



Annual Report and Accounts 2013/14

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Nothing gives us more hope
for the future or energy
in the present than seeing
children overcome the
barriers they face. ● ●

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Welcome

147 years ago, Charles Haddon Spurgeon founded a children's charity. His work, and that of those other early pioneers, was not just motivated by compassion for the significant social need that existed, but by the belief that every child and family should experience the practical and emotional support they need to flourish.

While it is sad that almost one and a half centuries later so much social need and wasted potential remains, it heartens me that the charity Charles Haddon Spurgeon founded continues to be as dynamic and creative, full of integrity and excellence, caring and passionate today.

These are the qualities that mean we have continued to grow, impacting and transforming the lives of more than 35,000 children and young people through our 81 services across the country.



I feel incredibly blessed to have spent almost a decade leading Spurgeons and witnessing the important work our staff and volunteers carry out, changing the lives of countless children, young people and their families. I have been honoured to lead this important charity and wish Spurgeons all the very best for the future and the organisation's continued success.

Tim Jeffery



These are also the same qualities that lie behind the 96% of our service users who say that we have made a positive difference to their lives and the superb record of inspection outcomes that validate the quality of our work. They are the characteristics of an organisation that in the midst of a challenging economic and commissioning environment can still achieve strong financial results. These are the values that run throughout the committed team of volunteers, staff and trustees that make Spurgeons the transformative organisation it is today.

While we celebrate our achievements, 2013/14 also marked some significant changes within Spurgeons. Over the past year we have completed a process to improve and sharpen our performance, efficiency and ability to respond to the challenges that lie ahead. The process, now complete, engaged those from all levels and parts of the organisation and was led by Tim Jeffery, who, after nine years as Chief Executive announced his resignation, effective from June 2014.

Under Tim's leadership, Spurgeons has undergone a significant transformation. We have grown on every level, taken huge steps forward in our professionalism and continued to develop as an expert in our field. Tim leaves a strong inheritance for his successor, Ross Hendry, who joined Spurgeons in August 2014 from the Office of the Children's Commissioner. Together with a renewed group of directors, management team and board, we are confident that Spurgeons will continue to thrive and demonstrate unparalleled excellence and passion for our work with children and young people.

I am really looking forward to working closely with everyone to realise our aspirations for children, young people and families. The legacy, integrity, creativity and excellence across Spurgeons makes me confident and ambitious that the impact the existing services have on the lives of children, young people and families can be the foundation of achieving even more together over the coming years.

Ross Hendry

We would also like to record our thanks to our staff and volunteers and the many local authorities, trusts, donors, churches, organisations and communities who are partners in our work – every partner plays a vital role in changing a life for the better.

The final word has to go to the amazing children and young people we work with. Through what are often incredibly complex and difficult circumstances, we continue to be inspired, amazed and motivated by them. Nothing gives us more hope for the future or energy in the present than seeing children overcome the barriers they face.



Stuart Cornwell

Chairman of Spurgeons' Trust Board

Welcome from Angie

Thank you for reading Spurgeons' annual report and accounts. I can't begin to tell you how much of a difference Spurgeons has made in my life.

When your child doesn't smile you feel like you've failed as a parent. That happened to me. My one year old, my Amy, didn't smile. I think she didn't smile because I didn't smile and I didn't smile because, how could I? My partner used to hurt me. We used to drink and fight and I would always get hurt. I felt alone and isolated and because I didn't know how to cope, neither did Amy.

When my local children's centre managed by Spurgeons got involved, things started to change. We were referred by a health visitor who was concerned about Amy and my other daughter Sarah, and from the start Spurgeons were fantastic. They helped me figure out how to connect with my children again; they helped me get counselling to deal with my mood swings; they drove Sarah to school because of my broken leg; they took Amy and me to a local toddler group and they helped me meet

other families, and other mothers, who knew what I was going through.

I remember, a few months into our time with Spurgeons, Amy and I were at the toddlers group and I saw her get up, walk across the hall, sit down next to another child and start playing. This girl, who was once so shy and who never smiled, was playing and laughing like any other child! I cried, I genuinely cried because for the first time since she was born I felt like a good mum. From then on I knew that, if I worked hard, I could give my children the life I had always wanted for them.

I'm back with my partner and it's going well. Spurgeons helped us to recognise the triggers for the violence, things like alcohol, and we've learned to control our moods. We're not living together anymore, we're not there yet, but with the help of Spurgeons I finally feel confident that I can give my children the life, and the family, they deserve. Thanks to Spurgeons I've started to rebuild my family and, thanks to Spurgeons, I've seen my daughter smile.

A photograph showing a woman in a grey shirt carrying a young child in a red and grey striped shirt in a carrier. In the foreground, a young girl with long brown hair is smiling. The background is a blurred green field.

This girl, who was once so shy and who never smiled, was playing and laughing like any other child!

Angie

Who we are and what we do



Founded in 1867, Spurgeons is very proud of its heritage. We know that, but for the generosity of one woman, Anne Hillyard, and the passion and drive of one man, Charles Haddon Spurgeon, we would not be changing young lives today.

Anne Hillyard wrote to Charles Haddon Spurgeon offering him £20,000 (worth about £1.5 million in today's terms) to establish an orphanage for fatherless boys. As a result, Spurgeon, driven by faith-fuelled compassion, opened his first orphanage to care for the street children of his day. When our last orphanage closed in 1979, we cared for children through 'foster' style homes until the early 1990s when partnerships with local authorities and churches enabled us to take our service delivery into new communities.

And that's where you'll find us today. In the heart of the communities who need us most – listening, learning and building relationships to make a lasting difference to the lives of children, young people, their families and wider communities.

We believe that every child deserves an equal chance to be all that they can be. No child's current situation should dictate their future.

By partnering with local authorities, our supporters and other funding bodies, we come alongside children and their families to help them to work together to find long-lasting solutions to their extremely challenging situations. We also give 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.

Our work in numbers 2013/14

81

high quality services

35,358

children and young people used our services

44,970

parents and carers have used Spurgeons services

456

members of Spurgeons staff

402

volunteers have helped deliver Spurgeons services

26

different local authority areas where Spurgeons works

11,930

people who use our service gave us feedback

96%

of service users said we made a difference in their lives

377

members of Spurgeons Network

Making the

35,358

children and young
people helped by Spurgeons



511

The number of times
Spurgeons took or ensured
protective actions to
safeguard children

96%

of service users surveyed
told us that the difference
Spurgeons made in their
lives was good or better



**I really enjoyed the sewing classes
as I learnt a new skill, made friends and it forced
me to get out of the house.**

Parent at Anthony Road Children's Centre



difference

Our work has had a real impact during 2013/14 and our staff and volunteers have worked hard to continue to support as many children and young people as possible.

In 2013/14 we worked towards a standardised use of outcome and measurement tools to provide guidance and consistency within similar services through allocating a preferred tool to each service area delivered.

Other highlights of 2013/14

- > We took part in the Children's Commissioner's Takeover Day in November 2013 and gave five children and young people the opportunity to work with staff at head office for the day and be actively involved in decision making at Spurgeons.
- > Our busiest visitor centre at HMP Wandsworth has been awarded five stars (the highest standard) by Environmental Health.
- > Spurgeons staff joined the Children England election manifesto voting summit and placed votes for priorities in keeping with our service delivery areas, target groups, beliefs and strategy.
- > We worked with prison chaplaincies and the steering group for Prisons Week, connecting with other organisations who are committed to improving outcomes for prisoners' children.


The service we have received from Spurgeons staff over the year has always been remarkable. We have been helped many times and have been treated with kindness and respect. 
Young carer in Wolverhampton

Growth of voluntary income and support

Legacies

Each year we are so very grateful to those supporters who leave a legacy to us. Their generosity makes an incredible difference to so many young lives and this year totalled almost £180,000.

Grants

We have again seen our relationships deepen with grant giving bodies and corporate organisations and in 2013/14 our income grew by 17% from the previous financial year, securing more than £540,000 in restricted income.

Network

We have remained true to our Christian roots by continuing to grow Spurgeons Network, supporting Christians working in their local communities with children, young people and families, with 377 members across the country.

Church and individual donations

Our relationships with churches and individual donors have continued to develop and we have secured more than £200,000 in unrestricted income.

Volunteers

Over 400 dedicated individuals have supported Spurgeons by generously donating their time volunteering within our services.



My daughter has been through a lot this year and having someone to talk to other than family has done her well.

Parent at Wandsworth Diversionsary Activities



This group has been a lifeline for my son. Two of my children have disabilities and my son shares a lot of my burden which is a lot for a child of his age. He has had to grow up fast and is missing out on his childhood. This group enables my son to be a normal teenager for a few hours. He loves it and so do I.

Parent of young carer



377

members of Spurgeons
Network across the country



17%

growth in grants income
from previous financial year

£180,000

in legacies





Dave's story

When I went to prison for 18 months I had three boys with my partner – a four-year old, two-year-old and a new baby. I was in for violence related offences and, unfortunately, it wasn't my first time inside. I had been in trouble before for theft and drugs and I suppose I'd never really been the best dad I possibly could be.

But then when I was in prison I got involved with the Invisible Walls project from Spurgeons and they started helping me look at ways of coping. I took part in a parenting course, had some one to one support and also joined the dads support group.

It was really hard for my partner on the outside coping with three little ones but the Invisible Walls project from Spurgeons also helped them through the prison's visitor centre and introduced them to our local children's centre and got the boys sorted with nursery places. The best thing of all was getting to see my lads during the family days – for a few hours I could almost forget that I was in prison and it was a great way of trying to bond with them.

Invisible Walls also spoke to other people who could help me with my drug and alcohol problems and I feel like I'm back on track now. My key worker met with me and my partner when I got released and has been to see us once a week since then to help us. My partner and I feel like we can trust each other more now which has really helped our relationship and how we behave around the kids.

I've been out for 14 months now and I don't want to go back inside. I've got too much to lose now and I want to be there to support my family and see my boys grow up. Spurgeons has really changed my family life for the better.

Our target groups

The needs of different groups of children and their families are incredibly varied and complex.

In 2012 we reassessed how we could best focus our efforts and resources to achieve the greatest impact. We pledged to continue to run and develop our extensive work in children's centres, family support and other services but focus on three target groups:

- > Young carers
 - > Teenage parents
 - > Families and the criminal justice system
-

During 2013/14 we have strived to increase our reach and impact on children and young people by growing our services and increasing our geographical footprint across the country.



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 committed to increase our support for these exceptional young people.

We have three new services for young carers which transitioned into Spurgeons during 2013/14 in Lincolnshire, London (Tri-Borough) and Wiltshire.

Highlights:

- > Spurgeons has been an active member of the National Young Carers Coalition (NYCC) during 2013/14. Young carers from our services in Oxfordshire and London were part of the NYCC event in Westminster to celebrate amendments to the Children and Families Bill and Care Bill before they were passed as Acts. The amendments will see thousands of children and young people who provide support and care to other members of their family given the same rights to assessment and support as adult carers.
- > Spurgeons launched a new website for young carers at www.spurgeonsyc.org



I have learnt how other young carers deal with situations, which has really helped me. I can get away from my family for two hours to clear my head and talk to people like me.

Young carer in Wolverhampton



Teenage parents

Young parents have specific needs that we address through our network of services. 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 have been extending and developing this during 2013/14 with a new service for separated teenage parents in the West Midlands.

Our children's centres across the country have continued to work hard to support young parents and the challenges they face.

We also launched a new service to support separated teenage parents with funding from the Department for Work and Pensions. The programme is now fully operational with teenage parents accessing the service across the West Midlands and a new outcomes tool is being used to measure changes in collaborative parenting between parents.

Highlights:

- > Feedback from Ofsted report on one of our Essex children's centres: "Mothers say that they have made friends to share the 'ups and downs' of parenthood and some said it was the 'best two hours of their week'"



**Definitely a lifeline for young mums –
it helps us to get out and make friends.**

A young mum at Bulford Children's Centre



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.

We have continued to develop our work in prisons and visitor centres, keeping a child-centred focus to counter the difficulties faced by children with a parent in prison.

Highlights:

- > Feedback from Her Majesty's Inspectorate of Prisons: "Following unannounced inspections, prison inspectors have praised the work of Spurgeons staff at HMP Holloway in north London, highlighting how first time visitors were identified and well supported; and at HMP Feltham in south west London, highlighting how visitors were offered emotional support and help with practical problems".
- > The Invisible Walls project at HMP Winchester was awarded the High Sheriff's Community Award for 2013/14.
- > A play worker at one of our visitor centres in London was presented with a commendation for her bravery and swift action in protecting a baby when a fight broke out and spilt over into the crèche area.

Thank you for the guidance and support you have shown me and my family. You have made a difficult upsetting situation more bearable and answered endless questions with clarity and empathy. Thank you.

Visitor at Feltham Visitors' Centre



Abby's story

I was 19 when I had Max. At first things were fine between me and Max's dad, Shane. We were together for two years when we finally broke up. We would fight all of the time and it was not a good relationship to be in.

Eventually our relationship turned abusive and I ended it. I was scared of Shane but still felt as though he needed to be in Max's life, so once a week he was allowed supervised contact. At first I couldn't bear to be around him, I was so angry and upset about things that had been said in the past.

A social worker at my local children's centre encouraged me to go to the separated teenage parents programme and explained how she thought it might help. I'm unemployed and so I was worried about the cost of it all, but she told me how the classes are free and Max would be looked after in a crèche while the classes were going on. It sounded good – what did I have to lose?

At first Shane and I went to one to one sessions separately. After two of these we had a couple's session together. At first I was reluctant because of what

had happened in the past, but also because I was worried that he'd make it difficult after I had tried hard to make things better. We both agreed to the couple's classes and I'm really glad we did. We had two sessions where we learnt about our parenting skills and how to work as a team even if we are no longer together. I now know how important it is for Max to see us working together, and I think that we are both better parents for doing that.

The programme referred Shane to support with employment and I now attend a class to help me realise what training I can complete to help me get a job when Max is old enough. Shane has supervised contact twice a week with Max now and often I'll join in too so that Max can see us working together. There was once a time that I would never think that was possible – but it is thanks to Spurgeons' separated teenage parents programme.

Our review

Where we met our targets
and where we did not:

> Service reach

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.

Did we achieve this?

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Across all our centres almost three quarters of families with young children in their reach areas were registered. For our centres that were inspected, our overall reach and work with recognised priority groups met or exceeded those targets.

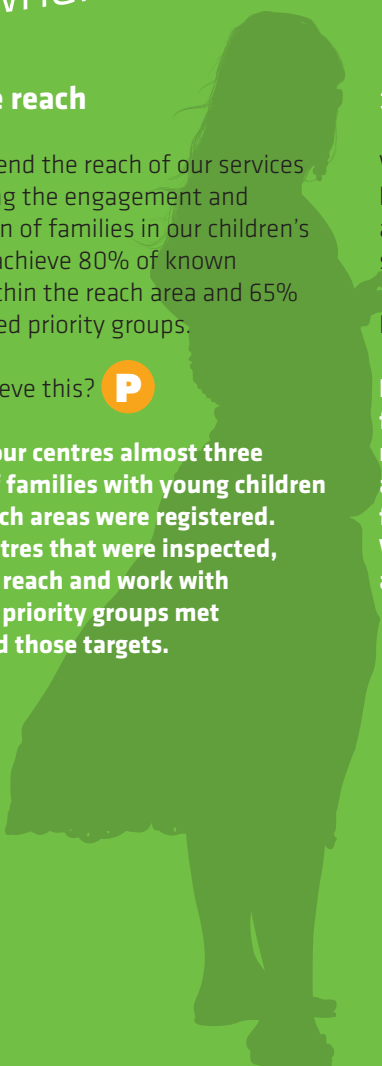
> Family support

We will improve the impact of our services by developing and implementing a new assessment tool for family support services by March 2014.

Did we achieve this?



Following the introduction of our family support toolkit, standardised measurement tools have been selected and bespoke training has been developed for those services that require it most. Wider roll out of this improvement activity will continue into next year.



of the year

> Community


We will build an evidence bank in order to assess the impact of our community based approach.

Did we achieve this? 


Our priorities changed this year and, instead of formally building an evidence bank, we focussed on drawing together best practice elements of our delivery, particularly focusing on volunteers. We improved our policies, procedures and tools to support this vital area of our workforce with significant input from our services. This resulted in the launch of our volunteer toolkit and increasing our total volunteers to over 400. We have also formally partnered with local organisations to develop our service.


> Inspections


We will meet or exceed the average national OFSTED inspection outcomes for children's centres during 2013-14.

Did we achieve this? 

All of our centres and nurseries that were inspected this year were graded by Ofsted as either Outstanding or Good.

 met the target

 failed to meet the target

 partially met the target

> Increase Spurgeons profile

We will engage with the general public by the execution of two media campaigns over the year.


Did we achieve this? 

This year we've raised our profile locally and nationally. One of our campaigns focussed on supporting our separated teenage parents programme, and another – Just Another Day – ran at Christmas to raise the awareness of young carers. We also smashed our targets for media and digital activity including launching our new look website.

> Enterprise unit

We will develop at least two new products that focus on our target groups, market them to new commissioners and widen our geographical footprint. We will implement our new pilot programme working with separated teenage parents.

Target: £885,000


Did we achieve this? 

Although falling short on our enterprise unit income target this year, we've successfully developed and implemented two new products, focusing on separated teenage parents and troubled families.

> 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, brand and use of social media.

Target: £442,200

Did we achieve this? 

We increased our support this year by generating more than 750 new donors and gained many more supporters through profiling work, launching our new website and campaign activity.

Through engaging with new supporters, our existing donors, churches and through receiving legacies, we generated income lower than our target, but that will still support our much needed work with children and young people.



> Restricted income

We will develop new relationships with grant givers within our target groups, develop and trial a new corporate engagement product.

Target: £612,300

Did we achieve this?



By exceeding our targeted success rate for application submissions, we secured just short of our income target for this year. We developed new relationships with some influential charitable trusts and trialled our corporate engagement model with Anthony Collins Solicitors through our partnership as their charity of the year.

We found the weekly sessions invaluable. The way they taught me how to play and communicate with my baby has helped both my baby and me. The structured play sessions in this stands head and shoulders above any other group we have been to.

Parent at Spangles Children's Centre



> Tendering

We will submit at least 30 tenders with a target success rate of over 40%, diversifying our service models and geographical footprint.

Target: £1.9 million

Did we achieve this?



We exceeded our income target this year through submitting tendering bids in response to 16 tenders. We diversified the tenders we submitted to build our knowledge, inform future opportunities and expand our models and geographical footprint.



met the target



failed to meet the target



partially met the target



Links in Lincs

Young carers are remarkable young people who provide regular or ongoing care and support to another family member as a result of them having a physical or mental illness, a disability, or a struggle with substance misuse. They often take on practical and emotional caring responsibilities that would normally be expected of an adult.

Spurgeons' involvement with young carers work has steadily grown to support over 2,000 young carers, through services in Wolverhampton, Dudley, Birmingham, Lincolnshire, Oxfordshire, Wiltshire and London.

Spurgeons Network supports churches, Christian and community organisations working with young people to work together to bring about positive change. Our Network has been working together with our staff in Lincolnshire to explore how local churches can help to meet the needs of the young carers in their communities.

Young carers often feel isolated and unable take a break from their caring duties to spend time with children their own age. Spurgeons works to make that happen, creating opportunities, activities and events for them to get support from each other, as well as from staff and volunteers.

This is even more of a challenge in Lincolnshire, one of the largest and most rural counties in England. Limited

public transport, big distances between towns, rising costs of transport and squeezed budgets make it difficult to get young carers together in a supportive environment.

Spurgeons Network set about making contact with churches and other faith organisations already at work in their communities across the county. This has led to an overwhelming willingness to support and add to the young carers services Spurgeons provides. Many churches were shocked by this hidden problem and the needs of families on their doorsteps.

They've helped us by offering practical and prayer support, including integrating their activities and events so our young carers have the opportunity to take part in clubs, activities and meetings.

Working together has opened up a whole new world of opportunities for young carers in Lincolnshire to get the support they vitally need from Spurgeons and our wider Spurgeons Network.

Ambitions

To help children and young people be all that they can be, this year we will:

- > Ensure the people who use our services actively participate in the design, development and improvement of our services.
- > Introduce and apply service standards to our main delivery areas ensuring we maintain their high quality and impact for children and families.
- > Meet or exceed the national average for Ofsted inspection grades to demonstrate how we improve the wellbeing of children and their families through our early childhood services.
- > Increase Spurgeons profile, focusing on engagement with the children's sector, churches and other faith based organisations.
- > Generate £1.9 million through tendering activity with a tender success rate of 30%.
- > Achieve an income target of £850,000 through restricted voluntary income by increasing the number of relationships with existing and new grant givers.
- > Increase our unrestricted voluntary income through improving our engagement with new and existing donors and develop new products with a target of £450,000.
- > Broaden our geographical footprint to reach the children who need our help through contracted delivery and the enterprise unit, delivering in two new geographic areas and increase the diversity of delivery with two new products launched and delivered.

for 2014/15





Marie-Claire's story

I volunteer as a mentor for Spurgeons Sisters project – a programme that supports young female offenders aged 15 to 24 as they make the transition from custody to the community. A Sisters mentor is paired with a female offender and we will visit them for up to three months before their release and for up to 18 months after their release.

The main aim of the project is to support vulnerable women, but it's also to help stop re-offending which we need to do as a society. We can't just lock them up, throw away the key and hope for the best. Mentoring has been proven to work. To have that support in prison and out in the community is invaluable.

My experiences in life did take me to prison – I served a 14 month sentence in three different prisons, where I got to witness first-hand the struggles that these women face. I was lucky I had a great support system so it was a slightly different experience for me than other women. I want to help them the way I was helped. It's all about inspiring them. They inspire me daily, so it's a mutual relationship.

I love breaking down people's stereotypes. I am a criminal or ex-criminal – however you like to say it – but I don't typically strike people as that. I always tell them that I'm an ex-prisoner because it helps the rapport building. I like to shock people and I want the women that I work with to shock society as well – in a positive way – and the Sisters project can help these women do exactly that.

Financial review 2013/14

The statement of financial activities on page 47 shows that this has been a seminal year for Spurgeons with the charity achieving its five year financial target of delivering a net operating surplus before gains on investments of £179,000 (2013: £2,000 deficit).

The net operating surplus of £179,000 comprises restricted surplus on services of £138,000 and an operating surplus on unrestricted funds of £41,000. Despite the total incoming resources reducing by 5.8% to £17,115,000 (2013: £18,161,000), the reduction in resources expended has been carefully controlled at £16,936,000 (2013: £18,163,000) to achieve this outstanding operating result in the face of adverse economic conditions.

In addition to this sound commercial performance the net assets of the charity have been considerably enhanced from the property assets held. During the year investment properties sold resulted in realised gains on disposal of investment assets of £1,196,000 (2013: £31,000). Also the revaluation of properties at year-end resulted in unrealised gains for the year of £3,044,000 (2013: £397,000).

We anticipate that it will be difficult to maintain this rate of growth in net assets in future years. 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, it is possible that we will fall back into deficit again next year. This is due to the adverse impact of certain contracts expiring and not being able to replace those with new work of a similar or higher value. We will of course, look to grow our work to bring us back to a sustainable break even position as soon as possible. Our asset base remains strong, and we will continue to undertake planned sales of certain investment properties to fund deficits, rebalance investments and enable the strategic objectives to be met.



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.

Total income £17,115,000

As in the previous year, the majority, 80% of our income, £13,773,000 (2013:£14,323,000) came from the statutory sector, mainly from local authorities, particularly in support of the number of children's centres we manage. We also received 6% of our income £1,014,000 from central government departments through our contract with the National Offender Management Service (NOMS) to run the Prison Visitor services in the London prisons. Virtually all external funding was given for specific services and is therefore restricted solely to that purpose and not transferable from one service to another.

Total Expenditure £16,936,000

Once again over 96% of our expenditure was incurred in direct support of our work with children, young people and families. Our children's centres work has declined this year as a result of fixed term contracts ending but this aspect of our work still accounted for 59% at £9,989,000 (2013:£11,860,000) of total spend. Our family support work accounted for 15% of the total at £2,539,000 (2013:£1,913,000), children and young people affected by imprisonment accounted for 10% of the total at £1,784,000 (2013:£1,761,000). Youth, community and young carers work accounted for 9% of the total at £1,510,000 (2013:£980,000). Employment costs remained by far the highest single item of expenditure at over 71% (2013:69%) of total spend, the majority of this is in direct project and services support personnel.

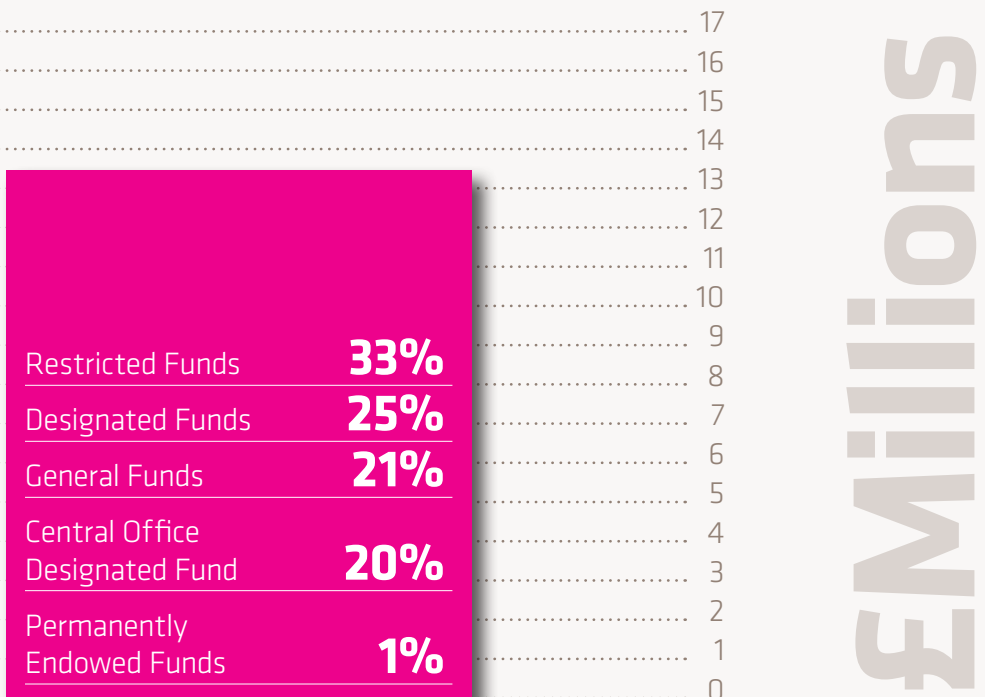
Local Authority	80%
Central Government	6%
Voluntary	6%
Fees and project income	6%
Investment	2%

Children's centres	59%
Family support	15%
Children and young people affected by imprisonment	10%
Youth, community & young carers	9%
Contact services	3%
Fundraising, marketing and promotion	3%
Other projects	0.5%
Government and Investment	0.5%

Total Funds £13,310,000

During the year the total funds of the charity have increased by almost 50% to £13,310,000 (2013: £8,891,000) though this is primarily as a result of significant revaluations of the property portfolio of the charity buoyed by the economic recovery. Of our total funds, £4,401,000 (2013: £3,095,000) were restricted funds which related to specific projects and which can only be spent on the purposes for which the funds have been given. £118,000 (2013: £122,000) comprises permanently endowed funds which are vested in the freehold property of Spurgeons head office. The designated funds of £6,043,000 (2013: £2,750,000) are those set aside by the trustees for a particular purpose. The growth in designated funds in the year results from the charity's investment properties, which provide essential income for the charity's activities and the resource required to enable future good works.

General Funds of £2,748,000 (2013: £2,924,000) have declined at year end by £176,000 and represent the free funds of the charity which are not designated for particular purposes save to sustain the reasonable working requirements of the charity. Even with this small decline in the General Funds, the liquid funds position of the charity at year-end remains strong and the accounts have been prepared on a going-concern basis.



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 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 charity's 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 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 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.

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.

The Trustees Report has been signed on behalf of the Board of Trustees on 23 July 2014 by:

Stuart Cornwell

Chair of Spurgeons' Trust Board

Corporate information

Trustees, officers and professional advisors for the year ended 31 March 2014.

Chair of Trustees

Stuart Cornwell

Trustees and Directors

Stuart Cornwell

Simon Beresford
(appointed 22 January 2014)

Catherine Burns

Tim Elgar

Tony Gilbert

Ian Gray (resigned 17 September 2013)

Bob Groves CBE

Phil Inch

Carol Russell

Justyn Singlehurst
(appointed 18 March 2014)

Ruth Vincent

Strategic Leadership Team

Tim Jeffery – Chief Executive
(resigned 27 June 2014)

Val Floy – Director of Business
Development, Marketing and Fundraising
(resigned 28 February 2014)

Ken Owst – Director of Finance and
Corporate Services (appointed 28 August
2013 and Company Secretary from 13
February 2014)

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

David Wolverson – Interim Director
of Children's Services
(resigned 1 November 2013)

Frances McDermott – Interim Company
Secretary (appointed 29 April 2013 resigned 13
February 2014)

Subsequent to the year-end appointments
have been made as follows:

Ross Hendry – Chief Executive
(appointed from 18 August 2014)

Paul Ringer – Director of Children's Services
(appointed from 12 May 2014)

Nicola Didlock – Director of Business
Development, Marketing and Fundraising
(appointed from 2 June 2014)

Registered and Principal Office

74 Wellingborough Road
Rushden, Northamptonshire NN10 9TY

Auditors

haysmacintyre
Chartered Accountants
26 Red Lion Square, London WC1R 4AG

Bankers

Barclays Bank PLC
4 Waterside Way
Bedford Road, Northampton NN4 7XD

Investment Managers

Epworth Investment Management Limited
9 Bonhill Street, London EC2A 4PE

Solicitors

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

Anthony Collins Solicitors LLP
134 Edmund Street, Birmingham B3 2ES

Property Managers

Hindwoods
Chartered Surveyors
1 Charlton Road
Blackheath, London SE3 7EY

Legal status

Spurgeons is a company limited by guarantee registered in England under number 3990460 and with a registered charity number 1081182.

The financial statements set out on pages 46-58 include the results of the unincorporated charity, Spurgeon's Child Care. During 2012 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.

Objectives and activities

Spurgeons 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. We seek to undertake this work on a day to day basis by living out the Christian values of our founder Charles Haddon Spurgeon.

Activities

We believe that every child deserves an equal chance to be all that they can into adulthood. No child's current situation should dictate their future and we are committed to helping them to be all that they can be.

By partnering with local authorities, our supporters and other funding bodies, we come alongside children and their families to help them to work together to find long-lasting solutions to their extremely challenging situations. We also give 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.

"This group has been a lifeline for my son. Two of my children have disabilities and my son shares a lot of my burden which is a lot for a child of his age. He has had to grow up fast and is missing out on his childhood. This group enables my son to be a normal teenager for a few hours. He loves it and so do I." Parent of young carer

"Thank you for the guidance and support you have shown me and my family. You have made a difficult upsetting situation more bearable and answered endless questions with clarity and empathy. Thank you." Visitor at Feltham Visitors' Centre

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 and strategy and performance.
- > 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 & 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 36.

Senior executive pay

Spurgeons recognises that its employees are pivotal in the provision of high quality services to its services, the children and young people we seek to serve and all client groups and aims to attract and retain the skilled employees required and to reward them equitably for the roles that they carry out.

Senior pay levels reflect the size of the organisation and the range of work carried out; children's work and social care, education and professional support services and are benchmarked against the median for these sectors. Spurgeons has noted the recommendations of the NCVO report into senior executive pay and our Remuneration Committee will be considering these during the autumn of 2014.

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 established a Leadership Forum of senior managers. The Leadership Forum meets with SLT and plays a role in shaping key issues about the organisation's future and development. During the year with much change in SLT, the charity formed an Executive Management Committee drawing on SLT and senior executives to transact the regular monthly business of the organisation. This has proved most effective in working and quickly communicating actions throughout the Charity.

During the year, Spurgeons have worked with children and young people through a national framework rather than a regional structure. This has led to more rapid and efficient decision making.

Management continued

Service managers and workers deliver the extensive range of services that are offered by the organisation and they are supported by 402 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 Department for Business Development leads the process of developing and growing our work. The Department has a dual role of leading and coordinating the tendering process and for developing new types of services. Spurgeons Network is managed through the Department and is able to link up services and support members through the national structure, as well as organise events for members. The Department also includes the Marketing and Fundraising functions, thus coordinating 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.

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 or pay-day lending.

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' targets are to out-perform the benchmark index for total return by at least the amount of their fees.

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 at year-end 2014, which indicated a substantial increase in the value of these properties.

The Trustees are continuing with a phased rebalancing of investments resulting from direct property disposals, with the timing of sales being largely dependent upon market conditions. Some of the sale proceeds have been 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 future years.

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, the top four major risks are considered to be:

- > Ensuring the safety of the children, young people and families we work with, within an environment of increasing need and demand for our services.
- > Continuing to provide high-impact services to disadvantaged children and young people despite the changes in the commissioning environment.
- > Ensuring our ability to deliver the corporate strategy in the increasingly challenging social and economic climate.
- > Ensuring the resources and infrastructure of the organisation are robust enough to service the current and future needs of the charity.

To mitigate these identified major risks we have taken the following actions:

- > We maintain a system of internal controls that govern operational delivery including quality assurance

Risk Management continued

of all safeguarding incidents which is independent from line management.

- > We have invested in practice improvement resources including e-learning, internal auditing, best practice identification and quality improvement interventions.
- > We maintain the controls of: monitoring progress against our corporate plan, internal business processes, organisational development work and continue to review our long-term strategy.
- > We maintain strong internal financial and corporate support system controls that seek to identify potential areas of failure in order to focus the available resources on efficiently delivering outcomes.

Reserves policy

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 2014/15. The Trustees' policy is to release value from the Investment Property Revaluation Reserve to fund the ongoing work of the charity. During the year a designated fund was set up for central office development from the profit and revaluation of investment properties totalling £2,684,000. This fund is expected to be increased in future years and it is expected that in the next 5 years it will be utilised to provide the appropriate infrastructure for the long-term purposes of the charity.

General Funds at year end totalled £2,748,000 a reduction of £176,000 from the previous year end.

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 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 this assessment, the Trustees have estimated that the level of free reserves required to mitigate against the identifiable risks is approximately £1.3 million at 31 March 2014.

The Trustees are aware that, as a result of the challenging economy, public expenditure cuts and the investment in the infrastructure of the Charity, unrestricted deficits in the region of £0.2 million may be incurred over the next two years. The level of free reserves is represented by the General Fund, which stands at just over £2.7 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 possible future deficits.

Independent auditors' report to the members of Spurgeons

We have audited the financial statements of Spurgeons for the year ended 31 March 2014 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 34 and 35, 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 groups 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 2014 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 2014:

Adam Halsey (Senior statutory auditor)
for and on behalf of haysmacintyre,
Statutory Auditors, 26 Red Lion Square,
London, WC1R 4AG

Financial statements

Statement of financial activities incorporating the Income and Expenditure Account for the year ended 31 March 2014

	Notes	Charity Unrestricted Funds £000s	Charity Restricted Funds £000s	2014 Total Funds £000s	2013 Total Funds £000s
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income					
Donations and collections		216	636	852	800
Legacies		180	-	180	186
Investment income					
Rental income		135	110	245	291
Interest		5	13	18	27
Dividends		65	-	65	38
Incoming resources from charitable activities					
Amounts received towards the support of children, young people and families	2	3,451	12,304	15,755	16,589
Other incoming resources					
Profit on disposal of tangible fixed assets		-	-	-	230
Total incoming resources		4,052	13,063	17,115	18,161
Resources Expended					
Cost of generating funds:					
Fundraising, marketing and promotion		348	92	440	498
Investment property costs		33	7	40	69
Charitable activities:					
Amounts expended in the support of children, young people and families	3	3,422	12,988	16,410	17,562
Grants paid/Capital Grants Transferred		-	-	-	(11)
Governance costs		46	-	46	45
Total Resources Expended	4	3,849	13,087	16,936	18,163
Net resources expended before transfers					
Transfers between funds		203 (162)	(24) 162	179 -	(2) -
Net resources received/ (expended) after transfers					
Net gains on investment assets:		41	138	179	(2)
Realised gains		1,196	-	1,196	31
Unrealised gains		1,880	1,164	3,044	397
Net Movements in Funds		3,117	1,302	4,419	426
Fund balances brought forward at 1 April 2013		5,674	3,217	8,891	8,465
Fund balances carried forward at 31 March 2014		8,791	4,519	13,310	8,891

All amounts derive from continuing activities. All gains and losses recognised in the year are included in the statement. The notes on pages 50 to 58 form part of these financial statements.

Balance sheet as at 31 March 2014

	Notes	2014 £000s	2013 £000s
Fixed assets			
Tangible fixed assets	5	125	158
Investments	6	11,111	6,696
		11,236	6,854
Current assets			
Stock		9	9
Debtors	7	961	1,148
Short term deposits		1,814	2,136
Bank and cash balances		580	222
		3,364	3,515
Creditors: Amounts falling due within one year	8	(1,290)	(1,478)
Net current assets/(liabilities)		2,074	2,037
Net assets		13,310	8,891
Represented by			
Funds			
Spurgeons:			
Unrestricted Funds			
General Funds*	9(a)	2,748	2,924
Designated Funds**	9(a)	6,043	2,750
Restricted Funds			
Project Funds	9(a)	556	444
D J Thomas Fund***	9(a)	3,845	2,651
		13,192	8,769
Spurgeon's Child Care:			
Permanent Endowment Funds			
Foundation Trust	9(a)	118	122
		13,310	8,891

*General Funds includes a revaluation reserve of £Nil (2013: £895,000)

** Designated Funds includes a revaluation reserve of £3,359,000 (2013: £2,750,000)

***The D J Thomas Fund includes a revaluation reserve of £2,248,000 (2013: £1,083,000)

Signed on behalf of the Board of Trustees on 23 July 2014 by:

Stuart Cornwell

Carol Russell

Cash flow statement for the year ended 31 March 2014

	2014		2013	
	£000s	£000s	£000s	£000s
Net Cash Outflow from Operating Activities (Note a)		(2,134)		(570)
Returns on Investments and Servicing of Finance				
Rental income	245		291	
Interest and dividends	83		65	
		328		356
Capital expenditure and financial investment				
Disposal of property	-		321	
Disposal of investment property	1,869		886	
Purchase of tangible fixed assets	-		(4)	
		1,869		1,203
Net Cash inflow before increase in liquid resources (Note d)		63		989
Management of liquid resources				
Decrease/(increase) in short term deposits		322		(1,226)
Increase/(decrease) in cash (Note b)		385		(237)

Notes to the cash flow statement for the year ended 31 March 2014

a) Reconciliation of changes in resources to net cash outflow from operating activities	2014 £000s	2013 £000s
Net resources received/(expended)	179	(2)
Depreciation charges	33	63
Profit on disposal of property	-	(230)
Investment income receivable	(328)	(356)
Decrease in debtors	187	224
(Increase) in stock	-	(1)
(Decrease)/increase in creditors	(161)	(189)
(Increase) in Pension Bonds	(44)	(79)
(Increase) in Investments	(2,000)	-
Net cash (outflow) from operating activities	(2,134)	(570)

b) Reconciliation of net cash flow to movement in net funds	2014 £000s	2013 £000s
Balance at 1 April 2013	2,323	1,335
Net cash increase/(decrease)	385	(238)
Cash (outflow)/inflow from (decrease)/increase in liquid resources	(322)	1,226
Balance at 31 March 2014	2,386	2,323

The balance at 31 March 2014 is represented by:

Short term deposits	1,814	2,136
Bank and cash balances	580	222
Bank overdraft	(8)	(35)
	2,386	2,323

c) Analysis of net funds/debt as shown in the balance sheet	2013 £000s	Cash flow £000s	2014 £000s
Cash at bank and in hand	222	358	580
Bank overdraft	(35)	27	(8)
	187	385	572
Liquid resources	2,136	(322)	1,814
	2,323	63	2,386

d) Net liquid resources

The total net cash inflow of £63,000 for the year arises primarily as a consequence of the planned sale of investment properties realising £1,869,000 and is stated after an increase in Common Investment Funds of £2,000,000.

Notes to the financial statements

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 based on a professional valuation carried out at year end 2014.

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 2.0% per annum on cost
- > Fixtures and fittings 12.5% and 25.0% per annum on cost
- > Computer equipment 33.3% per annum on cost
- > Motor vehicles 25.0% 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 specified 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 will 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 13.8% employer's NI saving on the salary sacrificed.

The charity's staging date for pension auto enrolment was 1st November 2013, this was postponed for two months. In compliance with the auto enrolment requirements the charity contributes to a separate section of the Group Personal Pension Plan for those employees not wishing to join the enhanced scheme, at an initial rate of 1%, no salary sacrifice option is available.

The charity's total Group Personal Pension Plan contribution for the year was £323,000 (2013: £311,000).

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	2014 Total £000s	2013 Total £000s
Fees and other project income	545	407	952	934
Churches and other partners	3	13	16	22
Statutory Sector				
Local Authorities (including Sure Start)	2,686	11,087	13,773	14,323
NOMS	217	797	1,014	926
DFE	-	-	-	384
Total	3,451	12,304	15,755	16,589

Income relating to international projects is included within the figures for "Donations and Collections" in the Statement of Financial Activities on page 47.

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

	Unrestricted Funds £000s	Restricted Funds £000s	2014 Total £000s	2013 Total £000s
Type of project				
Children's Centres	1,807	8,182	9,989	11,860
Children and Young People Affected by Imprisonment	764	1,020	1,784	1,761
Family Support	495	2,044	2,539	1,913
Youth, Community and Young Carers	258	1,252	1,510	980
Contact Services	91	437	528	956
Independent Visitors and Mentoring	7	26	33	30
International Projects	0	27	27	62
	3,422	12,988	16,410	17,562
Grants paid/capital grants transferred	-	-	-	(11)

4. Total resources expended

	Staff Costs £000s	Depreciation £000s	Other costs £000s	2014 Total £000s	2013 Total £000s
Costs of generating funds					
Fundraising, marketing and promotion	193	–	247	440	498
Investment property costs	–	–	40	40	69
Charitable expenditure					
Project costs	11,944	33	4,433	16,410	17,562
Capital grant transferred/Paid	–	–	–	–	(11)
Governance costs	–	–	46	46	45
	12,137	33	4,766	16,936	18,163

	2014 £000s	2013 £000s
Net movement in funds		
The net movement in funds is stated after charging:		
Depreciation	33	63
Operating lease rentals	300	223
Auditors remuneration (including VAT):		
Audit	13	12
Support costs		
Operational management	1,146	1,380
Business Development	429	353
Finance, IT and Corporate Services	577	590
Human Resources and People Development	443	534
Other central support and administration	395	312
	2,990	3,169

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 that 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.

	2014 £000s	2013 £000s
Governance Costs		
Audit	13	12
Trustee expenses	11	10
Other costs	17	18
Professional Indemnity Insurance	5	5
	46	45

	2014 £000s	2013 £000s
Staff costs		
Wages and salaries	10,897	11,315
Social Security costs	838	867
Other pension costs	402	394
	12,137	12,576

4. Total resources expended (continued)

	2014 Number	2013 Number
Employee emoluments over £60,000		
Employees continuing in service:		
£60,001 to £70,000	–	–
£70,001 to £80,000	1	1
<p>The above employee belongs to the Charity's Group Personal Pension Plan, employer contributions were in accordance with Note 1h to the accounts, being £6,261 (2013: £6,071).</p> <p>The average number of employees (including casual workers) in the year was 662 (2013: 703).</p> <p>The average number of full time equivalent employees (including casual workers) was 456 (2013: 482).</p>		
Analysis of full time equivalent employees:		
Central departments and regional offices	66	68
Projects and services	390	414
	456	482

5. 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 2013	–	15	221	185	421
Additions	–	–	–	–	–
Disposals	–	–	–	–	–
At 31 March 2014	–	15	221	185	421
Accumulated depreciation					
As at 1 April 2013	–	15	185	63	263
Charge for the year	–	–	29	4	33
Disposals	–	–	–	–	–
At 31 March 2014	–	15	214	67	296
Net Book Value					
At 31 March 2014	–	–	7	118	125
At 31 March 2013	–	–	36	122	158

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.

6. Investments

	2014 £000s	2013 £000s
a) Market value of investments		
Common investment funds	3,501	1,374
Investment properties	7,487	5,243
Total investments - Charity	10,988	6,617
Pension Bonds (see note 1 h)	123	79
Total Investments	11,111	6,696
b) Movements in market value of investments		
Market value as at 1 April 2013	6,696	7,074
Acquisitions at cost: Common investment funds	2,000	-
Acquisitions at cost: Pension Bonds	44	79
Disposals:		
Proceeds on sale of investment properties	(1,869)	(886)
Realised (loss)/gain	1,196	31
Unrealised appreciation	3,044*	398*
Market value as at 31 March 2014	11,111	6,696
Historical cost of common investment funds	2,976	976
Historical cost of Investment Properties	391	514

*includes revaluation gain of £1,164,000 (2013: £11,000) on D J Thomas investment property

7. Debtors

	2014 £000s	2013 £000s
Due within one year		
Other debtors	891	1,076
Prepayments and accrued income	70	72
	961	1,148

8. Creditors: Amounts falling due within one year

	2014 £000s	2013 £000s
Bank overdraft	8	35
Other creditors	426	548
Other taxation and social security	270	297
Pension contributions	61	55
Accruals	426	407
Deferred income	99	136
	1,290	1,478

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

9. Funds

a) Movement in funds

	<i>Balance at 1 April 2013 £000s</i>	<i>Incoming Resources £000s</i>	<i>Outgoing Resources £000s</i>	<i>Investment Gains £000s</i>	<i>Transfers £000s</i>	<i>Balance at 31 March 2014 £000s</i>
Restricted funds						
Permanent endowments						
(i) Foundation Trust Permanent Endowment*	122	-	(4)	-	-	118
(ii) UK Projects	444	12,940	(12,990)	-	162	556
(iii) D J Thomas	2,651	123	(93)	1,164	-	3,845
Total restricted funds	3,217	13,063	(13,087)	1,164	162	4,519
Unrestricted funds						
(iv) Investment property revaluation reserve	2,750	-	-	1,754	(1,145)	3,359
(v) Central office development fund	-	-	-	-	2,684	2,684
General funds						
(vi) General Funds	2,924	4,052	(3,849)	1,322	(1,701)	2,748
Total unrestricted funds	5,674	4,052	(3,849)	3,076	(162)	8791
Total Funds	8,891	17,115	(16,936)	4,240	-	13,310

*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) 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.

(iii) During the financial year ending March 2012, 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.

(iv) The Investment Property Revaluation Reserve represents the cumulative net revaluation on the investment properties (excluding those restricted to the D.J. 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 £1,145,000 (2013: £430,000).

(v) The Central Office Development Fund has been designated by the Trustees from the surplus generated from the disposal of identified investment properties. The fund may be increased over the next 5 years and will be utilised to provide the appropriate infrastructure for the long-term purposes of the charity.

(vi) 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	7	8,861	(77)	8,791
Restricted Funds	-	-	556	556
Restricted Funds - DJT	-	2,250	1,595	3,845
	7	11,111	2,074	13,192
Spurgeons:				
Permanent Endowment - Foundation Trust	118	-	-	118
Total	125	11,111	2,074	13,310

10. 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 2014 SCC Trading Limited had net assets of £Nil (2013: £Nil).

11. Transactions with trustees

During the year the charity reimbursed expenses of £11,000 (2013: £10,000) incurred by Trustees in travelling to meetings and visiting projects.

No Trustee received any remuneration from the charity.

12. 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.

13. Operating lease commitments

The Charity is committed to the following payments in 2014/15 under operating leases:

	Property £000s	Equipment £000s	2014 £000s	2013 £000s
Leases expiring:				
Within one year	42	22	64	93
Between 2 – 5 years	86	55	141	87
	128	77	205	180

14. Specific acknowledgements

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

Big Lottery Fund – Youth in Focus Grant received for our Sisters Project £308,529, (2013: £195,355) expenditure £234,462, with agreement to carry the remainder forward into next financial year.

Big Lottery Fund – Reaching Communities Grant received for our Invisible Walls Project £74,961 (2013:£0) all of which was spent in this financial year.

Comic Relief – Grant received for our Phoenix Project £40,000, (2013: £40,000) all of which was spent in this financial year.

The Rayne Foundation – Grant received for our Phoenix Project £10,000, (2013: £0) all of which was spent in this financial year.

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

Thank you

We are especially grateful for the support from the following organisations:

- > Anthony Collins Solicitors LLP
- > CHK Charities Ltd
- > Comic Relief
- > Ebenezer Trust
- > EC Webber & EM Doidge Charitable Settlement
- > Esmee Fairbairn Foundation
- > Frank Russon Charitable Trust
- > Harpur Trust
- > Spurgeon Oaklands Charitable Trust
- > Stobart Newlands Charitable Trust
- > The Big Lottery Fund
- > The Eveson Charitable Trust
- > The Hunting Charitable Trust
- > The Ibbett Trust
- > The Maurice & Hilda Laing Charitable Trust
- > The Orangefield Trust
- > The Rayne Foundation
- > William A Cadbury 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 2013/14. 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
- > Birmingham City Council
- > Central Bedfordshire Council
- > Dudley Metropolitan Borough Council
- > Essex County Council
- > Hampshire County Council
- > Hertfordshire County Council
- > Isle of Wight Council
- > Lincolnshire County Council
- > London Borough of Hammersmith and Fulham
- > London Borough of Kensington and Chelsea
- > London Borough of Wandsworth
- > London Borough of Westminster
- > Ministry of Defence
- > National Offender Management Service
- > Oxfordshire County Council
- > Peterborough City Council
- > Royal British Legion
- > Solihull Metropolitan Borough Council
- > Walsall Metropolitan Borough Council
- > Warwickshire County Council
- > West Sussex County Council
- > Wiltshire County Council
- > Wolverhampton City Council



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