



Annual Report and Accounts 2012/13



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Welcome from

Spurgeons has experienced yet another year of growth amidst significant change and turbulence in our environment. Whilst that comes at a cost, there is also something very grounding for us as we experience the storm of change in our society that so significantly affects the children and families we work with.

This is not a pretty episode in the life of this country and there is no doubt that the greatest impact is being felt by those least able to bear it. We encounter this on a daily basis in children's centres, youth services, prisons and people's front rooms across the country – family budgets are squeezed, tension in households increases and coping mechanisms run dry. Then there are the unintended consequences of rapid, change which we expect will have a significant impact on children far beyond the lifetime of this parliament.

Increasing need for our services alongside competition, complexity and austerity, makes a potent cocktail and increases demands on our staff and resources. Some of the substantial responses we have made to this include:

om our CEO and Chair

- > **A clearer focus on 3 Target Groups; teenage parents, young carers and families and the criminal justice system**
- > **Steady improvement in inspection outcomes and particularly strong recognition of our performance in safeguarding**
- > **Exceptional performance in business development, delivering significant growth in the number of children and families we are reaching**
- > **A growing staff team who, despite TUPE transfers, restructures and other turbulence, continue to prioritise the wellbeing of children and families**

It is a privilege to lead a group of professional and dedicated people who are having such an impact in the lives of so many children. We particularly want to pay tribute to our highly competent, forward thinking and confident middle and senior managers and an exceptional Board of Trustees, rising to the mounting challenges and complexities. Despite the turbulence we have engaged with almost 90,000 people this year – more than at any time in Spurgeons' 146 year history – that is cause for celebration!



Tim Jeffery / CEO

A handwritten signature of Tim Jeffery in blue ink. The signature is written in a cursive style and is positioned below the portrait.



Stuart Cornwell /
Chairman of Spurgeons' Trust Board

A handwritten signature of Stuart Cornwell in blue ink. The signature is written in a cursive style and is positioned below the portrait.

Welcome from Neha



Thank you so much for reading this year's Annual Report and Accounts from Spurgeons. I can honestly tell you that Spurgeons saved my life – and then gave me the confidence to start again.

I would have given up

When I arrived at my Spurgeons' children's centre with my year old little boy hiding inside my jacket, I was on the run from an abusive husband and his family. I had been locked into a cycle of violence and psychological abuse that stretched from India to England. I felt like it was my last chance, were it not for my son, I would have given up and surrendered myself to a lifetime of traumatic attacks, blackmail and coercion.

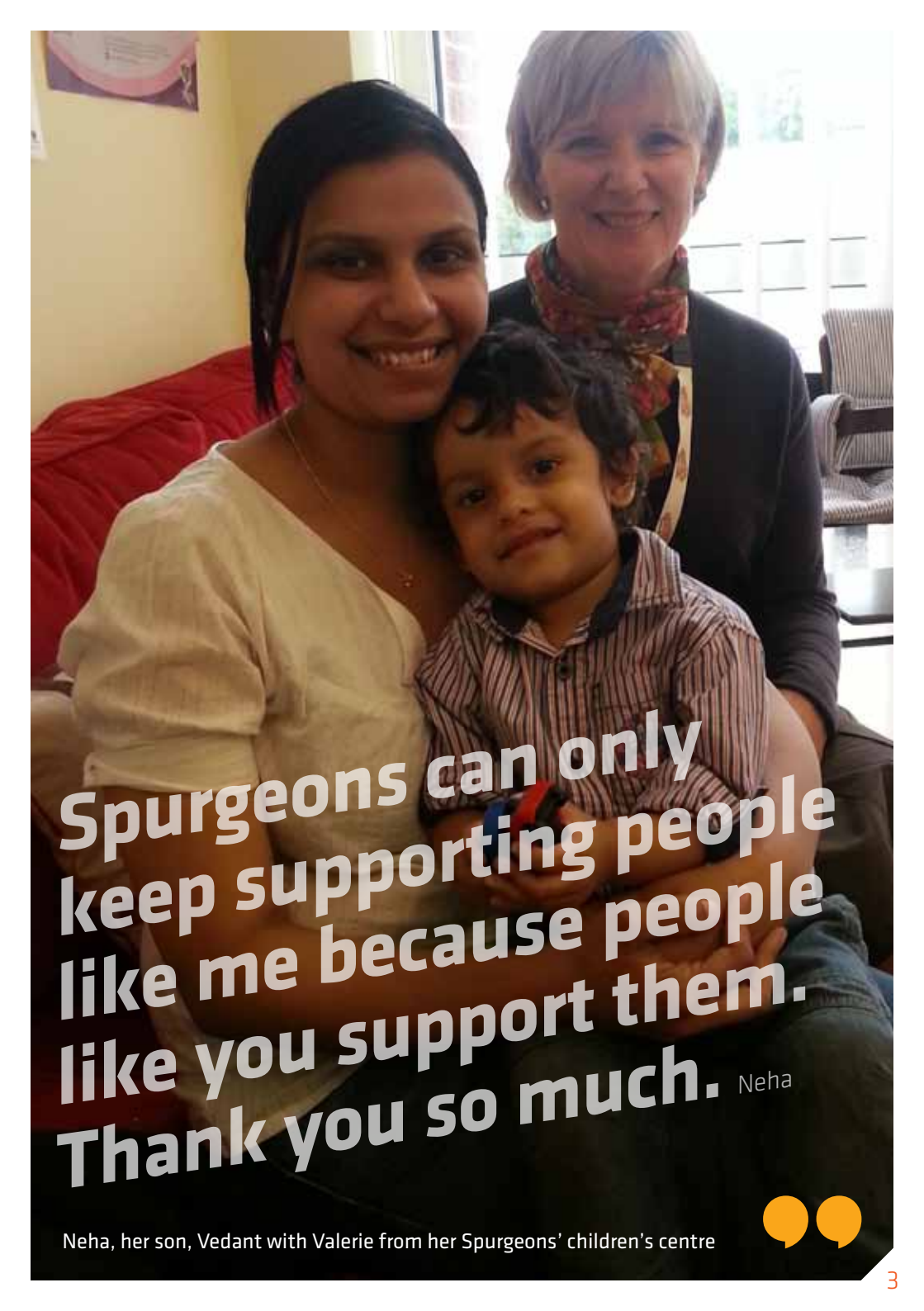
My Spurgeons' children's centre was more than a nice place to go, it became a life line. I was under

pressure to give my son to my husband's family in India so that they could raise him themselves. When I told the Spurgeons' staff my story they believed me – without asking for proof. I knew that if I was in a difficult situation I could call them.

We knew we were safe

I went to their domestic violence support group which was amazing and I came to realise that I am good for something. I had lost all my confidence. I had a Doctorate and been a researcher for major Non-Governmental Organisations before my marriage. After being in the Spurgeons' domestic violence group I started writing again.

My Spurgeons' children's centre was more than somewhere I could go to learn how to be the best mum I could be – though it was that too – it was a place where my son and I knew we were safe, where there were people that we trusted and that we knew cared.



**Spurgeons can only
keep supporting people
like me because people
like you support them.
Thank you so much.**

Neha

Neha, her son, Vedant with Valerie from her Spurgeons' children's centre



Who we are and what we do

Every day, out of nowhere, another child becomes a carer for a parent or member of their family. Every day another couple of terrified teenagers discover they are to become parents. Every day another child is left isolated and frightened because a parent or sibling is in trouble with the police - and the whole family pays the price for their actions.

Every day, another child is in desperate need of the help and support that Spurgeons gives.

By partnering with local authorities, our supporters and other funding bodies we come alongside these children and their families to help them to work together to find long-lasting solutions to their extremely challenging situations. We also give these children a voice, to speak for themselves about their passions and what's important to them.

We ensure that the children in our services have a real say in the help that they receive and that their voices are heard by the people with the power to change their lives. We help children and young people facing unimaginable difficulties to know that these current challenges don't have to dictate their whole futures. Their stories are not determined already, they can still be changed.



Words cannot describe the difference you have made. Both as individuals and as an organisation you deserve awards for standing in the gap when there is no other organisation providing the emergency support and care.

Marie, a visitor
to HMP Belmarsh



I have had wonderful help from my Spurgeons' worker. Once we were contacted and able to begin the process I have seen great results so quickly. I wouldn't know where I or Ryan would be without Spurgeons' help.

Jenny, Spurgeons'
Family Support



Our work in numbers

90

high-quality services provided by Spurgeons during the year

35,200

children served by our programmes

54,227

parents reached in their local communities

331

Spurgeons volunteers

752

Spurgeons' staff

23

local authority areas where Spurgeons works





My mu



Ellie's story

Dean and I have a baby, Harry, and a toddler, Maya, from a previous relationship – I was a teenager when I had her. Harry was a poorly baby and I was exhausted and becoming depressed, so I went to a Spurgeons' children's centre to see if they could help.

From the beginning Spurgeons ensured I got the support I needed for my depression as well as one-to-one help at my house. At the centre I felt safe. I started building up qualifications and volunteered. Dean and I went on a parenting course and it really helped us to understand our children better and how to take better care of them – it was amazing. Afterwards, I felt much less anxious about being a mum. Spurgeons has also helped Dean and I to improve our relationship – we talk about things much more now and are more honest with each other.

I feel much happier, healthier and more confident as a mum. Now I go to school open days and know that I am making good choices for my children. I'm proud that we are still together as a family – Spurgeons' help has been a huge part of that. Spurgeons has helped us to cope and now I know how to recognise issues as they come up and to ask for support when I need it.

mmy can't care for me

Spurgeons – making

We are committed to hearing from our service users and our innovative Customer Satisfaction Weeks, linked to our Spurgeons Outcomes Based Accountability (OBA) Framework, enables us to listen to the views of our service users to help shape the planning, delivery and evaluation of our services.

Listening to their views helps us to ensure that children, young people and families feel valued and respected when using our services and, ultimately, that they experience a positive difference in their lives as a result.

What did we do?

We conducted four Customer Satisfaction Weeks across the year and received 11,640 responses to our questionnaires; this is a 300% increase on 2011/12.

300%

increase in responses received from our Customer Satisfaction Survey (11,640)

ing the difference

In 2012-13, Spurgeons' Customer Satisfaction results were as follows:

How did we treat you?

98% of service users told us the services they received at Spurgeons were rated as 'Good' or better. This increase from last year demonstrates a consistently high level of satisfaction.

Did we make a difference?

Over 96% of service users told us that the service from Spurgeons made a positive difference to them and was rated as 'Good' or better. This is a 1.4% increase on 2011-12, demonstrating an improvement across our services. This year over 3,000 service users have rated the difference made by Spurgeons as 'Outstanding' - this equates to almost a third of all service users who provided feedback.

98%

of service users told us that the services they received at Spurgeons were rated as 'Good' or better

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Marketing and fundraising highlights

Despite the challenges of the external environment 2012/13 has been a year in which there has been much to celebrate about Spurgeons' marketing and fundraising achievements.

Income

Total voluntary income grew by £237,000, from the previous financial year, to £986,000.

In December, many supporters helped bring Christmas joy for children in some of Spurgeons' services by donating to provide food boxes full of essential basics as well as Christmas treats. This initiative raised almost £39,000.

We are so very grateful to those supporters who leave legacies to us, their kindness and generosity make an incredible difference to our ability to continue our life changing work with children and young people.

We continue to see our relationships and engagement with new and existing grant giving bodies and corporates grow and deepen. Giving from these strategic partners increased by 41% from the previous financial year, securing £463,357 in restricted income.

Expenditure

We have worked exceptionally hard again to reduce our expenditure – as a result our profitability, Return on Investment and fundraising ratio all improved significantly.

Profile

Following the award-winning success of Victoria Cares in 2011, the team have once again delivered an exceptional digital campaign. 2012/13 saw the execution of Every 22 Minutes, a campaign designed to raise awareness of the statistic that every 22 minutes in the UK a child under 16 is bereaved of a parent. This campaign gave us the opportunity to reach over 5.5 million people, increasing Spurgeons' profile dramatically.





MY



Caitlin's story

I'm Caitlin and I'm 9. I've always loved school but then a couple of years ago my dad, who was a teacher at the senior school, was knocked off his bike by a car and died.

I was scared of going to school and would cry every day. My mum took me to the Doctor who said that because dad had died on his way to school, in my head I thought that school was to blame and was somewhere that bad things happened in.

I didn't want to go back to school ever again – just thinking about it made me feel really sick. When mum took me I would cry and beg her to let me stay with her.

I started having counselling from Spurgeons. It took me a while to start talking but I felt really safe. My counsellor helped me make a photo book with all my favourite photos of me and mum and dad as well as other things he loved like Manchester United and when he did a 10km race in our town.

I still miss dad but I know now that it wasn't school that meant he died and I'm OK going now. Making the photo album was great for mum and I too as we got to go through the photos together. We talk about dad all the time now and I can tell her how I feel.

Our target groups

The needs of different groups of children and their families are incredibly varied and complex – and, in the current climate, these needs are increasing.

Recognising the imperative to respond to the changing needs of both children and funding sources, we have reassessed how we can best focus our efforts and resources to achieve the greatest impact. We will continue to run and develop our extensive work in children's centres, family support and other services but focus discretionary resources on these three target groups.

In 2012, we considered how we could best position and focus ourselves for the next few years. Having considered a wide range of factors three clear target groups emerged:

1. Young carers. While the number of children and adults caring for a relative is increasing, changes in public service provision are often leading to a reduction in care available. Having worked with young carers for many years, we have an expertise and proven track record in this area and so we have committed to increase our support for these exceptional young people.

2. Teenage parents have specific needs that we address through our network of children's centres. Not only are these young people vulnerable themselves, but their children are also in need of particular focus. We have an existing skill base in this area and are keen to extend and develop this.

3. Families and the criminal justice system. Children of prisoners have the worst outcomes of any group of children in the UK and often go unnoticed and unserved. We are committed to developing a greater range of services and expertise to ensure that these families receive the care and support they need.

Spurgeons will continue to offer a wide range of services to children and families. However, these three target groups will become a focus for:

- > **Research, policy and influence.** We will put more emphasis and resource into research, influencing policy, and contributing to national discussions.
- > **Marketing and communication** – offering clarity about who we are and what we do.
- > **Business development.** We will continue to bid for the various types of service that we do at present and we will more deliberately look out for and prioritise tenders and other opportunities that focus on the three groups.
- > **Identifying specific services or gaps where we can make a difference to children** in these groups by investing our own unrestricted and fundraised income to deliver the services that are needed.

Spurgeons

Spurgeons Network offers encouragement and support to church and faith based organisations and individuals working with children, young people and families in their local communities.

A range of information and resources is available to Network members through our website www.spurgeons.org/network/home and we also provide networking opportunities, telephone and face to face support.

Making connections

When we took on large children's centre contracts in **West Essex**

and **Peterborough** we held *Introducing Spurgeons* events. These brought together faith-based, voluntary and statutory partners working with young children and their families.

In **Crawley**, we're continuing to support Christians and churches who are working with children, young people and families across the town, to meet, pray and work together in new ways.

In **Birmingham**, we began work with *Spurgeons' Phoenix Project* to engage local churches and Christian youth organisations to raise awareness about sexual exploitation of young people in the east of the city and signpost



s Network

young people and their families to the specialist services available through the project.

Joining up and joining in

Membership of the Network has more than doubled. By the end of the year, over 250 people had joined and we'd like to see membership double again during 2013/14.

We will also:

- > help more of our members to add their organisations and churches to the *Members' Map* on the website
- > create opportunities for them to link up with each other and with Spurgeons or other services in their area

- > improve awareness about 'the bigger picture' of services, support and resources for those working with children, young people and families
- > keep members informed about training, networking and funding opportunities

Maintaining our ethos

As Spurgeons continues to grow, it's important to keep our Christian ethos at the heart of who we are as an organisation. We ensure that new staff joining Spurgeons know about our Faith Basis and how our six Core Values underpin our approach and work.

WOW! Huge thanks for all your help and support.

Andy Burns, CEO East to West (supporting young people in Surrey)





I need to

Deniz's story

I'm 13 and when my aunt got sick she needed help 24 hours a day so my mum and I moved 50 miles from our home so that we could help to look after her.

After we moved mum had a nervous breakdown and couldn't help anymore so I had to do most of the caring for my aunt, like feeding, dressing and washing her as well as giving her all her medication. I often have to stay up all night with her, so am always really tired at school and sometimes fall asleep – or don't make it into school at all.

My mum contacted Spurgeons after she saw a leaflet about the young carers group. I started going and made loads of new friends. It's easy to talk to people there about how I feel because they understand. It's helped me to be better at socialising with people my own age – I used to find that hard because I was around adults all the time.

Spurgeons has also helped us to access other support that we didn't know we could have – not only for me but for mum and my aunt too.

The young carers group has been a lifeline for us. We were in a video this year for Spurgeons about what being a young carer is like and you can watch that here if you like.

Click to watch my story



Care for my aunty

Where we met our targets and where we did not



met the target



failed to meet the target



partially met the target

Sustainable growth

Achieve a net growth in contractual income of over £2million for 2013/14

>> Did we achieve this? 

Total new income achieved was £2.4million but due to losses of existing business and service closures we were unable to meet our net growth target. Our tendering success rate was 52% - exceptional for the sector.

Diversify our business model through achieving annual growth targets set for the Enterprise Unit and develop at least 2 new products

>> Did we achieve this? 

We exceeded the growth targets for 2012-13 and successfully won new business of £685,297 for 2013-14, with 2 new products developed.

In 2012/13 we said that we would ensure that core costs as a percentage of income fall by 5%

>> Did we achieve this? 

Core costs as a percentage of total income fell by 14% compared with the previous year, which reflects the consolidation of our hubs into a more efficient regional structure which was achieved in the early part of the year.

Raise unrestricted income of over £60,000 from the new regular giving product; and have over 400 supporters on the programme

>> Did we achieve this? 

Following an initial pilot of the regular giving product and successful donor acquisition campaign we are focusing our activity on new donors during 2013-14. In 2012-13 we recruited over 1,000 new donors.

Sustainable growth

Secure restricted income of over £500,000 from our grant making bodies with an application success rate of 40%

>> Did we achieve this? 

By achieving the 40% success rate for receiving a donation from application submissions, we secured income of over £463,000.

Grow our profile within the Children's Services sector through participating in conferences, speaking engagements and creating and executing a business development microsite, within the core Spurgeons website

>> Did we achieve this? 

We actively participated in 6 significant national conferences as well as a number of local profile raising opportunities and speaking engagements. The new business development area of Spurgeons' website has been promoted to and accessed by commissioners.

Execute 2 national media campaigns to raise Spurgeons' profile with the general public. We will further develop our website and attract 48,000 unique users to the site this financial year.

>> Did we achieve this? 

Our Every 22 Minutes campaign reached over 5.5 million people while raising awareness of the issues bereaved children face. We came very close to delivering a national radio documentary – unfortunately, external factors meant it was unable to go ahead at a late stage. We had over 85,700 unique visitors to the Spurgeons' website over the year.

Performance management

Achieve a 15% increase in the proportion of children's centres achieving a good or outstanding OFSTED inspection outcomes.

>> Did we achieve this? 

7 of the Ofsted inspections during the year resulted in an overall grading of 'Outstanding' or 'Good', this is a 10% increase against the previous year.

Audits of case files will be carried out in all services in order to ensure the best possible safeguarding is being achieved.

>> Did we achieve this? 

Of almost 900 audits carried out 92% evidenced how children were being safeguarded, follow up action was taken to ensure that the child had been seen and their voice heard for all the cases audited.

Have implemented Spurgeons' new Performance Management Framework across the organisation, in induction supervision and appraisal processes.

>> Did we achieve this? 

Performance Management Framework renamed as Spurgeons Competency Framework has been implemented across the organisation in induction and appraisal processes and underpins Spurgeons' supervision practice.

All services to evidence achievement of national performance targets for service areas through the Outcomes Based Accountability Performance Report Cards.

>> Did we achieve this? 

All existing and new services evidence their achievement through a Performance Report Card based on their service activity type. These are tailored to local needs based on the requirements of commissioners, partners and advisory boards.



I can't cope with



Lorraine's story

Spurgeons first supported me when my teenage son, Rhys, was in a Secure Training Unit. Rhys had always been difficult and in trouble with the police.

Nothing we did seemed to make it stop and I couldn't cope with him anymore. I didn't know where to start. When he was released his terms were impractical as there isn't proper public transport where we live. I was scared to ask anyone for help – I didn't think they would be interested. It seemed like Rhys was just always going to reoffend.

The Spurgeons' keyworker, Jean, took me to every meeting so that I was kept in the loop. They worked with me and Rhys separately so that we could work out how we were going to cope with his release and to build our relationship back up – after that we could make a fresh start. Jean helped me to build a strong relationship with the police so that we could work together to support Rhys so he could go straight. Spurgeons even helped to arrange for a school for him to go to on release.

He is back in school now and doing really well and I feel much more like I can give him all the help and support he needs. I know that I'm not alone anymore and with Spurgeons' and my help, we know that he has the best possible chance for a good future.

my son's behaviour

Our ambition

Sustainable growth

Over our four main areas of income generation we are aiming to achieve ambitious targets:

> **Enterprise Unit** – we will develop at least 2 new products that focus on our target groups and market them to new Commissioners while widening our geographical footprint. We will implement our new pilot programme working with separated teenage parents.
Income target: £885,000

> **Unrestricted Income** – we will increase our donors, develop a new church engagement strategy and improve our legacy processes while raising our profile through refreshing the website and brand and increasing our use of digital media.
Income target: £442,200

> **Restricted Income** – we will develop new relationships with grant givers within our target groups and develop and trial a new corporate engagement product.
Income target: £612,300

> **Tendering** – we will submit at least 30 tenders with a target success rate of over 40%, diversifying our service models and geographical footprint.
Target tender success: £1.9million

> **Increase Spurgeons' profile** we will engage with the general public by the execution of 2 media campaigns over the year.

Tendering

Enterprise Unit

Unrestricted income

Restricted income

Plans for 2013-14

Performance management

We will improve the effectiveness and impact of our services and infrastructure in order to deliver value for money and impact of our work.

- > We will improve the impact of our services by developing and implementing a new assessment tool for family support services by March 2014.
- > We will extend the reach of our services by improving the engagement and participation of families in our children's centres to achieve 80% of known families within the reach area and 65% of recognised priority groups.
- > We will build an evidence bank in order to assess the impact of our community based approach.
- > We will meet or exceed the average national OFSTED inspection outcomes for children's centres during 2013-14

We are ambitious to see change for children and young people and the communities around them through extending our income streams and increasing our profile.

Financial review 2012/13

Spurgeons is still showing resilience in the face of continuing difficult economic conditions and public expenditure cuts in commissioned services. This year it is particularly pleasing to report a year of significant growth which has come about largely through the tender successes achieved towards the end of the previous year.

Total incoming resources in 2012/13 amounted to over £18.1 million, which is up 33% on 2011/12 and 3% better than budget. However, it is even more pleasing to be able to report that a small unrestricted operating surplus has been achieved for the first time for many years.

...we are continually looking to improve our infrastructure in order to build for the future and maintain and develop the quality of services we deliver to children and young people.

We anticipate that it will be difficult to maintain this rate of growth next year. Nevertheless, we are continually looking to improve our infrastructure in order to build for the future and maintain and develop the quality of services we deliver to children and young people. Whilst we have generated a small unrestricted surplus this year, we anticipate that we will fall back into deficit again next year. This is due to the impact of the investment in infrastructure, which will achieve longer term efficiencies. We will, of course, look to grow our work to bring us back to a sustainable break even position. Our asset base remains strong, and we will continue to undertake planned sales of certain investment properties to fund deficits as required.

The net operating deficit of £2,000 comprises restricted deficits on services of £14,000 and an operating surplus on unrestricted funds of £12,000. The deficit on unrestricted funds of £73,000 before transfers was a significant improvement on the budget envelope approved by the Board of Trustees, which in part arises from profit taken on the disposal of tangible fixed assets, together with surplus funds that have been released on projects that have come to a conclusion.

Total income £18,161,000

79% of our income came from the statutory sector, mainly from local authorities, particularly in support of the growing number of children's centres we manage. We also received 7% of our income from central government departments through our contract with the National Offender Management Service (NOMS) to run the Prison Visitor services in the London prisons and the Department for Education (DfE) grant funding for the Invisible Walls service. Virtually all external funding was given for specific services and was therefore restricted solely to that purpose and not transferable from one service to another.

Our total fundraised income also grew by over 30% this year benefiting from more substantial legacy income, which drove an improvement in our overall funding ratios. Our income also benefited by way of taking a profit on disposal of property of £230,000.

Total Expenditure £18,163,000

96% of our expenditure was incurred in direct support of our work with children, young people and families. Our children's centres work has grown this year as a result of our tendering successes and this aspect of our work accounted for 65% of total spend, and our work with children and young people affected by imprisonment and our family support work both account for around 10% of the total.

Employment costs remained by far the highest single item of expenditure at over 69% of total spend, and far and away the majority of this was in direct project and services support personnel.

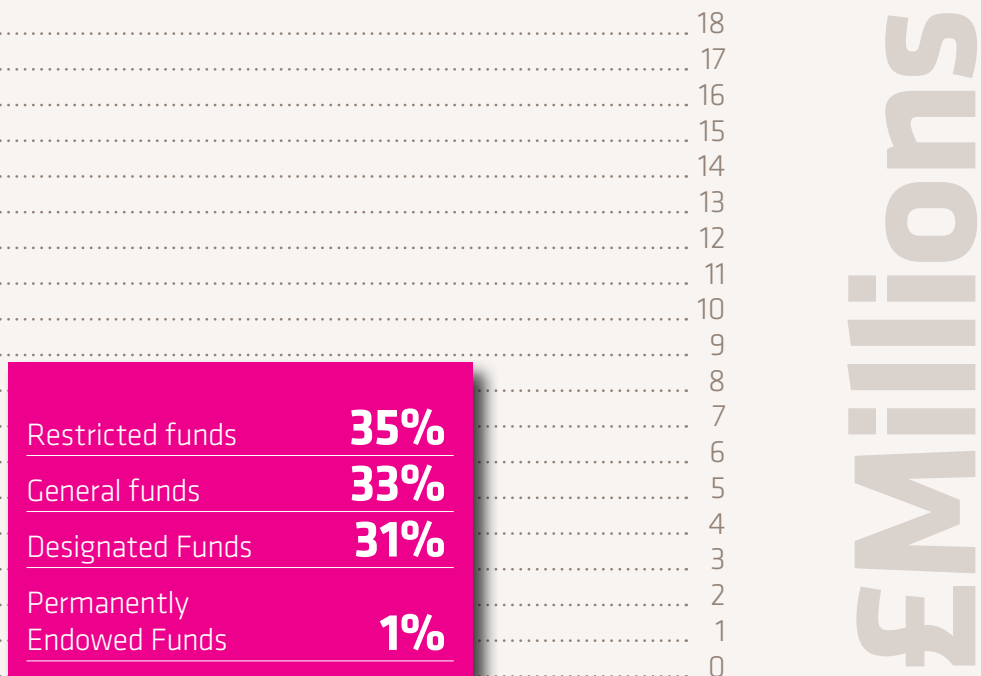
Local Authority	79%
Central government	7%
Voluntary	6%
Fees and project income	5%
Investment	2%
Profit on disposal	1%

Children's Centres	65%
Children and young people affected by imprisonment	10%
Family support	10%
Contact Services	5%
Youth, community & young carers	5%
Fundraising, Marketing & Promotion	3%
Governance/Investment property costs	1%
Other projects	1%

Total Funds £8,891,000

Of our total funds, £3,095,000 were restricted funds which related to specific projects and which could only be spent on the purposes for which the funds had been given. £122,000 comprises permanently endowed funds which are vested in the freehold property of Spurgeons' head office. The designated funds of £2,750,000 are those set aside by the trustees for a particular purpose and reflect the fact that this sum is tied up in the charity's investment properties, which provide essential income for the charity's activities. General Funds of £2,924,000 represent the free funds of the charity which are not designated for particular purposes.

Total incoming resources in 2012/13 amounted to over £18.1 million, which is up 33% on 2011/12 and 3% better than budget.



Trustees' report

Statement of Trustees' responsibilities

Spurgeons is governed by a Board of Trustees who are also directors of the Charity for the purposes of the Companies Act. The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and the United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the charitable company's state of affairs and profit or loss for that period. In preparing those 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- > Prepare the financial statements on the going concern basis unless it's inappropriate to presume the charitable company will continue in business

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. 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 charitable company's auditors are unaware
- > The Trustees have taken all steps to make themselves aware of any relevant audit information and to establish the auditors are aware of that information

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities', issued in March 2005, in preparing Spurgeons' annual report and financial statements. The Trustees have considered the Charity Commission guidance on public benefit in deciding what activities to undertake and this report contains an explanation of the significant activities undertaken during the year to carry out the Charity's aims for the public benefit, and also the achievements measured against the objectives set by the Trustees.

Governance

The main Board continues to meet quarterly, with sub-committees delegated to oversee various aspects of the Charity's work to ensure effective governance and report back to the Board on a regular basis.

The current sub-committee structure is as follows:

- > A Standards & Outcomes Committee to undertake a due diligence role to scrutinise, challenge and support Spurgeons' work with children and young people
- > A Finance Committee to oversee all financial aspects (including investment policy), people management matters, income generation strategy and performance, and Health & Safety
- > A Business Strategy Committee charged with reporting to and making recommendations to the Board on matters related to the development of Spurgeons' work
- > A Remuneration Committee to review the performance and remuneration package of the Chief Executive and, in conjunction with the Chief Executive, the Strategic Leadership Team.

In addition, a Safeguarding Panel with a link to the Standards and Outcomes Committee, acts as the key forum for monitoring the organisation's performance in safeguarding issues. Trustee representation on this panel ensures safeguarding remains a key issue on the Board's agenda. The ongoing engagement of the Trustees in visiting projects and taking part in participation forums is a key element in linking the governance level of the Charity with its ultimate beneficiaries. Trustees are encouraged to visit services to engage with staff and users as part of our commitment to user participation.

Trustees may be proposed by any person and their appointment to the Board is decided by the assent of the existing Board, with appointment confirmed by members at the following AGM for a period of three years, after which they are eligible for re-election.

The Chair is elected from within the Board triennially and may serve up to two terms. New Trustees receive an induction programme and are assigned a mentor from among the existing Trustees to work alongside them during their induction period. Details of the names of the Trustees at the date of this report, and changes since 31 March 2013 are set out on page 41.

Management

The Trustees delegate the management, development of strategy and overall leadership of the Charity to the Chief Executive and a team of directors. During the year, the Strategic Leadership Team (SLT) has comprised the Chief Executive, the Director of Children's Services, the Director of Business Development, and the Director of Finance and Corporate Services.

In order to share decision-making about the organisation's direction and management with a wider group of people and to ensure that decisions are made quickly and as close to the frontline as possible, the SLT has established a Leadership Forum of senior managers. The Leadership Forum meets every quarter with SLT and plays a role in shaping key issues about the organisation's future and development.

During the previous year, Spurgeons reorganised the management structure of our direct work with children and young people, so that the work was managed through 3 regions (Midlands, East and South) each led by a Deputy Director of Children's Services. However, a further re-organisation has been undertaken at the end of this year to move to a National framework rather than a regional structure. It is hoped that this will lead to more rapid and efficient decision making. Each reorganisation has been with the view of maintaining and developing the most efficient cost structure whilst ensuring that there is a scalable management structure for anticipated future growth and an even greater focus on making sure we are delivering the outcomes for children to which we are committed and contracted.

Service managers and workers deliver the extensive range of services that are offered by the organisation and they are supported by 331 volunteers. Many of our projects are heavily dependent on volunteers who work directly with children and young people, either alongside staff or independently. We seek to train and support volunteers appropriately, based on their role, and our work continuously to improve national systems for volunteer recruitment, management and support is now led by the volunteering service delivery group.

Spurgeons has established a Department for Business Development to lead the process of developing and growing our work. The Department has a dual role of leading and coordinating the tendering process and, through the establishment of an Enterprise Unit, for developing new types of service. Spurgeons Network is managed through the Business Development Department. The Network is able to link up its services and support members through the national structure, as well as organise events for members. During the year, the work of our Marketing and Fundraising team has also moved under the remit of the Director of Business Development, which has enabled closer coordination and working across all of our income generation activities.

By developing efficient and effective working relationships with colleagues in Children's Services, our central support departments provide a proactive and responsive service to meet both operational and organisational objectives.

Legal status

Spurgeons is a company limited by guarantee registered in England under number 3990460 and with a registered charity number 1081182 whose charitable objects are as follows:

To provide education, maintenance and support of children (and their families) who:

- > Have lost either or both parents
- > Are with a single parent
- > Have been removed from or abandoned by their parents
- > Have parents who have separated or divorced
- > In the opinion of the Trustees are in need of care and protection

To provide financial assistance for education, social care and vocational training for children and families overseas in such locations as the Trustees may determine from time to time.

The financial statements set out on pages 44 to 56 include the results of the unincorporated charity, Spurgeon's Child Care. During the previous year the Trustees of Spurgeons, with Spurgeons being the sole Trustee of the D J Thomas Memorial Awards Trust Fund, resolved to transfer the assets and liabilities of the Fund to Spurgeons to be held as a restricted fund.

Following Charity Commission consent, the assets and liabilities were transferred from the unincorporated charity to the incorporated charity on 31 March 2012. The unincorporated charity retains the permanent endowment. The unincorporated charity (no 307560) is treated as forming part of the incorporated charity (no 1081182) for the purposes of Part II (registration) and Part VI (accounting) of the Charities Act 2011 following the issue of a uniting direction for accountancy and legal purposes, which was issued on 7 April 2005. The two charities are accordingly registered under a common registration number (1081182) and the Trustees prepare a single set of financial statements for the whole entity, within which the individual parts are reported separately.

Risk management

Our risk register identifies the types of risks we face, prioritising them in terms of potential impact and likelihood of occurrence, and identifies the means of mitigating the risks, including a review of current systems and procedures, and action points to take forward.

The risk register is reviewed and updated quarterly by the Strategic Leadership Team. The Board's sub-committees review those elements of the register that are most relevant to their remit and the Board of Trustees itself reviews the full register on an annual basis. The Trustees will continue to review the major risks to which we are exposed.

Reserves

Our policy on reserves is subject to an annual review by the Finance Committee and approved by the Board of Trustees. The Trustees have carefully considered the requirement for us to maintain an appropriate level of free reserves, being those unrestricted funds not invested in fixed assets, designated for specific purposes or otherwise committed.

To fund the ongoing investment in the quality of our services, the Trustees have approved the sale of a further investment property during 2013/14. The Trustees' policy is to release from the Investment Property Revaluation Reserve to General Funds the cumulative net revaluation on those investment properties that have been approved for sale to fund the ongoing working capital requirements. As a result, a sum of £430,000 was transferred from the Investment Property Revaluation Reserve at the year end, representing the revaluation surplus on the investment property due for sale.

The Trustees have taken into account the level of free reserves necessary to cover the following potential risks:

- > Loss of unrestricted income as a result of the closure of a major piece of work or failure to retain commissioned work on re-tender
- > Failure to achieve necessary fundraising targets, including a drop in legacy income
- > Fluctuations in investment income
- > Future significant project deficits

- > Cash flow requirement necessary to fund the ongoing, planned operating deficits over the coming two years
- > An event having a major negative reputational effect on the charity

Without a sufficient level of free reserves to cover the financial impact of factors that may be largely outside our control, our ability to safeguard the current level of charitable work would be rapidly undermined and could ultimately lead to a withdrawal of services.

As a service-based charity with long term commitments to children and young people that cannot be shelved immediately, an appropriate level of freely available reserves is a vital requirement for stability by smoothing out ebbs and flows in fundraising and other income. The considerable use of unrestricted reserves over the past few years, and our financial projections for the immediate future, demonstrate our commitment to growing and continuing our work with disadvantaged children. Our intention is not to accumulate funds unnecessarily, but to use them in a prudent and efficient manner to enhance the future lives of the many children and families with whom we work.

Based on the above assessment, the Trustees have estimated that the level of free reserves required to mitigate against the identifiable risks is approximately £0.9 million at 31st March 2013. The Trustees are aware that, as a result of the continued economic downturn, public expenditure cuts and the investment in the infrastructure of the Charity, unrestricted deficits in the region of £0.5 million are likely to be incurred over the next two years. The level of free reserves is represented by the General Fund, which stands at just over £2.9 million at the balance sheet date, representing approximately 8.5 weeks of planned operating expenditure. The Trustees therefore anticipate that the current level of free reserves will be sufficient to cover the identifiable risks and expected future deficits.

Investment management

Our powers of investment are governed by the provisions of the Trustee Act 2000. We operate an ethical investment policy which specifically excludes investments in companies where there is evidence of child exploitation or pornography, or where there is a substantial dealing in tobacco, gambling, alcoholic drinks or military hardware.

So far as is practical our Trustees seek to protect the income derived from the investment asset base because it helps fund an essential part of our charitable activity. Our non-property investments are held in Common Investment Funds under the management of Epworth Investment Management Limited. Epworth has a social, environmental and ethical investment policy that is consistent with the aims and objectives of the Charity. The ethical work of Epworth is based on a robust approach involving research, company meetings and networking over a wide range of issues. Certain companies whose activities are deemed inconsistent with this ethical approach are excluded from the portfolio, whilst a policy of constructive engagement is applied to those where it's felt likely to lead to positive change.

The funds have been set up so as to retain an approximate 75:25 split between equities and fixed interest securities and corporate bonds as set out in our Trustees' investment policy, and the investments are reviewed quarterly by the Finance Committee. As permitted by the Charity's Memorandum and Articles of Association, our Trustees have given the investment managers discretion to manage the investment portfolio within an agreed risk profile. The investment managers submit quarterly progress reports and their performance is reviewed annually. A full review of the terms and conditions of their appointment is made every three years. We've adopted a total return policy for our investments and the investment managers' performance is monitored against a set of benchmark total returns for the different classes of investment. The investment managers' target is to out-perform the benchmark index for total return by at least the amount of their fees.

Our Common Investment Funds achieved a total return (net of costs) of 14.5% during the year, which was on target when compared to the ethically adjusted weighted average benchmark total return of 14.3%. This performance was underpinned by a strong investment performance from our equity holdings in the final quarter.

For the 3 years to 31st March 2013, the total return (net of costs) achieved was 8.6% pa against the ethically adjusted benchmark of 8.7% pa.

The greater part of our investment value is held in a property portfolio, which is represented by assets that have been gifted to us over many years. The properties are re-valued annually by our Trustees to include them at estimated market value as required under the Charities SORP. A full professional valuation of the investment property portfolio was commissioned from our property managers in 2007, which indicated a substantial increase in the value of these properties. For the purposes of these financial statements, the investment properties have been stated at our Trustees' valuation, which is based on the professional valuation carried out in 2007 as updated and guided by a prudent assessment of indices that track subsequent general market value movements.

The Trustees are continuing with a phased withdrawal from direct property ownership over the next few years, with the timing of sales being largely dependent upon market conditions. Some of the sale proceeds will be re-invested in common investment funds and other securities so as to achieve a more balanced portfolio mix, which is less heavily weighted towards property. The remainder will be used to fund our ongoing working capital requirements over the next 2 years.

Auditors

Messrs haysmacintyre have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

Signed on behalf of the Board of Trustees
on 23 July 2013 by

A handwritten signature in blue ink, appearing to read 'S. Cornwell', is written over a faint, light blue grid background.

Stuart Cornwell
Chairman of Spurgeons' Trust Board

Corporate information

Trustees, officers and professional advisors for the year ended 31 March 2013.

Chair of trustees

Stuart Cornwell

Trustees and Directors

Stuart Cornwell

Catherine Burns

Tim Elgar

Tony Gilbert

Ian Gray

Bob Groves CBE

Keith Hiscock (resigned 9 July 2012)

Phil Inch

Carol Russell

Ruth Vincent

Strategic Leadership Team

Tim Jeffery – Chief Executive

Val Floy – Director of Business Development

Lynne Morris – Director of Marketing and Fundraising (resigned 25 July 2012)

Phil Rolfe – Director of Finance and Corporate Services (and Company Secretary) (resigned 26 April 2013)

Sandra Rome – Director of Children's Services (resigned 31 December 2012)

David Wolverson – Interim Director of Children's Services (appointed 7 January 2013)

Frances McDermott – Interim Company Secretary (appointed 29 April 2013)

Registered and Principal Office

74 Wellingborough Road
Rushden Northamptonshire NN10 9TY

Auditors

haysmacintyre
Chartered Accountants
Fairfax House
15 Fulwood Place
London WC1V 6AY

Bankers

Barclays Bank PLC
Ashton House
497 Silbury Boulevard
Milton Keynes MK9 2ZU

Investment Managers

Epworth Investment Management Limited
9 Bonhill Street
London EC2A 4PE

Property Managers

Hindwoods
Chartered Surveyors
1 Charlton Road
Blackheath London SE3 7EY

Solicitors

QualitySolicitors Wilson Browne
Kettering Parkway South
Kettering Venture Park
Kettering NN15 6WN

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

Independent auditors' report to the members of Spurgeons

We have audited the financial statements of Spurgeons for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 32, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- > give a true and fair view of the state of the charitable company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- > have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- > have been prepared in accordance with the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- > the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- > the charitable company's financial statements are not in agreement with the accounting records or returns; or
- > certain disclosures of trustees' remuneration specified by law are not made; or
- > we have not received all the information and explanations we require for our audit.

Signed on 23 July 2013



Adam Halsey (Senior statutory auditor)
for and on behalf of haysmacintyre,
Statutory Auditor, Fairfax House,
15 Fulwood Place London WC1V 6AY

Financial statements

All amounts derive from continuing activities.

All gains and losses recognised in the year are included in the statement.

Statement of financial activities incorporating the Income and Expenditure Account for the year ended 31 March 2013

	Notes	Charity Unrestricted Funds £000s	Charity Restricted Funds £000s	2013 Total Funds £000s	2012 Total Funds £000s
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income					
Donations and collections		262	538	800	671
Legacies		186	-	186	78
Investment income					
Rental income		180	111	291	327
Interest		8	19	27	22
Dividends		38	-	38	36
Incoming resources from charitable activities					
Amounts received towards the support of children, young people and families	2	3,390	13,199	16,589	12,544
Other incoming resources					
Profit on disposal of tangible fixed assets		230	-	230	-
Total incoming resources		4,294	13,867	18,161	13,678
Resources Expended					
Cost of generating funds:					
Fundraising, marketing and promotion		369	129	498	470
Investment property costs		60	9	69	77
Charitable activities:					
Amounts expended in the support of children, young people and families	3	3,893	13,669	17,562	14,301
Grants paid/Capital Grants Transferred		-	(11)	(11)	43
Governance costs		45	-	45	32
Total Resources Expended	4	4,367	13,796	18,163	14,923
Net resources expended before transfers					
		(73)	71	(2)	(1,245)
Transfers between funds		85	(85)	-	-
Net resources received/ (expended) after transfers					
		12	(14)	(2)	(1,245)
Net gains on investment assets:					
Realised gains		31	-	31	210
Unrealised gains		386	11	397	110
Net Movements in Funds		429	(3)	426	(925)
Fund balances brought forward at 1 April 2012		5,245	3,220	8,465	9,390
Fund balances carried forward at 31 March 2013		5,674	3,217	8,891	8,465

Balance sheet as at 31 March 2013

	Notes	2013 £000s	2012 £000s
Fixed assets			
Tangible fixed assets	6	158	308
Investments	7	6,696	7,074
		6,854	7,382
Current assets			
Stock		9	8
Debtors	8	1,148	1,372
Short term deposits		2,136	910
Bank and cash balances		222	429
		3,515	2,719
Creditors: Amounts falling due within one year	9	(1,478)	(1,636)
Net current assets/(liabilities)		2,037	1,083
Net assets		8,891	8,465
Represented by			
Funds			
Spurgeons:			
Unrestricted Funds			
General Funds*	10(a)	2,924	2,317
Designated Funds**	10(a)	2,750	2,928
Restricted Funds			
Project Funds	10(a)	444	480
D J Thomas Fund***	10(a)	2,651	2,614
		8,769	8,339
Spurgeon's Child Care:			
Permanent Endowment Funds			
Foundation Trust	10(a)	122	126
		8,891	8,465

*General Funds includes a revaluation reserve of £894,614 (2012: £1,220,484)

** Designated Funds includes a revaluation reserve of £2,750,191 (2012: £2,928,631)

***The D J Thomas Fund includes a revaluation reserve of £1,083,410 (2012: £1,072,779)

Signed on behalf of the Board of Trustees by:



Carol Russell



Stuart Cornwell

Cash flow statement for the year ended 31 March 2013

	2013		2012	
	£000s	£000s	£000s	£000s
Net Cash Outflow from Operating Activities (Note a)		(570)		(944)
Returns on Investments and Servicing of Finance				
Rental income	291		327	
Interest and dividends	65		58	
		356		385
Capital expenditure and financial investment				
Disposal of property	321		-	
Disposal of investment property	886		1,136	
Purchase of tangible fixed assets	(4)		(12)	
		1,203		1,124
Net Cash inflow before increase in liquid resources (note D)		989		565
Management of liquid resources				
(Increase)/decrease in short term deposits		(1,226)		(204)
(Decrease)/increase in cash		(237)		361

Notes to the cash flow statement for the year ended 31 March 2013

A) reconciliation of changes in resources to net cash outflow from operating activities

	2013 £000s	2012 £000s
Net resources expended	(2)	(1,245)
Depreciation charges	63	78
Profit on disposal of property	(230)	-
Investment income receivable	(356)	(385)
Decrease in debtors	224	170
(Increase) in stock	(1)	(8)
(Decrease)/increase in creditors	(189)	446
(Increase) in Pension Bonds	(79)	-
Net cash (outflow) from operating activities	(570)	(944)

B) Reconciliation of net cash flow to movement in net funds

	2013 £000s	2012 £000s
Balance at 1 April 2012	1,335	770
Net cash (decrease)/increase	(238)	361
Cash inflow from increase in liquid resources	1,226	204
Balance at 31 March 2013	2,323	1,335

The balance at 31 March 2013 is represented by:

Short term deposits	2,136	910
Bank and cash balances	222	429
Bank overdraft	(35)	(4)
	2,323	1,335

C) Analysis of net funds/debt as shown in the balance sheet

	2012 £000s	Cash flow £000s	2013 £000s
Cash at bank and in hand	429	(207)	222
Bank overdraft	(4)	(31)	(35)
	425	(238)	187
Liquid resources	910	1,226	2,136
	1,335	988	2,323

D) Net liquid resources

The total net cash inflow of £988,641 for the year arises primarily as a consequence of the planned sale of investment properties to fund the planned deficit on unrestricted funds as set out in the Statement of Financial Activities on page 44.

1. Accounting policies

A. Basis of preparation

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of fixed assets including investments which are carried at market value and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP) issued in March 2005, applicable accounting standards and the Companies Act 2006.

B. Income and expenditure

Dividends, collections and appeals are credited to the Statement of Financial Activities as received.

Interest, rents and amounts receivable from local authorities towards the support of the children, young people and families are credited to the Statement of Financial Activities on an accruals basis.

All legacies are credited to income in the year in which they are receivable, which is when the charity becomes entitled to the resource.

All support costs relate to the support of the principal activity and are charged to that activity in the Statement of Financial Activities.

Expenses are charged to the Statement of Financial Activities on an accruals basis and include value added tax.

Governance costs represent direct and indirect costs incurred in relation to strategic management and compliance with constitutional and statutory requirements.

C. Investments

Quoted investments are valued at closing middle market price on the balance sheet date. Investment properties are stated at a Trustees' valuation, based on a professional valuation carried out in 2007 as updated and guided by a prudent assessment of indices which track subsequent general market value movements.

D. Investment gains and losses

Investment gains and losses are recognised in the Statement of Financial

Activities when realised. Increases and decreases in market value are reflected in the Statement of Financial Activities.

E. Tangible fixed assets

The original land, buildings and equipment are retained at the carrying value resulting from a professional valuation made in 1997 and this valuation has not been updated. The freehold property held under the Foundation Trust has been included at purchase price. All the freehold properties recorded in the balance sheet are exclusively for the purposes of carrying out the charitable activities of the organisation. The minimum amount for the capitalisation of assets is £2,000.

Depreciation is provided to write off the cost of fixed assets over their anticipated useful lives at the following rates:

- > Freehold buildings 2% per annum on cost
- > Fixtures and fittings 12.5% and 25% per annum on cost
- > Computer equipment 33.33% per annum on cost
- > Motor vehicles 25% per annum on cost

F. Funds

Permanent Endowment Fund - this fund is treated as being permanently endowed in accordance with an agreement with the Charity Commission.

Restricted Funds - are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Unrestricted Funds - are donations and other incoming resources received or generated for the charitable purposes of the trust and are usable, for these purposes, at the discretion of the Trustees.

In the event of sufficient surplus of general funds the Trustees may decide to nominate an amount to set aside for a specific purpose which shall be classed as a designated fund.

G. Operating leases

Rentals incurred under operating leases

are charged to the statement of Financial Activities on a straight line basis over the period of the lease.

H. Pensions

The Charity contributes to a Group Personal Pension Plan for employees. The employer contributions range between 5% and 7% of gross pay depending upon the level of employee contribution. Contributions are further enhanced by a salary sacrifice arrangement through which the employer pays into the employee's pension fund 10% of the 12.8% employer's NI saving on the salary sacrificed. The Charity's

contribution for the year was £310,575 (2012: £304,297).

The Charity also has some staff who have been transferred into the organisation via TUPE transfer and are members of Local Government Pension Schemes. We have been required to take out pension bonds to insure against potential liabilities that may arise during the period of the contract.

I. Stocks

Stocks consist of goods held for resale, valued at the lower of cost and net realisable value.

2. Analysis of amounts received towards the support of children, young people and families

	Unrestricted Funds £000s	Restricted Funds £000s	2013 Total £000s	2012 Total £000s
Fees and other project income	517	417	934	1,018
Churches and other partners	4	18	22	12
Statutory Sector				
Local Authorities	2,619	11,704	14,323	10,600
NOMS	156	770	926	570
DFE	94	290	384	344
Total	3,390	13,199	16,589	12,544

Income relating to international projects is included within the figures for "Donations and Collections" and "Rental income" in the Statement of Financial Activities on page 45.

3. Analysis of amounts expended in the support of children, young people and families

	Unrestricted Funds £000s	Restricted Funds £000s	2013 Total £000s	2012 Total £000s
Type of project				
Children's Centres	2,232	9,628	11,860	9,202
Children and Young People Affected by Imprisonment	713	1,048	1,761	1,335
Family Support	489	1,424	1,913	1,038
Youth, Community and Young Carers	184	796	980	1,238
Contact Services	257	699	956	1,203
Independent Visitors and Mentoring	6	24	30	62
International Projects	12	50	62	223
	3,893	13,669	17,562	14,301
Grants paid/capital grants transferred	-	(11)	(11)	43

4. Total resources expended

	Staff Costs £000s	Depreciation £000s	Other costs £000s	2013 Total £000s	2012 Total £000s
Costs of generating funds					
Fundraising, marketing and promotion	221		277	498	470
Investment property costs			69	69	77
Charitable expenditure					
Project costs	12,355	63	5,144	17,562	14,301
Capital grant transferred/Paid			(11)	(11)	43
Governance costs			45	45	32
	12,576	63	5,524	18,163	14,923

	2013 £000s	2012 £000s
Net movement in funds		
The net movement in funds is stated after charging:		
Depreciation	63	78
Operating lease rentals	223	214
Auditors remuneration (including VAT):		
Audit	12	12
Support costs		
Operational management	1,243	1,024
Business Development	490	484
Finance, IT and Corporate Services	590	535
Human Resources and People Development	534	543
Other central support and administration	312	291
	3,169	2,877

Organisational support costs are charged as far as possible to projects in a consistent manner. Costs are apportioned on the basis of the unit cost of each support activity and the estimated number of units used by each individual project or service based on the number of employees or FTEs within a project or service. Both recovered and unrecovered support costs are included entirely within the analysis of amounts expended in the support of children, young people and families detailed in note 4 above.

	2013 £000s	2012 £000s
Governance Costs		
Audit	12	14
Trustee expenses	10	7
Other costs	18	-
Professional Indemnity Insurance	5	11
	45	32

	2013 £000s	2012 £000s
Staff costs		
Wages and salaries	11,315	8,662
Social Security costs	867	681
Other pension costs	394	326
	12,576	9,669

5. Total resources expended (continued)

	2013 Number	2012 Number
Employee emoluments over £60,000		
Employees continuing in service:		
£60,001 to £70,000	0	1
£70,001 to £80,000	1	1
Both of the above employees belong to the Charity's Group Personal Pension Plan, employer contributions were in accordance with note 1.h) to the accounts, being £6,071 (2012: £8,325)		
The average number of employees (including casual workers) in the year was 703 (2012: 624).		
The average number of full time equivalent employees (including casual workers) was 482 (2012: 420).		
Analysis of full time equivalent employees:		
Central departments and regional offices	68	65
Projects and services	414	355
	482	420

6. Tangible fixed assets

	Freehold property 000s	Motor vehicles £000s	Computer equipment fixtures & fittings £000s	Permanent Endowment Freehold property* £000s	Total £000s
Cost/valuation					
At 1 April 2012	135	15	217	185	552
Additions	-	-	4	-	4
Disposals	(135)	-	-	-	(135)
At 31 March 2013	-	15	221	185	421
Accumulated depreciation					
As at 1 April 2012	44	15	126	59	244
Charge for the year	-	-	59	4	63
Disposals	(44)	-	-	-	(44)
At 31 March 2013	-	15	185	63	263
Net Book Value					
At 31 March 2013	-	-	36	122	158
At 31 March 2012	91	-	91	126	308

Property fixed assets are held at cost or where cost is not available then the market value as at 1997 as permitted under the transitional rules of FRS15. Depreciation is charged on property fixed assets in accordance with the accounting policies set out in note 1.

*This freehold property is a permanent endowment

7. Investments

	2013 £000s	2012 £000s
a) Market value of investments		
Common investment funds	1,374	1,239
Investment properties	5,243	5,835
Total investments – Charity	6,617	7,074
Pension Bonds (see note 1.H)	79	-
Total Investments	6,696	7,074

b) Movements in market value of investments

Market value as at 1 April 2012	7,074	7,890
Acquisitions at cost	79	-
Disposals:		
Proceeds	(886)	(1,136)
Realised (loss)/gain	31	210
Unrealised appreciation	398*	110*
Market value as at 31 March 2013	6,696	7,074
Historical cost of common investment funds	976	976
Historical cost of investment properties	514	614

*includes revaluation gain of £10,748 (2012: loss £11,954) on D J Thomas investment property

8. Debtors

	2013 £000s	2012 £000s
Due within one year		
Other debtors	1,076	1,287
Prepayments and accrued income	72	85
	1,148	1,372

9. Creditors: Amounts falling due within one year

	2013 £000s	2012 £000s
Bank overdraft	35	4
Other creditors	943	1,167
Other taxation and social security	297	317
Pension contributions	55	50
Accruals	12	13
Deferred income	136	85
	1,478	1,636

Deferred income relates to income received in advance, all of which is related in the following financial year

10. Funds

A) Movement in funds

	Balance at 1 April 2012 £000s	Incoming Resources £000s	Outgoing Resources £000s	Investment Gains £000s	Transfers £000s	Balance at 31 March 2013 £000s
Restricted funds						
Permanent endowments						
(i) Foundation Trust Permanent Endowment*	126	-	(4)	-	-	122
(iii) UK Projects	480	13,731	(13,682)	-	(85)	444
(ii) D J Thomas	2,614	136	(110)	11	-	2,651
Total restricted funds	3,220	13,867	(13,796)	11	(85)	3,217
Unrestricted funds						
Designated Funds						
(iv) Investment Property Revaluation Reserve	2,928	-	-	-	(178)	2,750
General funds						
(v) General Funds	2,317	4,294	(4,367)	417	263	2,924
Total unrestricted funds	5,245	4,294	(4,367)	417	85	5,674
Total Funds	8,465	18,161	(18,163)	428	-	8,891

*Denotes funds held in Spurgeon's Child Care

(i) The Foundation Trust is a permanent endowment vested in the charity's registered office freehold property in Rushden, which is held in the unincorporated charity, Spurgeon's Child Care. A uniting direction, approved by the Charity Commission in 2005, has led to Spurgeon's Child Care being incorporated into Spurgeons.

(ii) During the previous year, the Trustees of Spurgeons, Spurgeons being the sole Trustee of the D J Thomas Memorial Awards Trust Fund, resolved to transfer the assets and liabilities of the Fund to Spurgeons to be held as a restricted fund. Following Charity Commission consent, the assets and liabilities were transferred from the unincorporated charity to the incorporated charity on 31 March 2012.

The funds can be used in accordance with the objects of the charity, to provide and facilitate the provision of the education, maintenance and support of children and young adults who have not attained the age of 25 years and who, in the opinion of the Trustees, are in need of financial assistance.

(iii) Funding which has been given for a particular project, and any related expenditure, has been recorded in restricted funds in the year. Transfers in the year represent the following:

1. The meeting of net deficits from general funds on restricted funded projects that are not recoverable from future funding.
2. The movement of restricted funded project surpluses to general funds where either the projects have ended or no further contractual liabilities exist.
3. Fundraising costs have been allocated to restricted funds within the SOFA to reflect the costs of raising restricted voluntary income. However, these costs are unrecoverable by the restricted projects so they have been transferred to the general funds accordingly.

(iv) The Investment Property Revaluation Reserve represents the cumulative net revaluation on the investment properties (excluding those restricted to the DJ Thomas Fund). The fund has been designated by the Trustees to reflect the fact that this sum is tied up in the Charity's investment properties, which are used to derive essential income for the charity's activities. During the year, following the decision of the trustees to dispose of certain properties, the revaluation reserve from those properties (both those that have been disposed of or are in the process of being disposed) has been transferred to general funds. This amounted to £429,917 (2012: £876,413)

(v) General Funds represents the free funds of the Charity which are not designated for particular purposes.

B) Analysis of assets between funds

	Tangible fixed assets £000s	Investments £000s	Net current assets £000s	Total £000s
Spurgeons:				
Unrestricted Funds	36	5,610	28	5,674
Restricted Funds	-	-	444	444
Restricted Funds - DJT	-	1,086	1,565	2,651
	36	6,696	2,037	8,769
Spurgeons:				
Permanent Endowment - Foundation Trust	122	-	-	122
Total	158	6,696	2,037	8,891

11. S C C Trading Limited

SCC Trading Limited is a wholly-owned subsidiary company which is limited by guarantee. The company became dormant with effect from 31 March 2004. As at 31 March 2013 SCC Trading Limited had net assets of £Nil (2012: £Nil).

12. Transactions with trustees

During the year the Charity reimbursed expenses of £10,141 (2012: £7,073) incurred by 9 Trustees (2012:8) in travelling to meetings and visiting projects. No Trustee received any remuneration from the Charity.

13. Taxation

Spurgeons is a registered charity and therefore under Section 505 of the Income and Corporation Taxes Act 1988 the Charity is exempt from paying tax on its charitable activities.

14. Operating lease commitments

The Charity is committed to the following payments in 2013/14 under operating leases:

	Property £000s	Equipment £000s	2013 £000s	2012 £000s
Leases expiring:				
Within one year	81	12	93	81
Between 2 – 5 years	50	37	87	51
	131	49	180	132

15. Specific acknowledgements

Certain funders require a specific acknowledgement of their grant. The following grant and the related expenditure is shown under Restricted Funds in the Statement of Financial Activities.

Big Lottery Fund – Reaching Communities Grant received for our Oxford Shout Project £116,472 (2012: £149,472). Expenditure £159,968, including brought forward funds from prior year.

Big Lottery Fund – Supporting Change Grant received for our Oxford Shout Project £10,000 received in previous financial year all of which was spent this year.

Big Lottery Fund – Awards for All Grant received for our Wolverhampton Young Carers Project £1,168 carried forward from the previous year was spent in this financial year.

Big Lottery Fund – Youth in Focus Grant received for our Sisters Project £195,355, (2012: 26,700) expenditure £123,455, with agreement to carry the remainder forward into next financial year.

Comic Relief – Grant received for our Phoenix Project £40,000. Expenditure £39,282 with agreement to carry the remainder forward.

Esmée Fairbairn Foundation – Grant received for our Phoenix Project £27,058, all of which was spent in this financial year.

Department for Education – Improving Outcomes for Children, Young People & Families received for our Invisible Walls Project £349,212 (2012: 309,771) all of which was spent in this financial Year.

In conjunction with this grant, DFE also provided £35,000 for Capacity Building, which was all spent in this financial year and is shown under Unrestricted Funds in the Statement of Financial Activities.

There are many other funders who have contributed towards the work of Spurgeons, which the Trustees gratefully acknowledge.

Thank you

As the circumstances we work in continue to challenge, we are especially grateful for the support of the following Charitable Trusts and corporate organisations who have enabled our work to continue:

- > Albert Hunt Charitable Trust
- > Box End Park
- > Comic Relief
- > E C Webber & E M Doidge Charitable Settlement
- > Esmée Fairbairn Foundation
- > Joseph Rowntree Foundation
- > Norton Foundation
- > Simpex Freight Management
- > Spurgeon Oaklands Charitable Trust
- > Stobart Newlands Charitable Trust
- > The Big Lottery Fund
- > The Eveson Charitable Trust
- > The Grimmitt Trust
- > The Hunting Charitable Trust
- > The Ibbett Trust
- > The Maurice & Hilda Laing Charitable Trust

We have been so pleased this year to continue to provide life changing services to so many children, young people and their families across England in 2012/13. We are happy to have been able to work with the following Local Authorities and other organisations to be able to deliver these:

- > Bedford Borough Council
- > Central Bedfordshire Council
- > Hertfordshire County Council
- > Peterborough City Council
- > Essex County Council
- > National Offender Management Service (NOMS)
- > Birmingham City Council
- > Warwickshire County Council
- > Wiltshire Council
- > Wolverhampton City Council
- > Solihull Metropolitan Borough Council
- > Oxfordshire County Council
- > The National Institute of Adult Continuing Education (NIACE)
- > Isle of Wight Council
- > West Sussex County Council
- > Department for Education – Hampshire
- > Clinks
- > Children and Family Court Advisory and Support Service (CAFCASS)
- > Brighton & Hove City Council
- > Leicester City Council
- > Hampshire County Council
- > Walsall Metropolitan Council
- > Serco Funding and Education Dept.
- > Kempston Extended Schools





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