ongoing involvement of the communities we support in the organisation.

c) Collaboration

We will deliver collective funding pilots with other individual grant givers in the sector and engage local authorities in their role to play.

d) Income Growth

We will achieve a stretch target of £1.95m and test an individual giving fundraising approach.

e) Know, Learn, Lead

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

Achievements in 2020-21

- > Delivered 3,084 Chances for Children bespoke packages of grants for children and young people (1,593 grants in 2019/20), significantly increasing our support in response to the COVID-19 crisis.
- > Supported 6,333 children and young people in total so far this year (2,580 children in 2019/20). This figure includes 122 children supported into boarding school this year, 21 of which are new.
- > Overall fundraising income raised of £5.86m. Some of this income will be spent on grants in the first quarter of 2021/22 (£1.99m raised in 2019-20). In 2020/21 we will have spent £4.85m on Chances for Children grants (c£4.2m) and Support for Boarding grants (c£650k).
- > Achieved our £10m Chances for Children Campaign target within our five-year timeline set.
- > Delivered a new finance system and website.
- > Our range of payment systems increased to include pre-paid cards, BACS, cheques, and using suppliers to directly provide items and equipment.
- > The Trustee Board have set aside a Designated Fund of £2m as a 'Stepping up' fund to support our Chances for Children grants over the next two financial years.
- > Agreed a new Equity, Diversity and Inclusion strategy for the organisation.
- > 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.
- > All the above has been achieved with staff working from home.

In our response to the COVID-19 pandemic we decided that our focus should be on raising funds and delivering the greatest volume of Chances for Children grants to children and young people at a time they were being hit harder than ever. As can be seen, this has been highly successful. This has, however, had an effect on some goals in our business plan, particularly within the 'Co-production & Accountability' and 'Collaboration' sections. We have therefore carried over the key goals in these areas to 2021-22 as we see these as critical to Buttle UK's future. Whilst we are committed to provide more Chances for Children grants than in pre-COVID times, we will return our focus to our full strategy in 2021-22. Our challenge will be to maintain a balance between our frontline grant provision and our strategic delivery. Both are critical to delivering the best for children and young people.

Buttle UK's Equity, Diversity and Inclusion (EDI) Strategy – Our journey to become inclusive by instinct.

In a year when we have achieved so much, as highlighted above, we also recognise there are areas that need focus and improvement. Our work on EDI in the organisation is particularly of note here. In 2020 we have seen that a general warmth to EDI has not created the change in our society perhaps we all aspired to before the weight of our everyday workload takes hold. Our personal values and EDI focus are challenged by tight deadlines and a reversion to doing what we have always done to complete the job, often repeating systems that restrict opportunities. This will continue to be the case unless we actively change our approach.

We need to act where we can to enhance diversity in the makeup and skills of our team ensuring that Buttle UK is somewhere that Staff, Trustees and Partner Agencies are comfortable to bring their whole selves and confident to challenge the ways in which we work. We need to make sure we are an accessible organisation for all children and young people experiencing crisis and poverty and respond to their diverse needs, many of whom may feel marginalised and unheard. We do not have the capacity to help everyone we reach but we can do more to diversify those we are reaching out to. A strong EDI strategy that is lived and breathed by our team everyday will ensure we challenge ourselves to understand who we are not reaching and why.

By developing our understanding, we will challenge each other towards delivering more than we can set ourselves as targets right now. Our vision for this strategy is that our Trustees and Staff will

have a deep understanding of EDI, the self-awareness of how it relates to the organisation's work and systems we work in. We will have a continued process of engagement, reflection and action taken for progression. We will become inclusive by instinct. Our annual Business Plan will set specific goals for the year to ensure constant reflection on improvements and identify areas that need further support. We acknowledge as an organisation that we do not all start from the same place of knowledge and understanding, but are here to achieve this same vision.

Trustees are accountable for ensuring that the organisation has appropriate structures, processes and resources in place to ensure that EDI are embedded into Buttle UK, and monitor progress through Buttle UK's annual business plan. Please do read more about our EDI Strategy here <https://buttleuk.org/equity-diversity-and-inclusion/>

CASE STUDIES

THE ELLIS FAMILY

Tina is a single mother caring for her three children aged Jon 15, Beccy 9 and Marcus 7. The family have recently moved into a new home, following a period living in refuge, having escaped extensive domestic abuse involving the children's father. The family have moved to a new area, and all of the children have had to change schools as a result. They all grew up witnessing and experiencing domestic abuse, and this has had an enormous impact on their wellbeing.

The family are receiving support from social services. Jon is very quiet and withdrawn, and struggles to open up. Marcus is displaying aggressive behaviour, and even before schools closed was on a reduced timetable and unable to fully engage with education. However, Beccy has found the school move more positive and was starting to form new friendship groups, before the COVID19 pandemic forced schools to close.

The first lockdown was very difficult for all the children. They have been relying on their mother's mobile phone to access school work, meaning that none of them have been able to fully engage with their education. Furthermore, having recently moved the family home is in need of furnishings. Mum is getting by on a low income, supplemented by benefits, making it impossible for her to afford all the items needed for the home, which are even more urgent due to lockdown and the children being forced to remain at home all the time.

Buttle UK's Chances for Children grant awarded items to support the children in engaging with education during lockdown...

Buttle UK's Chances for Children grant awarded items to support the children in engaging with education during lockdown, and to help them settle and spend more time in their home. Funds were given for a laptop, tablet and printer so that all of the children could learn from home. Funding was also provided for books, toys and craft materials for the children to help give them some entertainment while they remain at home. Finally, funds were also awarded for a bed and storage space to make the home more comfortable for the children.

Note: names have been changed to protect anonymity. Images are not of the individuals involved.

HENRY

Henry is ten years old and has been living with his maternal grandmother for the last few years. This is a permanent informal kinship care arrangement that was put in place after his mother's issue with addiction and ongoing mental health challenges meant that she was unable to care for Henry. While living with his mother Henry experienced domestic abuse and neglect, which has had a serious impact on his long-term emotional wellbeing.

Henry's support worker explains that he struggles with the rejection he experienced from his mother and has been diagnosed with attachment disorder. Henry finds it very difficult to form friendships and struggles with anxiety and behavioural difficulties. His grandmother lives on a very low income, which means she has struggled to pay for household essentials, as well as activities for Henry, since moving in to live with her. They have also just moved to more suitable accommodation that is less overcrowded, however the property is in poor condition and with little income to spare it is difficult for Henry's grandmother to improve this. Henry is currently sleeping on a mattress on the floor as his bed broke during the move.

Buttle UK's Chances for Children grants provided Henry and his grandmother with items for their new home, including a fridge freezer, storage furniture and a new bed and bedding for Henry.

Buttle UK's Chances for Children grants provided Henry and his grandmother with items for their new home, including a fridge freezer, storage furniture and a new bed and bedding for Henry. Funding was also provided for a laptop as Henry will start secondary school soon and will need it to complete work from home. He also struggles with typing and a laptop will give him the opportunity to practice before he starts at a new school. Finally, funding was awarded for some outdoor activities for Henry, prior to the current health crisis, so that he could interact with children his own age in a fun environment.



Buttle UK supported Jacob in a boarding place so that Jacob could attend school full time and have respite from the difficulties he faced at home.

JACOB

Jacob grew up watching his dad be violent to his mum, and as he got older, Dad started to physically abuse Jacob and his brothers. As well as having to cope with domestic abuse, Mum also experienced sexual abuse from her father-in-law, who kept Mum and the children trapped in the house. After suffering years of domestic abuse, Mum fled to refuge. At this point, Jacob and one of his siblings were taken into temporary foster care. They went back to live with Mum once a child protection plan had been put in place. The children struggled to deal with the abuse they had experienced and witnessed, and at times, Jacob and his brothers copied their Dad's behaviour and were aggressive towards Mum. The family moved to a deprived area and were ostracised from their community and support network because Mum's separation from her husband went against the family's religious beliefs.

On top of this, one of Jacob's siblings had additional learning and health needs. They were often aggressive to Mum but as they also had mobility issues, they required a lot of attention and care from Mum. Because of this, Jacob did not always receive all the care he needed and was suffering as a result. Jacob's sibling often refused to attend school, which meant that Mum was also unable to take Jacob, resulting in poor attendance for them both. Buttle UK supported Jacob in a boarding place so that Jacob could attend school full time and have respite from the difficulties he faced at home.

Jacob was supported through GCSEs and A-Levels. He obtained three Bs in his A Levels and is now going to university. As a result of boarding, Mum reported that Jacob is now a lot more confident and physically healthier, and has much better quality friendships. Mum saw Jacob's enjoyment of school and performance improve a lot throughout his time in boarding. The family now get along a lot better and spend more quality time together. Mum's wellbeing has also improved a lot; she feels less stressed, happier, and better able to look after her children.

REBECCA

Rebecca was 16 years of age when she was forced to leave her family home as a result of a complete breakdown in the relationships with her parents. The family has been known to social services since the early 2000s and there is a long history of domestic abuse, addiction, mental health issues and child neglect. For her own health and safety Rebecca was forced to leave home, spending a period of time in homeless accommodation, before eventually securing a tenancy of her own with the help of her support worker.

Since moving to her own tenancy Rebecca has been struggling to completely furnish her home. She has received support in obtaining the essentials including a bed and white goods, however she was without much else in the home, such as any storage furniture, anywhere to sit, bedding, towels or items for the kitchen. She is struggling financially on a low income, and with COVID-19 restrictions, has had to spend a lot of time on her own in a largely unfurnished home. Despite everything that she has been through Rebecca has continued to pursue her education. She is studying for exams which she hopes will eventually enable her to attend University. However, Rebecca was without a laptop or WIFI at home making it difficult for her to work on coursework. She also struggles to afford travel costs so that she can make it to school. All of this is creating further challenges, particularly as COVID-19 has meant that many assignments are being set online, and further school closures are a possibility.

Buttle UK's Chances for Children grant provided Rebecca with the help she needed to settle into her new home and to continue with her studies. Funding was provided for a laptop, a WIFI router, and stationery to help support Rebecca in working from home during the COVID-19 health crisis, but also an annual travel pass to and from school when they are open. Funding was also provided for Rebecca's home, towards bedding and towels, kitchen utensils, storage furniture and a sofa.

KEY STATISTICS

In 2020–21:

We achieved the goal of our Chances for Children Campaign, reaching **£10m** in pledged or received income. We raised **£3.9m** specifically as part of our **COVID-19 Direct Emergency Response for Children and Young People Fund**.

Applications for Chances for Children grants were **68% higher** than the previous year.

We spent **£4,783,841** on grants: **£4,137,904** on Chances for Children grants and **£645,937** on Support for Boarding. This allowed us to support **6,333 children and young people**, compared to 2,580 children and young people the previous year.

The average grant was £1,397. This is **£436** higher than the average grant value in 2019–20. Through our Chances for Children grants, the Top 10 items and costs that we funded are in the table on the right. The changes compared to last year illustrate how what we funded changed in response to the needs and circumstances of the COVID crisis.



Rank in 2019/20: 3

IT Equipment

2,801 items | **£886,169**



Rank in 2019/20: 4

Home Appliances

2,109 items | **£466,564**



Rank in 2019/20: 2

Bed and/or Bedding

1,921 items | **£448,409**



Rank in 2019/20: 6

Educational Toys & Books

2,309 items | **£445,740**



Rank in 2019/20: 11

Children's Clothing

1,580 items | **£367,174**



Rank in 2019/20: 5

Home Furnishing

1,736 items | **£336,117**



Rank in 2019/20: 8

Storage Furniture

1,059 items | **£288,001**



Rank in 2019/20: 13

Carpet & Flooring

494 items | **£192,554**



Rank in 2019/20: 6

School Uniform & Equipment

806 items | **£154,147**



Rank in 2019/20: 1

Sport, Art, Music & Leisure Activities*

503 items | **£102,161**

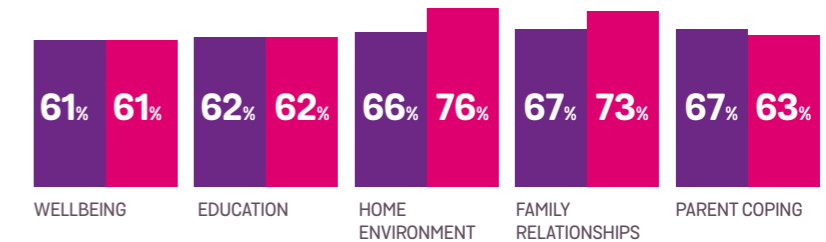
* Grouped with other after school activities in 2019-20



Evaluation - through our surveying - has demonstrated that despite the increase in issues, and the worsening crises that families have faced over the past year, the support of our Chances for Children grants has remained highly effective. Feedback this past year has shown that improvement scores for our outcomes have remained at similar levels to those prior to the health crisis, in the case of some outcomes we have seen improvement levels rise over the past year.

Key outcome at 3 months

■ Pre Covid (N=269) ■ During Covid (N=422)



Our EDI strategy, which was approved by trustees in November 2020, is designed to create a continued process of engagement, reflection and action, though which we aim, as an organisation, to become inclusive by instinct. There are many changes for us to consider and make as we undertake this journey, particularly broadening our understanding of the communities we support with protected characteristics; however, below is data on our grant split by ethnicity.

| ETHNICITY | CASES | % CASES | % OF UK POPULATION |
|------------------------|-------------|-------------|--------------------|
| White | 1688 | 57.00% | 85% |
| Black or Black British | 394 | 13.30% | 3% |
| Other | 275 | 9.30% | 1% |
| Asian or Asian British | 265 | 8.90% | 7% |
| Mixed | 216 | 7.30% | 2% |
| Not Disclosed | 114 | 3.90% | - |
| Chinese | 9 | 0.30% | 1% |
| Total | 2961 | 100% | |

Overall, 40 students funded through our Support for Boarding grants completed exams in summer 2020. Thirty-three students completed GCSEs and seven completed A-Levels.

Due to COVID-19, exams were not able to take place as usual, meaning this cohort's results were based on coursework and predicted grades. For those whom we have results data N=29, 90% received five or more A*-Cs including Maths and English. All students received at least one numerical grade 5 (B equivalent), which is substantially greater than the 58.2% national average.

Whilst there is limited data on 2020 attainment among disadvantaged pupils, the FFT Datalab has analysed results from over 1200 schools across the UK, with findings indicating that 56% of disadvantaged pupils obtained at least one grade 4, which is nearly half that of the Buttle UK boarding cohort.¹

¹FFT education datalab 2020 attainment gap analysis <https://ffteducationdatalab.org.uk/2020/09/gcse-results-2020-did-attainment-gaps-increase/>

FINANCIAL REVIEW

Statement of Financial Activities (SOFA)

The following summarises the key figures from the 2020-21 SOFA

| ALL FUNDS | DIRECT COSTS | SUPPORT COSTS | 2020-21 TOTAL | 2019-20 TOTAL | % CHANGE |
|--|--------------|---------------|---------------|---------------|---------------|
| Income | | | | | |
| Investment | | | 992 | 1,158 | (-14%) |
| Charitable activities | | | 2,372 | 289 | +821% |
| Donations and legacies | | | 3,531 | 1,190 | +293% |
| Total income | | | 6,895 | 2,637 | |
| Expenditure | | | | | |
| Raising funds | | | 855 | 875 | -2.5% |
| Charitable activities | | | | | |
| - Grants to individuals and charities | 4,139 | 573 | 4,712 | 2,048 | +231% |
| - Grants for Children's Education | 642 | 244 | 886 | 1,021 | (-12.9%) |
| - Research and Projects | | 39 | 39 | | |
| Total charitable activities | 4,781 | 856 | 5,637 | 3,069 | (+84%) |
| Total expenditure | | | 6,492 | 3,944 | +66% |
| Net expenditure before revaluation of investments | | | 403 | 1,307 | (-72%) |

All figures expressed in £'000.

Total Fundraised income was higher in 2020-21 by £4.38m and the reasons for this are very clear. This was an exceptional year in terms of the demands for the services of Buttle UK. The effect of the Covid-19 pandemic has meant that applications for emergency grants increased substantially. It has been well documented that the restrictions imposed on households has meant that tensions within households became intolerable for many vulnerable families resulting in the growth of applications for our Chances for Children grants.

Buttle UK put out an appeal to our regular major donors which resulted in a tremendous response as we received £3.9m in response to this as well as a further amount of £1.96m for spending on our Chances for Children grants. Included in the Covid response was an amount of £2.07m from the National Lottery Community Fund.

Investment income was slightly lower than in 2019-20. In the circumstances, this would seem to be a good result.

Principal Donors

| RECEIVED IN YEAR | TOTAL (£) |
|--|------------------|
| National Lottery Community Fund | 2,372,303 |
| Comic Relief | 650,000 |
| Garfield Weston Foundation | 300,000 |
| Masonic Charitable Foundation | 250,000 |
| Mercers' Company | 238,000 |
| CTF Training | 215,000 |
| City Bridge Trust | 160,932 |
| Colin Crawshaw | 100,000 |
| Graphite Capital | 117,639 |
| KPMG Foundation | 100,000 |
| STV Children's Appeal | 100,000 |
| Clothworkers' Foundation | 85,000 |
| Kathleen Flynn Legacy | 79,667 |
| Jefferies Financial Group | 77,967 |
| Dulverton Trust | 50,000 |
| Lund Trust (a charitable fund of Lisbet Rausing and Peter Baldwin) | 50,000 |
| Schroder Foundation | 40,000 |
| ArgoGlobal | 32,282 |
| Steve Morgan Foundation | 25,000 |
| Band Trust | 25,000 |
| Denbighshire Foyer | 25,000 |
| Edward Gostling Foundation | 25,000 |
| Cyril Taylor Foundation | 22,500 |
| Mat Waugh | 13,979 |
| Eleanor Hamilton Educational Trust | 10,000 |
| Charles Lewis Foundation | 10,000 |
| Anonymous or private donations | 552,983 |
| Other donations | 145,747 |
| | 5,860,021 |

Expenditure

The expenditure on grants and the associated administration and infrastructure costs of delivering those grants increased as a result of the increased funds available to deliver.

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.

Overall expenditure on overheads increased by £79,000 in 2020-21. There were many variances to the budget which had originally been agreed in March 2020 as a result of changes brought about by the restrictions imposed by government owing to the Covid-19 pandemic. Two new members of staff were recruited to the grants team to handle the increased volume of applications for our grants. We invested in a new finance system, and signed up to a prepaid card programme which enabled us to continue to deliver the CCG grants effectively and we built a new website. Reductions in spending occurred as a result of no fundraising events taking place as this activity was curtailed by the Covid restrictions.

There was a surplus of £403k in 2020-21. The capital element of the total return allocation referred to below amounted to a drawdown of £2.15m. This enabled the Trustees to create a Designated fund out of the unrestricted reserves of the Charity. The purpose of the Designated fund is to spend funds on Chances for Children grants in two equal instalments of £1m each over the next two years. The Designated Fund has been called the "Stepping Up" fund.

The Endowment Fund is the Charity's principal asset in the balance sheet at £62.5m. In addition, there are £2.32m of restricted reserves, £2m of reserves in a Designated fund and £939k 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. Since the end of the financial year, global stock markets have rebounded and this has had a positive impact of close to +10% on the value of the endowment.

Grant history by programme, with support costs as a percentage of total charitable expenditure, 2011–21

| YEAR | SMALL GRANTS | | CHANCES FOR CHILDREN ¹ | | BOARDING | | DAY FEES ² | | TOTAL | | SUPPORT £'000 | TOTAL £'000 | % SUPPORT |
|---------|--------------|-------|-----------------------------------|-------|----------|-------|-----------------------|-------|--------|-------|--------------------|----------------|--------------------|
| | NO | £'000 | NO | £'000 | NO | £'000 | NO | £'000 | NO | £'000 | | | |
| 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% |
| 2015-16 | 9,148 | 2,321 | 583 | 596 | 323 | 991 | 14 | 26 | 10,068 | 3,934 | 934 | 4,849 | 19.3% ³ |
| 2016-17 | 9,408 | 2,603 | 576 | 414 | 276 | 917 | 3 | 7 | 10,263 | 3,941 | 1,047 ⁴ | 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 | 1,593 | 2,322 | 1,350 | 3,672 | 36.7% |
| 2020-21 | 0 | 0 | 6,211 | 4,139 | 122 | 642 | 0 | 0 | 6,333 | 4,781 | 1,429 | 6,210 | 23.01% |

[1] These include the various enhanced package approach projects, Viz: 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 that support costs were calculated in that governance costs were required to be included as a charitable activity cost for the first time.

INVESTMENTS & INVESTMENT POLICY

The investment portfolio is managed by two major fund managers. BlackRock manage a total of approximately £48.2 million 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 £12.7 million in their Charity Assets Trust. 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 six trustees, some with relevant financial services expertise. The overall performance in the year was very positive thanks to the global equity markets robust response to the economic climate. Annual performance of the endowment was 23.3%. Since the end of the financial year, global stock markets have rebounded and this has had a positive impact of close to +10% on the value of the endowment.

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.

During 2020-21, Trustees actively managed their investment allocation strategy together with their Investment Managers. By 31 March 2021, 44% of discretionary assets of the endowment were invested in funds that pursued a focus on enhanced ESG criteria. Further, in order to mitigate against any potential market disruption, investment allocation included a 20% allocation to fixed income, an increase from a 5% allocation.

The Trustees monitor the ongoing climate change debate and advocate active ownership and engagement rather than disinvestment as a general principle. This applies especially with regard to fossil fuels as the large oil and gas companies are the biggest contributors both to the ongoing exploitation of natural resources as well as being one of the biggest investors in renewable energy infrastructure.

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 Charity Assets Trust and they follow the same investment principles as are applied to the Buttle UK investment also held by them.

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 children and young people we support. 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 £2.15 million in 2020-21 for the ongoing regular activities of the Charity.

The total drawdown in 2020-21 at £2.15m represents 3.4% 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 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 19.

Reserves

The endowment fund of Buttle UK could be available to act as a reserve as a result of the Total Return Order awarded by the Charity Commission. Nevertheless, we highlight the future commitment to children in our Support for Boarding programme who may have awards granted to them over a period of six years. We will, however, continue to hold unrestricted reserves to enable flexibility in organizational or grant expenditure if a critical situation arises. We have selected the level of reserves after taking account of the most significant risks in our risk register. Our reserves will help to ensure that our invested funds can continue to drive long term growth to support the next generation of children and young people's wellbeing and capacity to engage in education. Therefore, the unrestricted reserves will maintain a balance in the region of £400,000 which amount to approximately three months of core organizational expenditure. This will be subject to annual review.

The Endowment Fund is the Charity's principal asset in the balance sheet at £62.5million. In addition, there are £2.32m of restricted reserves, a designated fund of £2m and £939k of unrestricted reserves at the balance sheet date.

Risk management

The Trustees have considered the significant 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 highest risks may be summarized as follows:

(a) Governance risks – A lack of progression on EDI within the organisation impacts on our organisational strength to challenge ourselves to build the best possible support for and with children and young people.

Diversity is a fantastic strategy for driving change and improvement. A diverse organisation is, or should be, a more challenging organisation – more difficult to manage, where leaders of all kinds need to expect to be questioned or challenged. Our EDI Strategy and Co-production & Accountability plan will help us to increase diversity within the organisation and develop our staff and trustees understanding of building a more equitable and inclusive place of work for our team and who we work with. To ensure the strongest mitigation trustees and staff must work together to further our EDI strategy.

(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 investment managers have agreed with the Investment Committee a rebalance of the strategic asset allocation to include investments with ESG characteristics. 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: Income falls, after the immediate response to the COVID-19 crisis, to the point where the core activities of Buttle UK are threatened, and we are over-dependent on short-term income from fundraising for funding its core activities.

The current fundraising strategy is designed to contribute to operating costs and increase funds available for grant giving, research and project development. The endowment will ensure there is always sufficient funding available for committed expenditure in the short term and trustees have agreed to 'step up' support from the endowment in 2021-23. We have asked other funders to add to this additional support committed.

(e) Operational: Chances for Children Grants budgets are used up much earlier than the end of the financial year.

Grants Expenditure is monitored weekly in SMT meetings with closer analysis within the Grants Team. The grants budget is £3.1m in 2021/22 and is reliant on support from funders to increase this. Our aim is to provide our grants all year-round. Close consideration of the grants budget will continue to ensure support remains through the financial year.

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 eleven Trustees provide substantial support and advice to the work of the Charity through Board meetings and Committee Meetings. Additional Committees are listed below:

- Governance Advisory Committee
- Investment Committee
- Grants Committee
- Campaign Board (volunteer fundraising committee).

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 the communities we work with through a good, quality service. The Trustees confirm they have due regard to the Charity Governance Code and have used this in 2020-21 to carry out a desk-based audit to consider improvements needed to ensure the best governance is maintained at Buttle UK. These improvements are planned for 2021-22.

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 and young people 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 in certain circumstances but resignation must occur after nine years.

The Board has recently updated its Trustee Succession Planning process with an aim to improve how we meet current skills/diversity gaps and those created as Trustee terms finish. Board succession

and the recruitment cycle should be planned over a longer time horizon to ensure that a balance of skills and diversity on the Board can be developed and the organisation does not risk losing expertise in key areas as Trustees move on. Better planning also means that incoming Trustees - no matter their background and previous experience - are welcomed to Buttle UK with the best support we can provide. The new Trustee Succession Planning Process has been considered to support new and current board members to plan their journey with us. It supports interested new recruits by offering the opportunity to learn alongside current Trustees, particularly if they are in their last year with Buttle. There will be more time planned to handover their learning, experiences and to support any transition. Current Trustees are also empowered to engage in thinking about their next steps with the board by providing a clearer forward plan, offering the chance for them to have open conversations with the Chair/Deputy about their future on the Board.

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.

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 term 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.

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's 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 2021-22 and through contact with Grant Development Officers local to them where appropriate. A performance and development system ensures that staff work to objectives and that their skills development is encouraged.

The Strategic Leadership Team (SLG) consists of the SMT and members of the staff team selected to co-lead on the development of our five key strategic pillars within the 2020-25 strategy. Each SMT member is responsible for ensuring we have appropriate members of the team working on each pillar and the key objectives for the year are completed. The staff members of the SLT will work with the appropriate SMT member to support them on this. Any member of the wider Buttle UK team will support delivery of the business plan, the SLT will ensure it is on course.

The Charity's remuneration policy is to review the salaries of all employees annually in December 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. We are a living wage employer.

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; and
- 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 16 September 2021 and signed on their behalf by:



Jill Dinsmore *Chair of Trustees*



Mark Alexander *Trustee*

Reference and administrative details

Buttle UK
Registered Charity No: 313007 Scotland: SCO37997
Head office: 15 Greycoat Place, London, SW1P 1SB

Trustees

Caroline Gipps (Chair) *Resigned November 2020*
Damian Ettinger (Deputy Chair) *Resigned November 2020*
Mark Alexander
Lucinda Baxter
David Buttle
Chantelle Chamberlin
Jill Dinsmore *Appointed Chair November 2020*
Thomasina Findlay
Rosemary Norris
Peter Orlov *Appointed Deputy Chair November 2020*
Michael Seaton
Alex Tennant
Leo Wong

Staff

Chief Executive: Joseph Howes

Senior Management Team:

Director of Fundraising & Marketing: Richard Barron

Director of Finance & Administration:

Paddy Zervudachi

Head of Grants Development: Clare McGread

| | |
|-------------------|----------------|
| Samantha Calliste | Luke Mitchell |
| Chris Davis | Beth McIvor |
| Bernie Doyle | Gari Sparling |
| Adrienne Gregory | Amelia Smith |
| Ffion Haf | Diane Smith |
| John Hamilton | Andrew Walters |
| Gabriele Joceryte | Kate Zaczek |

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

Virgin Money
154-158 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 2021 which comprise the 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 2021 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.

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Chair's Statement and Trustees' Annual Report. 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 20, 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.

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

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission and Office of Scottish Charity Regulator (OSCR), and the Trustee Investments Act, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, the Charity Accounts (Scotland) Regulations (as amended), Charities SORP (2019) and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the recognition of voluntary income and grant commitments. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities; Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; Reviewing the controls and procedures of the charity, particularly in relation to the recording of income and processing of payments and payroll, to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing and testing journal entries made in the year, particularly those made as part of the year-end financial reporting process; and
- Challenging assumptions and judgements made by management in their critical accounting estimates which comprise depreciation and amortisation, accruals and deferred income and bad debt provision.

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.

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
10 Queen Street Place, London EC4R 1AG
16th September, 2021

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 2021

| All figures expressed in £'000 | NOTE | ENDOW- MENT FUND | RESTRICTED FUNDS | UNRESTRICTED GENERAL FUNDS | TOTAL 2021 | TOTAL 2020 |
|--|------|---------------------|---------------------|-------------------------------|---------------|----------------|
| INCOME FROM: | | | | | | |
| Donations & legacies | 17 | - | 3,531 | - | 3,531 | 1,192 |
| From charitable activities | 17 | | 2,070 | | 2,070 | |
| Grants – NLCF COVID Response | | - | | - | | |
| Grants – National Lottery | 17 | - | 302 | - | 302 | 189 |
| Grants – Postcode Lottery | 17 | - | - | - | - | 100 |
| Investment | 3 | 976 | 13 | 3 | 992 | 1,158 |
| TOTAL INCOME | | 976 | 5,916 | 3 | 6,895 | 2,639 |
| EXPENDITURE ON: | | | | | | |
| Raising funds | | | | | | |
| Voluntary income | 4 | - | - | 553 | 553 | 570 |
| Investment management fees | 19 | 290 | 12 | - | 302 | 270 |
| Total raising funds | | 290 | 12 | 559 | 855 | 840 |
| Charitable Activities | | | | | | |
| Chances for Children grants | 5,6 | - | 4,288 | 424 | 4,712 | 1,877 |
| Grants for children's education | | - | 160 | 726 | 886 | 1,021 |
| Research and projects | | - | - | 39 | 39 | 35 |
| Total charitable activities | | - | 4,448 | 1,189 | 5,637 | 2,933 |
| TOTAL EXPENDITURE | | 290 | 4,460 | 1,742 | 6,492 | 3,773 |
| Net income/(expenditure) | | 686 | 1,456 | (1,739) | 403 | (1,134) |
| Transfers between funds | 10 | (2,150) | (71) | 2,221 | - | - |
| Net (expenditure)/income before other recognised gains/(losses) | | (1,464) | 1,385 | 482 | 403 | (1,134) |
| Gains/(Losses) on investments | 13 | 13,176 | 108 | - | 13,284 | (3,442) |
| NET MOVEMENT IN FUNDS | | 11,712 | 1,493 | 482 | 13,687 | (4,576) |
| Balances at 1 April 2020 | | 50,795 | 828 | 2,457 | 54,080 | 58,656 |
| TOTAL FUNDS CARRIED FORWARD | 23 | 62,507 | 2,321 | 2,939 | 67,767 | 54,080 |

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 & 6. Full details of the grants given are shown in the Trustees' Report.

The notes on pages 26 to 39 form part of these financial statements.

BUTTLE UK BALANCE SHEET

AT 31 MARCH 2021

| | NOTES | ENDOWMENT FUND (£'000) | RESTRICTED FUNDS (£'000) | GENERAL FUND (£'000) | TOTAL 2021 (£'000) | TOTAL 2020 (£'000) |
|--|-----------|---------------------------|-----------------------------|-------------------------|-----------------------|-----------------------|
| FIXED ASSETS | | | | | | |
| Tangible fixed assets | 11 | - | - | 2 | 2 | - |
| Intangible assets | 12 | - | - | 69 | 69 | 60 |
| Investments | 13 | 62,865 | 531 | - | 63,396 | 51,451 |
| TOTAL FIXED ASSETS | | 62,865 | 531 | 71 | 63,467 | 51,511 |
| CURRENT ASSETS | | | | | | |
| Debtors | 14 | 76 | 40 | 1 | 117 | 203 |
| Cash at bank and in hand | 22 | (284) | 2,158 | 2,815 | 4,689 | 3,173 |
| TOTAL CURRENT ASSETS | | (208) | 2,198 | 2,816 | 4,806 | 3,376 |
| CREDITORS: | | | | | | |
| Amounts falling due within one year | 15 | (150) | (208) | 52 | (306) | (507) |
| NET CURRENT (LIABILITIES)/ASSETS | | (358) | 1,990 | 2,868 | 4,500 | 2,869 |
| NET ASSETS BEFORE LONG TERM CREDITORS | | 62,507 | 2,521 | 2,939 | 67,967 | 54,380 |
| CREDITORS: | | | | | | |
| Amounts falling due after more than one year | 16 | - | (200) | - | (200) | (300) |
| NET ASSETS | | 62,507 | 2,321 | 2,939 | 67,767 | 54,080 |
| FUNDS | | | | | | |
| Endowment Fund | | 62,507 | - | - | 62,507 | 50,795 |
| Restricted Funds | 17 | - | 2,321 | - | 2,321 | 828 |
| Unrestricted Funds | | | | | | |
| Designated Fund | 18 | - | - | 2000 | 2000 | - |
| General Fund | | - | - | 939 | 939 | 2,457 |
| TOTAL GENERAL & DESIGNATED FUNDS | | - | - | 2,939 | 939 | 2,457 |
| TOTAL CHARITY FUNDS | 23 | 62,507 | 2,321 | 2,939 | 67,767 | 54,080 |

Approved and authorised for issue by the Trustees on 16 September 2021 and signed on their behalf by:
Jill Dinsmore Chair of Trustees and **Mark Alexander** Trustee

The notes on pages 26 to 39 form part of these financial statements.

BUTTLE UK STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2021

| | NOTES | 2021 (£'000) | 2020 (£'000) |
|--|-------|-----------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net cash used in operating activities | 21 | (568) | (2,241) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Income from investments | | 992 | 1,158 |
| Purchase of fixed asset investments | | (52,035) | (13,673) |
| Proceeds from the sale of fixed asset investments | | 53,178 | 15,035 |
| Net purchase of fixed assets | | (50) | (15) |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | | 2,085 | 2,505 |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR | | | |
| Net Debt at the beginning of the year | | 3,172 | 2,908 |
| NET DEBT AT THE END OF THE YEAR | 22 | 4,689 | 3,172 |

The notes on pages 26 to 39 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. The accounts are prepared in pounds Sterling (GBP).

b) General information

The Charity is an unincorporated charity registered in England & 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 financial year 2020-21 enabled the charity to more than double its grant-giving activities.

Inevitably, the year 2021-22 will mean a lower budget for the charity's work, but to provide a measure of stability to the reduction in activity, the Trustees have set up a designated fund of £2,000,000 out of reserves to be spent equally on Chances for Children grants over the years 2021-22 and 2022-23.

Additionally, the Endowment Fund has performed well during the period under review and was valued at 31st March at its highest level yet. Since 31 March 2021, the investment markets have continued to strengthen. The Endowment is valued at £66.78m at the end of June 2021 which is an increase of 6.7% from the end of March valuation. The drawdown from the endowment will be at £2.4m. This takes account of an increased budget investing in securing future fundraised income on a more regular basis. The increase in restricted reserves takes account of funds carried forward that were unspent during 2020-21.

Cash reserves are healthy with cash balances at 30 June 2021 of £3.64m in restricted and unrestricted funds.

In order to manage the increased demand for Buttle UK services, management is retaining an additional 2 members of staff who are contracted on a time limited basis until the end of August 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 19 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

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 include 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 19.



3. Investment Income

| | 2021 | | 2020 | |
|----------------------------------|------------|------------|--------------|------------|
| | £'000 | % | £'000 | % |
| INCOME FROM INVESTMENTS: | | | | |
| Equity shares | 959 | 97 | 1,134 | 98 |
| Fixed interest stocks | 25 | 2 | - | - |
| TOTAL | 984 | 99 | 1,134 | 98 |
| Interest on deposits | 8 | 1 | 24 | 2 |
| TOTAL INCOME FOR THE YEAR | 992 | 100 | 1,158 | 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 | 865 | 17 | 266 | 38 | - | 399 | 145 |
| TOTAL STAFF COSTS (NOTE 7) | 865 | 17 | 266 | 38 | - | 399 | 145 |
| Premises | 204 | 18 | 61 | - | - | 80 | 45 |
| Communications | 52 | 5 | 16 | - | - | 20 | 11 |
| IT & depreciation | 91 | 8 | 27 | - | - | 35 | 20 |
| Fundraising | 94 | - | 94 | - | - | - | - |
| Impact & Evaluation | 23 | 2 | 7 | - | - | 9 | 5 |
| Training & recruitment | 14 | 1 | 4 | - | - | 6 | 3 |
| Audit, legal & professional fees | 37 | 3 | 11 | - | - | 15 | 8 |
| Trustee | 1 | - | - | - | - | 1 | - |
| Bank and pre-paid card charges | 34 | 3 | 10 | 1 | - | 13 | 7 |
| General | 1 | - | - | - | - | 1 | - |
| TOTAL 2021 | 1,416 | 57 | 496 | 39 | - | 579 | 244 |

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 (continued)

| SUPPORT COST PRIOR YEAR | 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 8) | 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 | 1350 | 48 | 522 | 35 | - | 514 | 231 |

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.

5. Analysis of Charitable Expenditure

| | DIRECT COSTS (£'000) | SUPPORT COSTS (£'000) | TOTAL 2021 (£'000) | DIRECT COSTS (£'000) | SUPPORT COSTS (£'000) | TOTAL 2020 (£'000) |
|-----------------------------|----------------------|-----------------------|--------------------|----------------------|-----------------------|--------------------|
| Chances for Children grants | 4,133 | 579 | 4,712 | 1,534 | 514 | 2,048 |
| Boarding grants | 642 | 244 | 886 | 790 | 231 | 1,021 |
| Research/projects | - | 39 | 39 | - | 35 | 35 |
| TOTAL | 4,775 | 862 | 5,637 | 2,324 | 780 | 3,104 |
| Grants not utilised* | - | - | - | (171) | - | (171) |
| ADJUSTED TOTAL | 4,775 | 862 | 5,637 | 2,153 | 780 | 2,933 |

* 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 2021 (£'000) | RESTRICTED COSTS (£'000) | GENERAL COSTS (£'000) | TOTAL 2020 (£'000) |
|---------------------------------|--------------------------|-----------------------|--------------------|--------------------------|-----------------------|--------------------|
| GRANTS TO INDIVIDUALS | | | | | | |
| Chances for Children grants | 4,288 | (155) | 4,133 | | | |
| Grants for children's education | 160 | 482 | 642 | 616 | 174 | 790 |
| TOTAL | 4,448 | 327 | 4,775 | 2,150 | 174 | 2,324 |
| Grants not utilised* | | | | (171) | - | (171) |
| ADJUSTED TOTAL | 4,448 | 327 | 4,775 | 1,979 | 174 | 2,153 |

7. Analysis of Staff Costs

| | 2021 (£'000) | 2020 (£'000) |
|--|--------------|--------------|
| Salaries and wages | 720 | 654 |
| Redundancy costs | - | 10 |
| Social security costs | 72 | 69 |
| Employers contribution to defined contribution pension schemes | 61 | 49 |
| Other costs | 12 | - |
| TOTAL | 865 | 782 |

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

| | 2021 (£'000) | 2020 (£'000) |
|--------------------------------|--------------|--------------|
| Grant & project administration | 9 | 9 |
| Management and administration | 3 | 3 |
| Fundraising and promotion | 5 | 4 |
| TOTAL | 17 | 16 |

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

| | 2021 (£'000) | 2020 (£'000) |
|-------------------|--------------|--------------|
| £80,000 - £89,999 | 1 | 1 |
| £60,000 - £69,999 | 2 | 2 |

Employer's contributions totalling £18,212 (2020: £14,965) 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 £260,523 (2020: £249,114).

The Trustees were not paid or received any other benefits from employment with the Charity in the year (2020: £nil). No Trustee received payment for professional or other services supplied to the Charity (2020: £nil).

During the year a total of £927 was paid for training and subsistence expenditure to or on behalf of four Trustees (2020: six £7,190).

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 (2020: None)

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) |
|---|------------------------|-------------------------|----------------------|
| Transfer to Restricted Funds from General Funds in relation to support recovery costs | - | - | - |
| Funds incorrectly disclosed as Restricted in prior year | - | (65) | 65 |
| Transfer from unapplied total return to General and Restricted Funds in respect of charitable activities: | | | |
| <i>Regular transfer</i> | (2,150) | (6) | 2,156 |
| NET MOVEMENTS IN 2021 | (2,150) | (71) | 2,221 |
| Prior year - The following transfers were made between funds during the year: | ENDOWMENT FUND (£'000) | RESTRICTED FUND (£'000) | GENERAL 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 |

11. Tangible Fixed Assets

| | LEASEHOLD IMPROVEMENTS (£'000) | COMPUTER EQUIPMENT (£'000) | FURNITURE & FITTINGS (£'000) | TOTAL (£'000) |
|--|--------------------------------|----------------------------|------------------------------|---------------|
| COST | | | | |
| AT 1 APRIL 2020 | 114 | 206 | 39 | 359 |
| Additions | - | 4 | - | 4 |
| AT 31 MARCH 2021 | 114 | 210 | 39 | 363 |
| ACCUMULATED DEPRECIATION | | | | |
| AT 1 APRIL 2020 | 114 | 206 | 39 | 359 |
| Charge for the year | - | 2 | - | 2 |
| AT 31 MARCH 2021 | 114 | 208 | 39 | 361 |
| NET BOOK VALUE AT 31 MARCH 2021 | - | 2 | - | 2 |
| <i>NET BOOK VALUE AT 31 MARCH 2020</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>-</i> |

9. Auditors' Remuneration

Auditors' remuneration comprised an audit fee of £12,300 (exclusive of VAT), (2020: £11,100)

12. Intangible Fixed Assets

| | DATABASE (£'000) | TOTAL (£'000) |
|--|------------------|---------------|
| COST | | |
| AT 1 APRIL 2020 | 122 | 122 |
| Additions | 46 | 46 |
| AT 31 MARCH 2021 | 168 | 168 |
| ACCUMULATED DEPRECIATION | | |
| AT 1 APRIL 2020 | 62 | 62 |
| Charge for the year | 37 | 37 |
| AT 31 MARCH 2021 | 99 | 99 |
| NET BOOK VALUE AT 31 MARCH 2021 | 69 | 69 |
| <i>NET BOOK VALUE AT 31 MARCH 2020</i> | <i>60</i> | <i>60</i> |

All of the above assets are used for charitable purposes.

13. Fixed Asset Investments

| | ENDOWMENT | | RESTRICTED LISTED (£'000) | TOTAL 2020 (£'000) | TOTAL 2019 (£'000) |
|--|----------------|------------------|---------------------------|--------------------|--------------------|
| | LISTED (£'000) | UNLISTED (£'000) | | | |
| Market value at 1 April 2020 | 50,932 | 1 | 518 | 51,451 | 56,256 |
| Non-market adjustment to unquoted investment value | (196) | - | - | (196) | - |
| Additions at cost | 51,474 | - | 561 | 52,035 | 13,672 |
| Disposal proceeds | (52,522) | - | (656) | (53,178) | (15,035) |
| TOTAL | 49,688 | 1 | 423 | 50,112 | 54,893 |
| Investment gains/(losses) | 13,176 | - | 108 | 13,284 | (3,442) |
| AT 31 MARCH 2021 | 62,864 | 1 | 531 | 63,396 | 51,451 |
| HISTORICAL COST AT 31 MARCH 2021 | 54,868 | 1 | 462 | 55,331 | 46,698 |

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 2021 was £2,549,122. (2020: £2,003,019). Subsequent to the year end, the value of the fixed asset investments has risen to £66.7m at the end of June 2021 which is a rise of about 6.7%. This continues rise in value which occurred during the period under review.

14. Debtors

| | 2021 (£'000) | 2020 (£'000) |
|------------------------------|-----------------|-----------------|
| Prepayments & accrued income | 76 | 183 |
| Other debtors | 41 | 20 |
| TOTAL | 117 | 203 |

15. Creditors

| Amounts falling due within one year: | 2021 (£'000) | 2020 (£'000) |
|--------------------------------------|-----------------|-----------------|
| Accruals for grants | 110 | 326 |
| Accruals & deferred income | 150 | 100 |
| Other creditors | 46 | 81 |
| TOTAL | 306 | 507 |

16. Amounts falling due after more than one year:

| | 2021 (£'000) | 2020 (£'000) |
|-----------------|-----------------|-----------------|
| Deferred income | 200 | 300 |
| TOTAL | 200 | 300 |

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

| Reconciliation of deferred income | 2021 (£'000) | 2020 (£'000) |
|--|-----------------|-----------------|
| Balance brought forward at 1 April | 300 | 400 |
| Amounts released to income | (100) | (100) |
| BALANCE CARRIED FORWARD AT 31 MARCH | 200 | 300 |

17a. Restricted Funds (Current Year)

| | BALANCE 1 APRIL 2020 (£'000) | INCOME (£'000) | EXPENDITURE (£'000) | TRANSFERS & INVESTMENT GAINS (£'000) | BALANCE 31 MARCH 2021 (£'000) |
|--------------------------|---------------------------------------|-------------------|------------------------|---|--|
| FOR GRANTS | | | | | |
| Westnedge | - | 5 | (6) | 1 | - |
| NLCF Covid-19 response | - | 2,070 | (1,757) | - | 313 |
| National Lottery | - | 302 | (295) | - | 7 |
| Postcode Lottery | 74 | - | (72) | 1 | 3 |
| CTF | - | 215 | - | - | 215 |
| Graphite Capital | 70 | 118 | (103) | 108 | 193 |
| City Bridge Trust | 48 | 161 | (145) | (48) | 16 |
| Comic Relief | 34 | 610 | (540) | (3) | 101 |
| Mercers' Company | 15 | 238 | - | (15) | 238 |
| KPMG Foundation | - | 100 | (99) | - | 1 |
| Clothworkers' Foundation | - | 85 | (48) | - | 37 |
| Garfield Weston | (2) | 300 | (283) | - | 15 |
| Masonic Foundation | | 250 | (190) | | 60 |
| Colin Crawshaw | | 100 | | | 100 |
| STV Appeal | | 100 | (100) | | - |
| Dulverton Trust | | 50 | (48) | | 2 |
| Various | 589 | 1,212 | (774) | (7) | 1,020 |
| TOTAL | 828 | 5,916 | (4,460) | 37 | 2,321 |

Transfers to/from restricted funds, also disclosed in Note 10 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.

USE OF RESTRICTED FUNDS

| | |
|----------------------------|--|
| Westnedge | Chances for Children grants for adopted children |
| Graphite Capital | Chances for Children grants, estranged young people in UK |
| City Bridge Trust | Chances for Children grants for those children affected by domestic abuse in London |
| Comic Relief | Chances for Children grants for those children affected by domestic abuse in West Midlands |
| Mercers' Company | Chances for Children, Support for Boarding |
| Clothworkers' Foundation | Chances for Children grants |
| Garfield Weston Foundation | Chances for Children grants, estranged young people in UK |
| National Lottery | Chances for Children grants, grants for those children affected by domestic abuse in West Midlands |
| NLCF – Covid Emergency | Chances for Children grants, grants for children in England |
| Postcode Lottery | Chances for Children grants |

17b. Restricted Funds (continued – prior year)

| | 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 Foundation | 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 |

18. Designated Funds (current year)

| | BALANCE 01-APR-20 (£'000) | INCOME (£'000) | EXPENDITURE (£'000) | TRANSFERS & INVESTMENT GAINS (£'000) | BALANCE 31 MARCH 2021 (£'000) |
|----------------------------|---------------------------------|-------------------|------------------------|--|-------------------------------------|
| Buttle UK Stepping UP Fund | - | - | - | 2,000 | 2,000 |
| TOTAL | - | - | - | 2,000 | 2,000 |

The Board of Trustees has applied £2m from available funds to spend on Chances for Children grants over years 2021-22 & 2022-23 in equal amounts.

19. 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 | 50,677 | 118 | 50,795 |
| 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 | 43,430 | 45 | 43,475 |
| Add: Investment return | | | |
| Dividends and interest in the year | 973 | 3 | 976 |
| Realised and unrealised gains/(losses) | 13,174 | 2 | 13,176 |
| Deduct: Investment management fees | (289) | (1) | (290) |
| Unapplied total return before transfer to income | 57,288 | 49 | 57,337 |
| Less: Unapplied total return applied | (2,145) | (5) | (2,150) |
| Unapplied total return at 31 March | 55,143 | 44 | 55,187 |
| Add: Endowment value at 5 April 1978 | 7247 | | 7,247 |
| Endowment value at 31 March 2001 | | 73 | 73 |
| Permanent endowment including unapplied total return at 31 March 2021, constituting the investment fund | 62,390 | 117 | 62,507 |

20. 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:

| | 2021 (£'000) | 2020 (£'000) |
|--------------------------|-----------------|-----------------|
| Less than one year | 150 | 150 |
| Between two & five years | 221 | 371 |
| TOTAL | 371 | 521 |

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

| | 2021 (£'000) | 2020 (£'000) |
|--|-----------------|-----------------|
| Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities) | 13,687 | (4,576) |
| Depreciation | 39 | 41 |
| (Gains)/losses on investments | (13,284) | 3,442 |
| Change in investment cash and capital commitments | 197 | - |
| Investment income | (992) | (1,158) |
| (Increase)/decrease in debtors | 86 | 389 |
| Increase/(decrease) in creditors | (301) | (379) |
| NET CASH USED IN OPERATING ACTIVITIES | (568) | (2,241) |

22. Analysis of Net Debt

| | AT 1st APRIL 2020 (£'000) | CASH FLOWS (£'000) | OTHER CHANGES (£'000) | AT 31st MARCH 2021 (£'000) |
|--|---------------------------------|--------------------------|-----------------------------|----------------------------------|
| Cash at bank & in hand | 600 | 975 | - | 1,575 |
| Bank deposits (less than 3 months) | 2,574 | 540 | - | 3,114 |
| TOTAL CASH AND CASH EQUIVALENTS | 3,174 | 1,515 | - | 4,689 |

The charity does not hold any debt therefore the net debt analysis has not been provided.

23. Analysis of Net Assets (current year)

| | ENDOWMENT FUND (£'000) | RESTRICTED FUNDS (£'000) | UNRESTRICTED GENERAL FUNDS (£'000) | TOTAL FUNDS (£'000) |
|-----------------------|------------------------------|--------------------------------|--|---------------------------|
| Fixed assets | - | - | 71 | 71 |
| Investments | 62,865 | 531 | - | 63,396 |
| Current assets | (208) | 2,198 | 2,816 | 4,806 |
| Current liabilities | (150) | (208) | 52 | (306) |
| Long term liabilities | - | (200) | - | (200) |
| TOTAL | 62,507 | 2,321 | 2,939 | 67,767 |

23b. Analysis of Net Assets (prior year)

| | ENDOWMENT FUND (£'000) | RESTRICTED FUNDS (£'000) | UNRESTRICTED GENERAL (£'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 |

23b. 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 (2021) amounted to £98,557 (2020: £76,665).



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