



Spurgeons Annual Report 2020/21

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Welcome

Spurgeons Children's Charity was founded over 150 years ago by the great Baptist preacher, C.H. Spurgeon. His desire was to provide a secure and loving environment so that disadvantaged children had the benefit of a home background where they would be able to flourish as they grew into adulthood. That orphanage has now grown into the successful transformative charity and even in a year when our work was significantly impacted by the Covid-19 pandemic we still worked intensively with over 6,000 children and young people and our services touched the lives of over 20,000 people. Our work covers Children's Centres, schools' counselling, assisting victims of domestic abuse dads in prisons, supporting Young Carers, and coming alongside children at risk of being involved with gangs.

Throughout all of our work there are constants. Firstly, the overwhelming passion of both our staff and trustees to make a difference in the lives of children, young people and families experiencing disadvantage. Secondly, the profound Christian faith of our founder continually encourages us to seek to make a difference in today's world.

Our annual report celebrates what we have achieved over the past year (up to March 2021), but also conveys our ambitions for the future. We are hopeful for the impact we can make in the years to come because we are building from firm foundations that includes our strong financial position and robust level of assets that we intend to use to implement our new organisational strategy that was agreed by the Board earlier this year. Our long-term plans are already taking shape with the acquisition of Fegans in July 2021. Like Spurgeons, Fegans has over 150 years of being motivated by the Christian faith to deliver services that transform the lives of vulnerable children, young people and families. Together, and with even greater plan ahead, we fully intend to make a significant impact on many more children's lives in the future.

This will also be the last Annual Report and Accounts overseen by our current Chief Executive, Ross Hendry. Ross has been faithfully and effectively leading the charity for the last seven years, and we are thankful for his stewardship of the charity. He leaves us with a strong legacy of having transformed the lives of tens of thousands of children in recent years and in an exciting place for the future.

I and my fellow Trustees give great thanks for all the work that this report reflects and the lives of those Spurgeons services and projects, staff and volunteers, supporters and partners that have helped us change for good.

Andrew Caplen, Chair of Spurgeons Board of Trustees

Our mission

Inspired by the Christian faith, Spurgeons vision is to see all children equipped, empowered and inspired in ways that enable them to realise the fullness of their potential.

This vision is rooted in the Christian faith which, in turn, shapes our mission to provide support for children, young people and families who are experiencing difficulties or challenges, so that they can have a better present and a hopeful future. This has been integral to our work since we were founded in 1867 by Charles Haddon Spurgeon, with the support of Ann Hillyard and many others who were motivated by their faith to help children and young people who could not live with their families.

The Trustees confirm that they have referred to the Charity Commission public benefit guidance in compiling this report, and that what Spurgeons does contributes to its charitable objects in this regard.

Spurgeons in a snapshot

Spurgeons seeks to equip, empower, and inspire:

- 1. Families who are disadvantaged or struggling to cope with their difficulties,**
- 2. Children who carry emotional burdens and heavy responsibility, and/or**
- 3. Young people who have been, or are, at significant risk of being harmed or exploited.**

During the year up to the end of March 2021:

- We worked intensively with 6028 children and young people, and through our projects had contact with over 20,000 children and adults (6,891 and 13,307 respectively)
- We ran 45 projects across 17 local authority areas
- 783 children were identified in safeguarding incidents we responded to
- 98% of our service users said we treated them well (sample of 1371 service users), and we received 2 complaints over the course of the year
- 75% of our practice goals were met when working with children and families who needed support (sample 2544)
- 86% of children whose outcomes we measured with an evidence-based measuring tool called outcomes star showed positive progress
- We kept all of our services operational during the pandemic and adapted how we work to be able to maintain contact with the families who needed us most
- What we achieve is based on the dedication, expertise and passion of our entire team at Spurgeons. Our team is made up of 401 staff (including 55 secondees), 248 volunteers (different individuals who volunteered at some point over the 12 months), and thousands of faithful supporters.

How we work

Spurgeons supports and empowers vulnerable children and young people through running projects that deliver support directly to them, their families and professionals who are also able to help address the challenges and disadvantages they face. As a Christian children’s charity we work with all our heart and expertise, because we are driven by sense of mission and living our values.

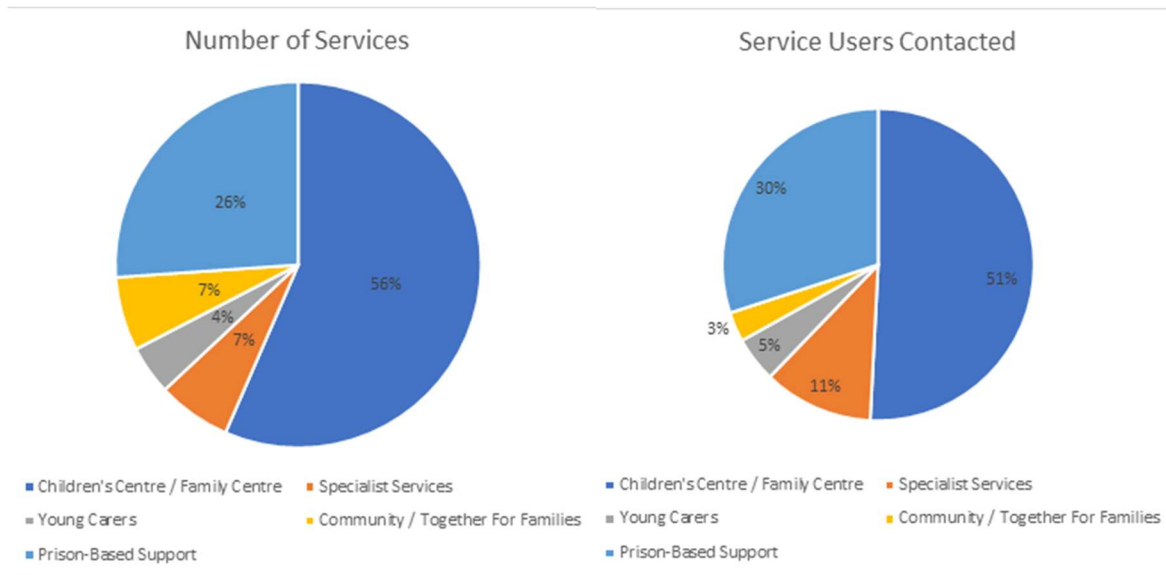
Our projects, services and how they are supported

The 45 projects run across 17 local authority areas in England over the past year include:

- Children and Family Centres
- Prison visitor and family support services
- Delivering Cafcass’ Separated Parents Information Programme
- Young Carers Services, and

specialist services tackling issues including:

- Domestic Violence and Abuse Project, and
- Girls in gangs



Most of our work is carried out within provisions set out by contracts we have with public sector commissioners, with some specialist services supported through raising voluntary income, from the income we generate from the assets we hold and, if necessary reserves.

Our central support teams are based in our Head Office in Rushden, Northamptonshire, although these offices have been closed throughout 2020/21 because of Coronavirus restrictions.

Where we seek to raise issues in the public square this is to amplify the voice and experience of the families we work with and members of the Spurgeons team who work with them.

Our team

A breakdown in numbers

On 31 March 2021 Spurgeons employed a total of 401 members of staff, including 55 colleagues on secondment from other bodies. The nature of our work and the sector we work in, as well as our staff's personal circumstances, means that many of these employees have casual contracts (11%), or work part-time (34%). This means that about a half (54%) of our paid team are full-time Spurgeons employees. 92% of our workforce stated their gender as female and 67% declared their ethnicity as 'white'. There is no such thing as an 'average' employee, but from a statistical perspective, based on our HR data, the 'average' Spurgeons employee is a 43-year old woman, working approximately 28 hours a week for us.

Equal opportunities

One of our core values is to be inclusive. This means that we recognise each person as a unique individual, treating them with respect and celebrating diversity. We express this through our equality and diversity policy that is reported to the Board and available to all staff and volunteers through our intranet and to the wider public through our website.

There are a small number of roles in Spurgeons that have an Occupational Requirement (OR) to be a Christian. There are less than ten paid posts that have an OR. They are currently limited to the Senior Executive Team, Head of Engagement, two roles in Engagement and our Together for Families workers.

Following the murder of George Floyd in 2021 we commissioned an external consultant to review the experience of BAME colleagues as well as women and those from different faith backgrounds. The report, delivered to the Executive in March 2021, highlighted much good practice but also areas where our inclusivity and representation could be better. Trustees will consider during the course of this year how the report's recommendations can inform our continued commitment to be an inclusive caring employer.

Volunteer support

Volunteers are an essential and an important part of our workforce. Because of Coronavirus related social restrictions our volunteers' contribution had to change sometimes considerably compared to their role before the pandemic. In some locations many volunteers could not take part in any activity while other projects benefitted from many new volunteers coming forward. This meant that over the 12 months 248 individuals volunteered their time to help us support children, families and vulnerable adults. With those who could not help us directly we continue to correspond with them, and many remain engaged with their local project and expect to resume their role in 2021. As they return to work, we will continue to ensure that everyone's training in safeguarding, equality and diversity, health and safety and data protection (GDPR) is up to date.

Central Office Chaplain

This was the first full year for our Central Office to have a volunteer chaplain whose purpose is the support the pastoral needs of colleagues (employees and volunteers) whose role is based out of our Rushden Office. The Chaplain's work will be carried out in a way

that is consistent with Spurgeons statement of faith and our organisational values, and at times he fulfils a wider role in meetings and settings open to colleagues from across the charity. This includes but is not limited by our weekly bible reflections and prayer meeting each Monday morning. This is open to everyone in Spurgeons who would like to attend and is led by a member staff, trustee, chaplain, or a local church leader.

What we have done and achieved over the year

During 2020-21 we continued to deliver remarkable stories of transformation and performance in relation to reach, support, and outcomes achieved. We are grateful for the Lord's faithfulness, the prayers of our supporters, and the commitment, resilience and professionalism of our whole team.

Though the Covid-19 crisis obviously had an impact on what we thought the year would look like in February 2020 our team and each project adapted quickly and effectively to continue supporting thousands of children, young people and families.

One of the ways we measure our effectiveness and impact is through asking service users whether they would recommend us to a trusted family member or friend. They give us a score between one and ten. A score of six or lower is considered to mean the responded it a detractor, and a score of nine or ten meant they are a promoter. This is a widely used standard measurement tool that produces a Net Promoter Score. An organisations score can be between -100 and +100.

In 2020/21 Spurgeons received a Net Promoter Score of +47. This places us in the "very good" category. It is lower than last year's score of +57. However, this year our sample size was lower (year ending March 2021 = 599 respondents; year ending March 2020 = 1,900 respondents), and we placed much more emphasis on hard to reach and more vulnerable service users responses.

This score reflects the great work of our service-based team. It is also made possible by the support they receive from our central support teams that have been based in our Rushden Head Office. In March 2020 all our Rushden based teams moved swiftly to working virtually, and our Head Office has been closed the entire year. Our priority during 2020 was to reopen our local projects and sites to enable the families in greatest need to see someone in person and have a safe place to go if they needed. Most of our support through local services moved online, or was delivered by phone, or socially distanced home visits. In many areas we adapted more quickly and provided greater continuity of support than many of our partner organisations.

This meant that we were able to keep delivering transformational support to our current three target groups of children, young people, and families.

1. Families who are disadvantaged or struggling to cope with their difficulties

Children and Family Centres account for over half of our work as a charity, measured in the number of projects we run (56%) and numbers of families we have contact with (51%). Their size and scale can vary considerably, but what remains consistent across all of our centres is a commitment to providing early intervention through skilled and caring support for parents. The work of our centres can span a range of activities, from being a 'universal' safe place for parents and young children to gather and play to providing specialist interventions that address complex and dangerous issues such as domestic violence.

This last year was very challenging for our team as many centres had to close during the first lockdown. We worked incredibly hard – local teams supported by central services – to re-open as soon as we could, and in all of our contract areas we had sites re-open to see families in April and May 2020, albeit with strict social distancing and safety restrictions in place. Our work moved from early intervention to crisis support and delivering food and essential help to the families in greatest need.

Across all of our centres we delivered:

- 218 different aspects / strands of work
- 75% of goals set between the keyworker and service user were met; 1917 in total
- 86% of families completing Family Star Plus saw a positive movement; 157 in total

Pandemic leads to new opportunities for Wiltshire Children's Centres to engage with families in areas of deprivation

During the first lockdown in 2020 our team in Wiltshire identified new opportunities to engage with families where historically there had been a lack of parental engagement. This was exemplified by the work done to engage families in The Friary, Salisbury.

The Friary is an area of deprivation and parental engagement is something that has always been a challenge. Fran, one of our team based in the area, is particularly passionate about the community there and is our 'community champion'. She has been delivering our Learning through Play sessions in the area and working alongside Salisbury District Council to help pack and deliver food boxes to families each week as part of the Stronger Together project.

The pandemic provided Fran and similar colleagues in other areas with a new opportunity to engage with families whilst delivering the boxes. She has been able to signpost families to our remote sessions and we have been able to follow this the opportunity up by developing better joined-up working with community partners.

Utilising Fran's knowledge of the area and working with Salisbury District Council as part of the Stronger Together project we have been effectively reaching families in The Friary. This has resulted in stronger partnership working as well as the opportunity to build up relationships with families in one of the most deprived areas in Salisbury.

2. Children carrying emotional burdens and heavy responsibility

Included in this group of children and young people that we work with are our young carers services and work in prisons. Our young carers services moved very quickly to become a predominantly online service during the first lockdown of 2020. In doing so the frequency and number of contacts we had with our young carers actually increased. Yet we know that while our support was a lifeline to many online support does not fully replace in person work and so we worked tirelessly over the year to keep our support very personal and help young carers connect with one another in safe and secure ways.

Our work in prisons also changed dramatically in 2020 as prison sites were placed in lockdown for most of the year, meaning our visitors centres only saw a fraction of their usual numbers. However, our support for families and residents was never more important. Our work across the prison estate in supporting dads and their families to keep in touch has been commended by the service.

At the end of March 2020 we transferred our work with Cafcass on delivering the Separated Parents Information Programme across parts of the South of England and Midlands to another provider. We thank the team that helped us deliver that service for the past five years, and all of our other colleagues who left Spurgeons over the last year for their dedication and commitment to helping the families we work with.

Over the last year:

- 38 different schools have referred children with caring responsibilities to our young carers services
- 2,332 keeping in touch calls and packs have taken place to continue support when in-person contact wasn't permitted
- 161 different aspects / strands of work (145 of these are prison-based)
- 92% of dads in custody reported that the support from Spurgeons has motivated them to stay out of prison

Prison based staff on the Isle of Sheppey caring for the vulnerable

Early in 2021 one of our team, Lauren, based in HMP Swaleside and Elmley on the Isle of Sheppey, was interviewed for an internal letter on her and her colleagues' work:

"We have had such a lovely response from the residential homes, community and prison staff. It has been really lovely to see how everyone has pulled together.

"At HMP Swaleside, we are usually tied up with Family Days throughout December. It is probably our busiest month due to the festive period. In normal circumstances, we organise presents and selection boxes to be donated from the local community to gift to the children that attend the festive Family Days. One of the officers dress up as Santa and we take photos of the child with their family members receiving their present in front of a grotto (this was also painted and

given to us by a resident residing in Swaleside). Not only does this bring a smile to those visiting but it also gives the residents a chance to experience something that they would usually miss out on, as well as being there for a key event in the child's life."

"Due to the current pandemic and the restrictions that come with that, we are unable to run Family Days this year (2020). As well as many other things we are currently putting in place to ensure that the residents and their families are still able to have some form of contact and support during this time, we are holding 'winter workshops' for the residents to attend. They will have the opportunity to make something for their child(ren) and complete a card, which we will then post out for them in time for the festive period."

"In addition to the above, we looked for ways to include our local community during this time and spread our name to those that may need our support. It was then decided that we would set up a 'Caring for the Community' event. After contacting various residential care homes for the vulnerable (from children to the elderly) it became quite apparent that many of their residents will not be having contact with their families during this time. They are unable to have visits from their family members or receive gifts from them. This year has been and will continue to be difficult for most, let alone those that are going to continue to be without family members throughout the upcoming festive period."

"We were soon inundated with prison staff members and their families asking to be given someone to purchase a gift for. Over 76 residents have been provided for so far. We were lucky enough for ASDA to respond to our calls for help advising that they were happy to donate some chocolates to be given to alongside each gift!"

"Going forward, this is something we would like to continue each year and we have now built links within the local area with community champions who have offered to support us with future events."

3. Young people who have been, or are, at significant risk of being harmed or exploited

Spurgeons runs a small number of specialist projects where we deal with more complex issues that often require more intensive work that can involve greater levels of expertise to address risks to young people's safety and wellbeing. Our work with girls in the Birmingham area impacted by gangs and our work with families affected by domestic violence and abuse (DVA) in the Norwich area are recognised for their excellence.

Through these projects:

- 505 children involved in safeguarding incidents where we acted to protect a child
- 34 strands / aspects of work shaped to meet this need
- 77% average reduction in risk from intake to exit at our Norwich Connect service amongst adults
- 100% of children saw an improvement in their safety after receiving support at Norwich Connect

New resource developed to support organisations working with Girls and Young Women at risk of abuse due to gangs

Over the past year our BeLeave project has been a part of developing a new set of resources reflecting their expertise and experience partnered by similar projects in the Southern Hemisphere and supported by Comic Relief. The resources specifically target support services working with girls and young women who are vulnerable to the influence of gangs, abuse and crime. It presents key insights and evidence relevant to policymakers, commissioners and practitioners that emerged from the 'I Define Me' programme funded by Comic Relief between 2017 and 2020. Spurgeons BeLeave project in Birmingham was a part of this programme, alongside eight other non-profit organisations in three countries, Columbia, South Africa and the UK. The resources for practitioners includes methods and tools used as part of the BeLeave programme and will have a national and international impact.

As well as the direct work we have undertaken with children, young people and families we were able to continue to deliver on our commitment to add value to all the contracts that we run and to every community in which we work.

Our mission as a charity is greatly aided by our partnership with churches and our wider supporter base. Each year we report on the ways we have worked with local churches and the number who have helped local projects directly and indirectly, through prayer, gifts, help in-kind, and financial giving.

This past year has been immensely hard for many of the churches we work with. Like us, they have had to transition to new ways of meeting and supporting one another. We have maintained contact with all of the churches we worked with in 2019/20 and established new relationships with churches in areas such as Elmbridge, Surrey (see case study below). Financial giving from churches decreased significantly over the year, not least because they were unable to meet in person and undertake the collections that would normally be donated to Spurgeons. We pray that our church partners will be able to meet again safely and we will share in their joy in being able to do so.

While church giving has been challenging, we have seen great generosity by individual supporters, many of whom are motivated by their Christian faith. We are also very grateful for the generosity of local businesses who have stepped in to support our local projects with donations of food, essential products, and gifts for the families we work with that have been a real source of encouragement to them.

This work is at the heart of Spurgeons commitment to go beyond the boundaries of a contract to transform the lives of families and build stronger communities by understanding their needs, supporting them however we can and empowering them to realise their potential.

Elmbridge Family Centres: our first year the most unusual of years

Back in November 2019 Spurgeons began its contract in Elmbridge, Surrey to deliver a brand-new Family Centre service to families with children aged 0-11. Since then the team have grown from 7 to 17 and had to adapt the service quickly to provide family support throughout a pandemic.

Over the year the team has established strong links within the community and benefitted from £21,000 of grant income as well as support from the local supermarkets. We are particularly grateful to Morrisons and Waitrose, along with retailers such as Costco and smaller organisations including the Walton Charity and Elmbridge and Walton Foodbanks. This support enabled our team to provide vital resources throughout the year including school uniforms to 70 children, £500 worth of mobile phones to victims of DVA, fresh food to over 1,000 children and 600 adults as well as craft packs and toys for 175 children.

The team at Elmbridge went even further at Christmas. Many families struggled financially even more than normal last Christmas due to the Covid-19 pandemic after losing jobs, being furloughed and not having funds to meet basic needs, let alone luxuries. The team worked really hard over December reaching out to the community to ensure families were provided for over this time. Collections of food donations were organised with Morrisons and Asda as well as vouchers being provided by Sainsbury's so families could buy Christmas essentials and festive treats. Additionally, a 'lunch on Jesus' initiative was launched to enable families to receive all the ingredients for a Christmas dinner including turkey, trimmings, dessert and non-alcoholic drinks so that families are able to cook and enjoy Christmas dinner at home.

The impact being made by the Elmbridge team is clearly visible from comments of families who have benefitted from the support, with one family commenting:
"I really appreciate everything you do for us and thank you for always being there for us. I'm so happy I have you in my life and all the support you give. You're like part of my family now."

One of the strategic objectives we set ourselves in 2016 was financial stability that enables us to maximise resources to be used for our mission and direct work with children and young people.

We have continued to maintain financial stability throughout the last year through controlling costs and expenditure while maintaining contract income which has meant that we ended the year in a strong financial position as indicated by the figures and accounts set out below. Our reserves and balance sheet are strong and we are well placed to invest in our future plans.

We are very grateful to the dedication and expertise of our central support teams who have found new ways to assist colleagues involved directly with children and young people. This has included a renewed focus on caring for the mental and emotional health of the whole team, keeping H+S guidance and support up to date and relevant to meet the needs of our

projects and services, accessing extra resources through accessing and winning funding to support work through the pandemic.

The impact of the Coronavirus pandemic

The Coronavirus pandemic and the restrictions on how and when we were able to provide our support to children and families has had a profound impact on our year. There is not one part of the charity that has not been impacted in some way. Yet we have adapted well. Our centres were often the first in their areas to re-open, and we were able to move much of our work online. Where this was the case the frequency of contact with the young people and families we work with often increased. We closed our central office and all of our central support colleagues moved to working from home, and they have adapted not only to a new way of working but also demonstrated agility in responding to changing guidance and circumstances.

However, the last year has been challenging and while our services have done a remarkable job in adapting to online and socially distanced provision these changes have not served everyone well. Online provision is not always as effective as in person contact for families with complex needs, those with speech, language, and communication difficulties or where there is a risk of disguised or hidden compliance (i.e. presenting a picture to the outside world that is different to what goes on behind closed doors). Relationships can be maintained online, but it may be more difficult to grow new relationships of trust or reach those who are reluctant or unable to engage through virtual channels. We will seek to communicate these limitations to commissioners and policy makers.

Our financials

An overview of our financial performance

The Statement of Financial Activities (SOFA) below shows it has been a strong year with a small decrease in income of 1% (£304,000) from the previous year with a small decrease in both unrestricted (£115,000) and restricted income (£189,000). Unrestricted income was adversely impacted due to an unprecedented year of uncertainty, with some unrestricted activities suspended under COVID conditions, a challenging investment market and grant funding targeted towards smaller COVID relief grants. In the year, we were blessed with legacy income of £251,000 (2020: £149,000). We are very grateful to all those who remembered Spurgeons with their gift. Due to the nature of our work, our services and projects tend to be contracted with public sector commissioners and therefore existing restricted funds have remained stable; the in-year reduction is a result of a project ending in January 2021.

The overall result for the year is a surplus before gains on investments of £623,000 (2020: *surplus* £583,000), comprising an unrestricted deficit of £195,000 (2020: *deficit* £13,000) and an operating surplus on restricted funds of £818,000 (2020: *£596,000 surplus*).

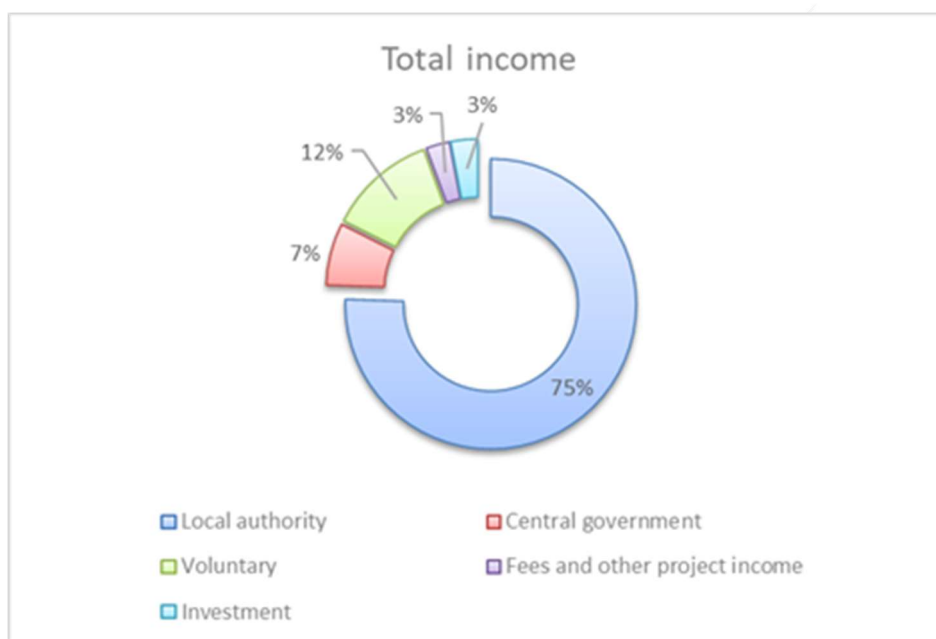
Much of the year-end operating surplus in restricted funds is due to timing differences on projects and is carried forward in restricted reserves (see Note 12 in the financial statements below).

During the year the asset value of the Epworth investment portfolio increased by £796,000, property values were reassessed resulting in an increase of £1,024,000, and a total net impact on unrealised gains for the year of £1,820,000 (2020: £301,000 loss). As at the close of business on the 2nd July 2021 the investments had a market value of £5,573,000. This represents a rise in value of £308,000 since 31 March 2021.

The overall net outcome for the year resulted in an increase of unrestricted funds of £1,773,000 (2020: £802,000 decrease), an increase in restricted funds of £670,000 (2020: £1,084,000 increase) and total funds increasing by £2,443,000 (2020: £282,000 increase). The total net assets at year-end are £20,316,000 providing a strong financial base, which has been developed in recent years from growth in retained assets.

Our income

Total income £13,128,000



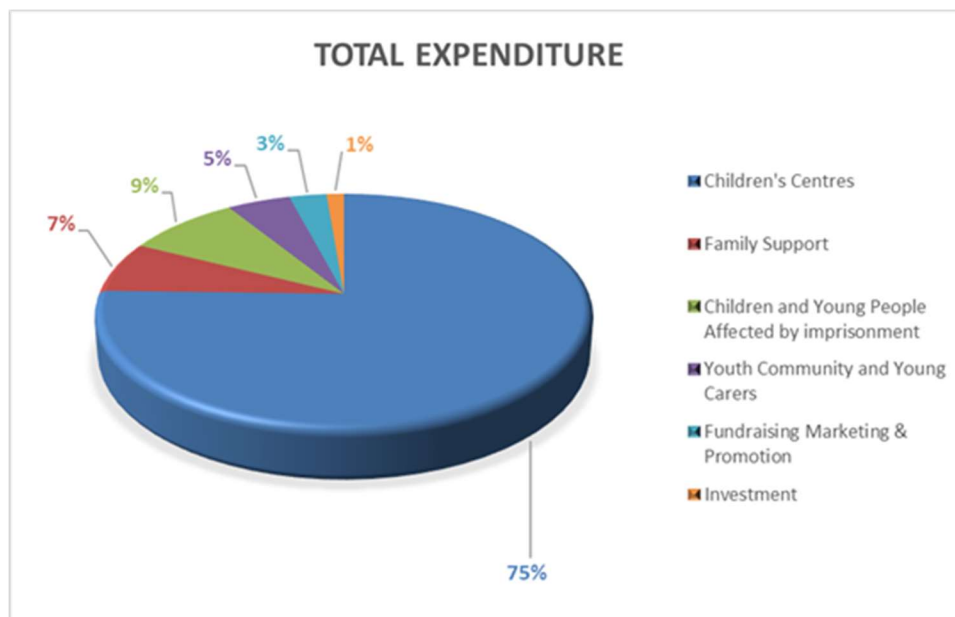
As in the previous year, the majority of our income (75%), specifically £9,912,000 (2020: £10,157,000), came from the Local Government sector, mainly from local authorities, particularly in support of the number of early help/children's center services we manage.

We also received 6% of our income, £906,000 (2020: £1,051,000), from central government departments through a number of contracts with Her Majesty's Prison and Probations Service to provide family support services and catering.

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.

Our expenditure

Total expenditure £12,505,000



Almost 96% of our expenditure was incurred in direct support of our work with children, young people and families.

Our Children's Centres work increased this year with this aspect of our work accounting for 75% of total spend at £9,433,000 (2020: £9,275,000), our family support work remained at 7% of total spend at £873,000 (2020: £1,070,000), with children and young people affected by imprisonment accounting for 9% of our total spend at £1,085,000 (2020: £1,256,000) and youth, community and young carers work accounting for 5% of the total spend at £598,000 (2020: £770,000).

Employment costs remained by far the highest single item, totaling £9,790,000 (directly employed staff £8,647,000, seconded staff £1,143,000), equating to 78% of our total expenditure (2020: £8,153,000 75%), the majority of this is being in direct services support personnel.

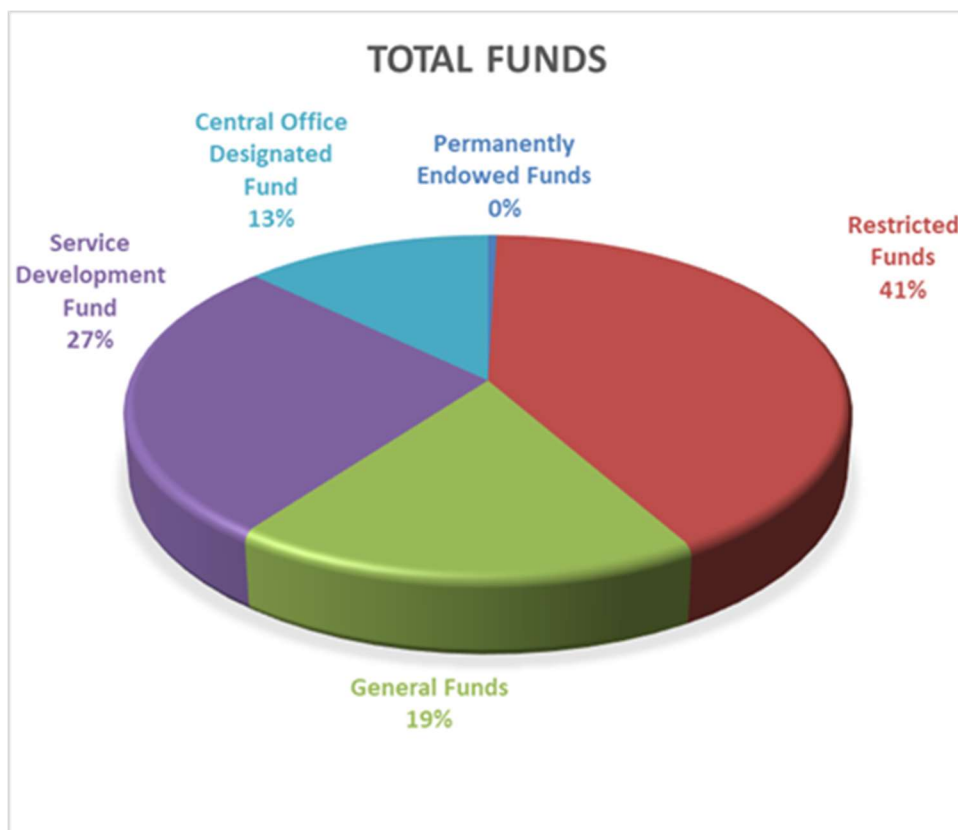
Our reserves

Total funds £20,316,000

At the year-end, Spurgeons total funds increased by £2,443,000, an increase of 13.7% year-to-year, to £20,316,000 (2020: £17,873,000).

Of our total funds, £8,479,000 (2020: £7,809,000) were restricted; such funding can only be spent on the specific purpose for which the funding has been given.

The permanently endowed funds, which are vested in the freehold property of Spurgeons' central office in Rushden, continued to depreciate to a year-end book value of £92,000 (2020: £95,000).



The designated funds of £8,084,000 (2020: £7,274,000) are those set aside by the Trustees for a particular purpose and comprise the Central Office Development Fund £2,614,000 (2020: £2,614,000), the new Service Development Fund £5,470,000 (2020: £1,500,000) and the release of the Property Investment Fund £nil, (2020: £3,160,000).

General, unrestricted, funds increased by £962,000 to £3,752,000 (2020: £2,790,000).

The Balance Sheet and liquidity of the charity at year-end remain strong. As a result, the charity's accounts can be prepared on a going-concern basis.

Annual net assets

The value of net assets in future years is projected to reduce in the light of budgeted deficits and investment in the new strategy. However, Spurgeons remain strong as a 'going concern'.

Investment management

Spurgeons seeks to steward its assets well and applies the ethical standards that are based on our Christian faith in the context of our responsibility to manage investments in line with the Trustee Act 2000. Income from investments is an important part of our funding and how we balance good returns with an ethical investment policy can be found on our website (www.spurgeons.org).

Trustees review our Investment Policy annually, and investment performance every quarter. Non-property investments are held in Common Investment Funds under the management of Epworth Investment Management Ltd. Epworth's provide us with investment advice and manage this element of our assets in accordance with ethical standards they have signed up to. These include the UK Stewardship Code Statement and Montreal Pledge Disclosure, and they are a PRI Signatory. More information about Epworth's ethical approach to investment can be found on their website (www.epworthsinvestment.co.uk). Their approach is consistent with the provisions set out in our own Articles of Association.

Our approach to managing our investments is to take a moderate (low to medium) approach to risk. In the very unusual year to the end of March 2021 our investments with Epworths realised a return of 20.1% which is 0.6% above our agreed ethical benchmark.

The Charity's non-property investments generated an unrealised gain of £796,000 on year-end valuation. At 31 March 2021, the total increase in the valuation of all investments (Note 9) included in these accounts is a sum of £1,820,000 (2020: £301,000 decrease). The value of these investments has increased by a further £308,000 between 31 March and 2 July 2021.

It is our intention to undertake an in-depth review of our Investment Policy and carry out a re-tendering process for our investment managers over the next year.

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 property values are considered annually by our Trustees. An updated valuation of the investment property portfolio was carried out in the past year and as a result the value of our properties has increased by £1,023,000 to £8,610,000.

The Trustees continue to monitor the balance of the portfolio and how the assets can be best used in the interests of our charitable purposes.

Reserves policy

Like many other charities Spurgeons has a reliance on a small number of income sources. It is important that, however unlikely it may be that these sources all suddenly cease, we plan to hold sufficient reserves to meet our obligations and needs. In this respect Spurgeons reserves are strong and healthy.

Our Reserves Policy is reviewed annually 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.

During the year ended 31 March 2014, a designated fund was set up for central office development from the profit and revaluation of investment properties. At the year-end, on

31 March 2021, the value of the Central Office Development Fund was £2,614,000. During the year ended 31 March 2021, £nil (2020: £nil) of this fund had been utilised.

Our intention is to establish plans for a new office and new ways of working in light of the Coronavirus pandemic and to consult and plan implementation over the next year.

We also had a designated Property Investment Fund that was established in 2016 to utilise the sums invested in property for the provision of income for charitable purposes. In light of the plans to sell some investment properties over the coming year to invest to deliver the new strategy to support vulnerable children and families, £2,200,000 of this Property Fund has been transferred to the Service Development Fund (see below).

At the end of 2017, the Trustees agreed that £1,500,000 of reserves should be designated to directly develop and enhance our work with vulnerable children and families over the next three years. A Service Development Fund of £1,500,000 was set up to reflect this. With the transfer of funds from the Property Investment Fund (see above) the balance of the Service Development Fund is now £3,700,000 and it is our intention to use these funds over the next few years to support vulnerable children and families, in line with our new strategy.

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

- Loss of restricted income as a result of the closure of major pieces of work or failure to retain commissioned work on re-tender.
- Working capital requirements.
- Potential redundancy and other costs associated with the closure of a significant part of the organisation.
- Failure to hit fundraising targets
- Volatility and uncertainty in the investment markets
- An event having a major negative reputational effect on the Charity.

Based on the above assessment, the Trustees have estimated that the level of free reserves required to mitigate against the identifiable risks is approximately £1.3m (£2.2m as at 31 March 2020).

With the approval of the new strategy that will begin to be implemented in 2021 Trustees estimate that unrestricted deficits in the region of £2.8 million are likely to be incurred over the next three years as we invest in the new strategy and establish new strands of work to support vulnerable children and families. This gives an estimated total requirement for free reserves of £4.1m.

The level of free reserves is represented by the General Fund which, at year-end, totalled £3,753,000 (2020: £2,790,000), an increase of £962,000 (2020: £38,000 decrease) from the previous year representing approximately 12 weeks (2020: 11 weeks) of planned operating expenditure. Given the above factors, the Trustees anticipate that the current

level of free reserves will be sufficient to cover the identifiable risks and expected future deficits.

Going concern

The impact of the Coronavirus had a big impact on many charities viability in terms of sustainable finances and practicability of delivering services and meeting their charitable objects. Spurgeons is not one of those charities. Our finances are strong, and we have adapted our delivery to the constraints within which we work.

Our income over the past year has proved resilient. Our fundraising income has been impacted by churches being closed and not able to meet in person. However, this makes up a small part of our overall income, and contract income has been maintained. Colleagues responsible for catering in prisons were placed on furlough and so while our catering income declined significantly this was mitigated in part by the Government coronavirus related funding. Some colleagues in our Central Office were also placed on furlough; these colleagues were based in our Business Development, Grants and Trusts, Engagement, Finance and Corporate Services, and People teams.

We are mindful that the term of some of our larger contracts is approaching and so the Trustees requested and have examined different three and ten year income and expenditure scenarios in balance with the investment required to implement our long term plans to diversify our work. As a result of our work and the strength of our reserves and value of our assets we confidently assert that we are in a good financial position and are a 'going concern' for the foreseeable future.

Fundraising and income generation

The large majority of our income comes from contracts with different parts of the public sector. Funding from local government remains our main source of funding, followed by the prison sector (HMPPS). We see every contract as a privilege and an invitation to work with a range of partners, communities and families.

Voluntary income accounts for much less of our income, although it remains important to our identity and to our sense of partnership with supporters and local communities. It is for these reasons that we seek to grow this area of funding. This past year has been a very challenging one in terms of generating unrestricted voluntary income with many of the churches who have faithfully supported our work for many years not able to meet in person. We are very grateful for the continued prayers and support throughout this period – to those who have been able to give generously, and those for whom this may not be possible at this time.

All of our policies and procedures are informed by the Fundraising Regulator's Code of Fundraising Practice and, in reviewing our work, we seek to achieve best practice, not just legal compliance. Our Board of Trustees regularly review our compliance with the Fundraising Regulator's Code, and last received a report in March 2021. Our Donations

Policy and Fundraising Promise are both published on our website, one step from the home page.

The Complaints Policy is also set out in the same place. We received one complaint in relation to our fundraising activity in the year up to March 2021. The complaint was received in June 2020. It was formally investigated and concluded / resolved within one calendar month. The matter was investigated by the Head of another department for independence; with recommendations now acted on to ensure process / work checking improvements (for higher risk tasks) made to ensure the same mistake is not able to reoccur. A formal written apology was given to the complainant, which is understood to have been accepted.

Donation to support with Virtual Young Carers Summer activities provision

During school holidays the Young Carers service in Wolverhampton would usually be going on trips, outings and organising activities for children and young people to provide some respite from their caring roles at home and try something new. In 2020, however, the delivery of these activities was held virtually with a weekly theme to engage with, from animals to cooking and sports challenges. There was plenty going on to ensure that young people had an outlet and an opportunity to have fun and keep in touch with Spurgeons colleagues and other young people in similar situations to themselves.

In order to ensure that the young people were able to take part in challenges, colleagues delivered essential items and supplies so that no one was left out. The team even arranged for prizes to be won to encourage everyone to get involved. The service was particularly grateful for a £500 donation from the Open College Network which funded the prizes for virtual activities delivered over the summer. Some of the prizes included an Amazon Fire tablet, tickets to Dudley Zoo and restaurant vouchers.

The following message to the service summed up how families appreciated our Young Carers service during lockdown:

"Thank you so much for all of the activity packs you have sent out during the summer holidays. They have been amazing! We have just had the sports pack and once again I can't believe how much there is. You have really helped to occupy Archie during what is a challenging time. He absolutely loves the Zoom calls too and looks forward to them so much. The Zoom calls give him chance to chat and have fun with other children, a thing he's missed during the lockdown. Everything you are doing to support young carers is fantastic and as a parent I really, really appreciate the fun and encouragement you are giving him. We look forward to the activities to come thank you."

Our future plans

2021 will be an important year when we publish and begin to implement our new strategy. Our plans will set the course for the years ahead and be a generational commitment to children, giving children a home-life where they have the love, peace and safety that allows them to flourish.

The Coronavirus pandemic has led to change that was unimaginable two years ago and has accelerated and affirmed plans we were developing in early 2020 to make even bolder strides forward in the future. We expect that our next strategy, to be published in 2021, will set out our intention to move into new areas of work to provide for children who need a home that can give specialist care away from their birth family, and support children facing significant troubles that could have a lasting impact on their lives.

At Spurgeons the Christian faith means we use all that we have and are for the benefit of children and young people who are vulnerable because of their families' circumstances. Our work is about giving children a home-life where they find the love, peace, and safety, that allows them to flourish.

We expect that we will achieve this by making a generational commitment to using our expertise and experience to deliver care and support through:

- (1) Community services, including children centres and family hubs,
- (2) Children's Homes, and
- (3) School counselling and support.

We will invest in each of these areas with the intention of bringing a distinctive approach to all our work that is based on our commitment to living out the Christian faith. Our whole team will be clearer that in and through our work we model the Christian faith in action through what we prioritise, our practice and who we choose to work with on realising our mission.

A significant new step: our acquisition of Fegans

One of the first steps in realising our ambitions is through the acquisition of another charity, Fegans, in the summer of 2021. This will enable us to expand into new areas of the country and new areas of work including school counselling, pre-schools and nurseries, and online provision and support to parents. This is the first of many strategic steps we will make to stepping up with a charitable response to the great need that a great many children and young people have across the country.

Our main ambitions and targets for 2021/22

Last year we set out three basic targets linked to the drafting of our new strategy being completed and the expectation that we would start implanting our long-term plans. Most of our effort was directed towards maintaining our work, supporting staff, being there for the children, young people and families who needed us the most, and making a positive difference in their lives. We managed to maintain our

work incredibly well under challenging Covid restrictions, but it did mean capacity and opportunity to implement our strategy was limited.

Therefore, we are recommitting to targets that are broadly similar to those we published last year, acknowledging that our strategy has been agreed at Board level and our plans will begin to be implemented through significant investment from 2021.

In the 12 months to March 2022 Spurgeons will be able to evidence:

- I. Work on transforming Spurgeons into an organisation where the Christian faith is relevant both to our mission and to the projects and activities we undertake.
- II. Operationalising a medium-term business model that provides greater focus and a clearer definition over Spurgeons work with children who are at risk because of their families' circumstances and mission to give them a home-life that is loving, peaceful, and safe so that they can flourish.
- III. Investing in the long-term diversification of our income base, raising our voluntary income and reducing our reliance on contracts won through competitive tender.

We will set out internally the key projects that we will prioritise to help us meet these targets. A new Spurgeons Scorecard will be created, aligned to our new strategy and that will provide Trustees and senior management with a guide to the health of the charity and how well it is staying true to long term plans and goals.

Risk management

Identifying and actively managing risk is an important part of ensuring that Spurgeons remains a healthy and impactful charity, and ensures Trustees remain focused on the appropriate issues as they lead the organisation. This continues to be done at a Board and senior staff level by maintaining an organisational Risk Register that identifies the key organisational risks.

The Risk Register is co-owned by our Board of Trustees and the Chief Executive. It follows the good practice format set out by the Charity Commission, which includes clarity regarding current mitigations, key actions, who these actions are assigned to, and a risk score that is related to a RAG-rating (Red, Amber, Green). Each of our Board's sub-committees has responsibility for monitoring how we are managing risks relevant to their remit. Their consideration is then reported to the full Board who reviews the whole register at each meeting.

The most significant risks for the charity are:

Identified Risk	Mitigation
A delay in implementing our new strategy and	<ul style="list-style-type: none"> • Fundamental elements of the strategy already approved by Trustees: business critical and cost neutral elements identified

<p>plans to invest in entering residential care sector</p>	<ul style="list-style-type: none"> • Budget to invest in new areas of work identified and approved • Recruitment of additional staff to provide capacity and key capabilities • Financial forecasts setting out impact of implementing and not implementing key elements of the new strategy
<p>Reduced funding / fewer contracts for current areas of work</p>	<ul style="list-style-type: none"> • Clear bid criteria and principles applied to determining what to bid for • Maintain capacity and expectation over value and number of new services we seek to open each year • Seek diversification of work and income streams
<p>Serious harm to a child or family member as a result of Spurgeons actions (or lack of action)</p>	<ul style="list-style-type: none"> • Rigorous safeguarding policies and practice in place across the whole charity including essential training for all staff on safeguarding vulnerable adults and children • Trustees to Standards and Outcomes Committee to review safeguarding performance every quarter • Peer review of safeguarding incidents and learning reviews where appropriate • Practice Improvement Manager who supports safeguarding good practice across projects and services
<p>The integration of Fegans detracts from our mission and diverts capacity and attention away from delivering good services to children and families.</p>	<ul style="list-style-type: none"> • Dedicated project management resource, legal and audit advice to ensure all the legal and regulatory compliance issues are met • Prioritised plan for integrating policies, processes and systems over the 12 months following Fegans acquisition – led by function heads • Clear budget setting, forecasting, resource allocation and clarity over expectations for integration and development of Fegans services
<p>Key staff absent for extended periods (e.g. including Coronavirus or long-term health absence) or because of departure</p>	<ul style="list-style-type: none"> • Regular supervisions and annual appraisals monitor staff wellbeing • Business processes, job descriptions and tasks kept up to date to enable business continuity • Development of new talent and colleagues internally who can step up for a period, or external support that can cover short- and medium-term gaps and vacancies

Our commitment to good governance

Spurgeons is a registered charity, (registered number 1081182), and a company limited by guarantee registered in England (registered number 3990460), that is governed by a Board of Trustees who are also appointed as company members for their term of office. The board has a maximum of twelve members who must all profess a Christian faith as set out in Spurgeons statement of faith.

Our Articles of Association, last reviewed and updated in 2017, set out how we governed. We are committed to meeting the standards set out in the Charity Governance Code as part of our commitment to maintaining high standards of leadership and work.

Trustees are appointed for a three-year term of office and can be re-elected for one further three-year term. Recruitment of Trustees follows our safe recruitment policy and our Equality and Diversity Policy, and, where appropriate, we are clear about any specialist skills or experience we are seeking to fill on the Board.

New Trustees receive an induction that includes an introduction and overview of Spurgeons work and activities. All Trustees receive ongoing training to enable them to fulfill their role, including an obligation to undertake five essential training modules on an annual basis.

The Board of Trustees meets four times a year based on a quarterly cycle, including one two-day residential meeting towards the end of the calendar year. Additional meetings of the Trustees can occur when there is a need to consider a specific item of business that has arisen between meetings, and Trustees will receive regular updates from the Chief Executive and are sent key documents that may not be included in board meetings but may contain helpful or important information for Trustees to be able to carry out their work effectively.

The Board has established three sub-committees, each with specific terms of reference. These are:

- **Finance Committee** - oversees all financial aspects, including setting and managing the internal financial controls, budget setting, management against budget, and investment policy appraisal;
- **Remuneration and Trustee Recruitment Committee** - reviews the performance and remuneration package of the Chief Executive, the Deputy Chief Executive and the Chief Operating Officer and is responsible for trustee recruitment;
- **Standards & Outcomes Committee** – examining and reviewing all systems and methods of: Safeguarding, Knowledge and Skills (training), and Health and Safety management and for ensuring the charity is complying with all aspects of the law, relevant regulations and good practice in relation to service beneficiaries.

The Chief Executive acts as the Company Secretary.

Governance and decision-making

The Board is responsible for Spurgeons governance and it shapes and agrees our vision mission values and strategy. Trustees are encouraged to pray and reflect deeply on the spiritual as well as social and economic aspects of their work.

The Board have committed to benchmarking their own performance against the Charity Governance Code that is widely recognised as the sector good practice standard. External reviews of our Governance arrangements and practice are carried out at regular intervals the last being in November and December 2020.

Day-to-day management of the charity is delegated to the Chief Executive, who in turn delegates management of specific projects to members of the Senior Executive Team and their line reports who head different departments (Heads Group). Strategy is drafted by the Chief Executive with Senior Executive Team, after consultation and research with specific stakeholders including Spurgeons Heads group and the Trustees. The Board approve the strategy and delegate responsibility for implementing it to the Chief Executive and his team.

Each year the Board review and approve a Delegated Authority Framework that sets out key areas of decision making and where accountability and responsibility for rests. This is set within a biblical framework of principles about how and why (or why we do not in some cases) we delegate power and responsibility to different grades of role within our staffing structures.

Key management personnel and Remuneration Policy

Membership of the Senior Executive Team (SET) consists of the Chief Executive, the Deputy Chief Executive (DCE) and the Chief Operating Officer (COO). From 1 July 2021 they will be joined by the Managing Director of Fegans Services and Special Projects.

The DCE and COO line manage seven Heads of function who each lead an area of our work. These include Practice, Business Development, Data Impact and Evidence, Finance and Corporate Services, People, IT and Systems, and Engagement. Together these roles are in charge of directing (SET) and operating (Heads Group) the charity.

Members of the SET have their remuneration reviewed annually by the Remuneration and Trustee Recruitment Committee who make a pay recommendation to the Board for approval. Salaries of all other staff are subject to an annual increment increase up to the top of a salary band for each role, and an additional discretionary cost of living increase based on the Local Government National Joint Council (NJC) pay award that requires Board approval.

Our Remuneration Policy is published on our website. It includes a target that no employee is paid less than the real living wage and principle that the Chief Executive's salary is no more than five times the median full time equivalent within the charity. The Remuneration Policy is published alongside our annual Gender Pay Gap report. Both are one click away from the homepage.

Trustees do not receive any remuneration for their service but are compensated for any expenses incurred in undertaking Spurgeons business.

Spurgeons provides insurance to its Trustees against liability in respect of actions brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity insurance remains in force as at the date of approving the Trustee' Annual Report.

Carbon reporting

Consistent with our desire to comply with legislation and to be faithful to our Christian ethos we are committed to being as energy efficient as possible and minimising our impact on the environment. This commitment is realised through our day-to-day choices in how we choose to run our services, from installing low energy lighting to using fair trade products. We have been able to collect information on the use of electricity and, where applicable, gas for 14 sites. These sites include 11 Children's Centres, of which one site is no longer occupied by Spurgeons, two Young Carer Services and our head office in Rushden.

Across these sites a total of 302,794 kWh (302.794MWh) of energy was used between 1 April and 31 March 2021, this is significantly less than the prior year due to COVID-19 reducing the accessibility and use of sites during this period. This can be broken down between electricity usage of 260,665 kWh (260.665 MWh) across the 14 sites, and 42,129 kWh (42.129 MWh) of gas across 11 sites. Perhaps inevitably it is large Children Centres open every day with high footfall that consume the most energy. Our Head Office is a relatively modest user of energy, with the 29,030Wh of electricity and 3736 kWh of gas being above the average electricity consumption of the Children's Centres but below the average in relation to gas consumption. The average electricity consumption for the Children's Centres is 20,458 kWh and in relation to gas is 3,839 kWh.

We are not able to report on energy use in 26 sites. Of these 26 sites seven are Children Centres, there are four Family Centres, a Young Carers office and a specialist service office in Norwich where the landlord has not made this information available (for example, this may be because the Centre is co-located on a school site where the school is the landlord). 12 sites are prison services where utilities are provided by the prison and we are not given the relevant information. The remaining site includes our Head Office archive and storage facility where the utilities are included in the rent.

Statement of Trustees' Responsibilities

Spurgeons is governed by a Board of Trustees who are also directors of the Charity for the purposes of company law. The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK 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 state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing 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 UK accounting standards, subject to any material departures disclosed and explained in the financial statements, have been followed
- Prepare the financial statements on the going concern basis unless it's inappropriate to presume that 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 charitable 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 the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

haysmacintyre have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted to the Board for approval.

The Trustees' Report, including the Strategic Report, has been signed on behalf of the Board of Trustees by Andrew Caplen, Chair of Spurgeons' Trustees Board on 14 July 2021:

Andrew H. A. Caplen

Independent Auditors Report

Opinion

We have audited the financial statements of Spurgeons for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Chair's statement. Our opinion on the financial statements does not cover the other information and, except to the extent

otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 27, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to revenue recognition, in particular in relation to income from donations, legacies and income from charitable activities and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the charity relevant to the preparation of the financial statements to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions, and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

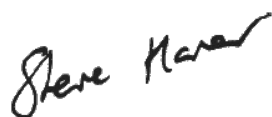
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Harper (Senior Statutory Auditor)

For and on behalf of:
Haysmacintyre LLP, Statutory Auditors
10 Queen Street Place,
London
EC4R 1AG

Date: 21 October 2021

Financial Statements

Company Number 3990460

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021			2020		
		Unrestricted Funds £000s	Restricted Funds £000s	Total Funds £000s	Unrestricted Funds £000s	Restricted Funds £000s	Total Funds £000s
Income from:							
Donations & legacies							
Donations		195	1,128	1,323	200	979	1,179
Legacies		251	-	251	149	-	149
Investments:							
Rental income		147	116	263	165	192	357
Interest		5	7	12	25	12	37
Dividends		120	-	120	150	-	150
Charitable activities:							
Amounts received towards the support of children, young people & families	3	1,952	9,207	11,159	2,096	9,464	11,560
Total Income		2,670	10,458	13,128	2,785	10,647	13,432
Expenditure on:							
Raising funds:							
Fundraising, marketing & promotion		352	-	352	395	-	395
Investment property costs		150	14	164	70	10	80
Charitable activities							
Support of children, young people & families	4	2,363	9,626	11,989	2,333	10,041	12,374
Total Expenditure	5	2,865	9,640	12,505	2,798	10,051	12,849
Net (expenditure)/ income before net gains / (loss) on investments		(195)	818	623	(13)	596	583
Net gains / (loss) on investments	9	1,970	(150)	1,820	(643)	342	(301)
Net income after net gains / (losses) on investments		1,775	668	2,443	(656)	938	282
Transfers between funds		(2)	2	-	(146)	146	-
Net movement in funds		1,773	670	2,443	(802)	1,084	282
Total Funds brought forward at 1st April	12	10,064	7,809	17,873	10,866	6,725	17,591
Total Funds carried forward at 31st March	12	11,837	8,479	20,316	10,064	7,809	17,873

The net (deficit) / surplus of income over expenditure, together with details of income and expenditure required by the Companies Act, may be derived from the net movement in funds in the Statement of Financial Activities above, excluding unrealised gains in investments and movement on endowment funds which was a loss of £150,000 (2020: gain of £342,000). Endowment funds have been combined with restricted funds above on the grounds of materiality. All amounts derive from continuing activities. There were no gains or losses recognised in the year other than those shown in the Statement of Financial Activities above.

The Notes on pages 35 to 48 form part of these financial statements.

SPURGEONS
BALANCE SHEET AS AT 31 MARCH 2021

Company Number 3990460

	Notes	2021 £000's	2020 £000's
FIXED ASSETS			
Tangible fixed assets	7	102	133
Intangible fixed assets	8	41	65
Investments	9	15,538	13,716
Total fixed assets		15,681	13,914
CURRENT ASSETS			
Stock		1	12
Debtors	10	799	735
Cash at bank and in hand		4,944	4,592
Total current assets		5,744	5,339
LIABILITIES			
Creditors: Amounts falling due within one year	11	(1,109)	(1,380)
Net current assets		4,635	3,958
TOTAL NET ASSETS		20,316	17,873
THE FUNDS OF THE CHARITY			
Endowment funds	12(a)	92	95
Restricted funds	12(a)		
- D.J. Thomas fund *		4,727	4,847
- UK projects fund		3,660	2,867
Total restricted funds		8,479	7,809
- Designated funds **	12(a)	8,084	7,274
- General funds ***	12(a)	3,753	2,790
Total unrestricted funds		11,837	10,064
TOTAL FUNDS		20,316	17,873

* The D.J. Thomas fund includes a revaluation reserve of £2,648,000 (2020: £2,798,000)

** Designated funds include a revaluation reserve of £3,785,000 (2020: £2,975,000)

*** General funds include a revaluation reserve of £1,788,000 (2020: £1,425,000).

Approved by the Board of Trustees and authorised for issue on the 14th July 2021 and signed on its behalf:

Sarah Powley

Sarah Powley

Andrew H. A. Caplen

Andrew Caplen

SPURGEONS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £000's	2020 £000's
Cash flows from operating activities:			
Net cash (used in) / provided by operating activities	(Note a)	(37)	225
Cash flows from investing activities:			
Rental Income		263	357
Interest and dividends		132	187
Disposal / (purchase) of capital equipment		1	(22)
Additions at cost: common investment funds		(298)	(5,498)
Disposal proceeds: common investment funds		285	5,538
Cash used / (retained) in common funds		13	(40)
Cash reclassified as fixed asset investments		(7)	(11)
Net cash provided by investing activities		389	511
Change in cash and cash equivalents in the year		352	736
Cash and cash equivalents at beginning of year		4,592	3,856
Cash and cash equivalents at the end of the year	(Note b)	4,944	4,592

a) Cash flows from operating activities:		2021 £000's	2020 £000's
Net cash (used in) / provided by operating activities		(37)	225
Net income		623	583
Adjustments for:			
Depreciation charges		54	54
Dividends, interest & rents from investments		(395)	(544)
Decrease/(increase) in stock		11	(10)
(Increase)/decrease in debtors		(64)	107
(Decrease)/increase in creditors		(271)	35
Decrease in pension bonds		5	-
Net cash (used in) / provided by operating activities		(37)	225

b) ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2020 £000's	Cashflow £000's	Non-cash changes £000's	At 1 April 2021 £000's
Cash at bank and in hand	3,472	347	-	3,819
Notice deposits (less than 3 months)	1,120	5	-	1,125
	4,592	352	-	4,944

SPURGEONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

a) **General information**

Spurgeons is a charitable company limited by guarantee incorporated in England and Wales (company number 3990460) and registered with the Charity Commission (Charity Registration number 1081182). The charity's registered office address is 74 Wellingborough Road, Rushden, Northamptonshire NN10 9TY.

b) **Basis of preparation**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments which are carried at fair value, and in accordance the Statement of Recommended Practice for Charities (SORP – Second Edition effective 1st January 2019)), with applicable accounting standards (FRS 102) and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS102.

c) **Going concern**

The trustees consider that there are no material uncertainties regarding the charitable company's ability to continue as a going concern. The impact of COVID-19 on our work and income has been set out in the main body of the Trustees Report. The risks to our income as a result of the continuing impact of the COVID-19 pandemic have been considered as part of the charitable company's forecasting process. In making this assessment, the trustees have also considered the impact of their plans for the future including the transfer of Fegans into Spurgeons which occurred post-year end and is explained in note 17. Taking each of these factors into account the Trustees consider that there are sufficient funds and clarity to our mission to ensure that we will remain a going concern for at least twelve months from the date of approving these financial statements.

d) **Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

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.

For legacies, entitlement is taken as the earlier of the date of notification that a distribution will be made and when a distribution is received from an estate.

Goods and services donated for the charity's own use are recognised in the Statement of Financial Activities at the value to the charity as both income and expenditure.

e) **Expenditure**

Expenditure is accounted for on an accruals basis. Irrecoverable VAT is included within the expense items to which it relates.

Direct expenditure on charitable activities includes all costs directly relating to delivering the charity's principal activities in supporting children, young people and families.

SPURGEONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

1. ACCOUNTING POLICIES (continued)

Support costs consist of central management, administration and governance costs and are allocated entirely to expenditure on charitable activities as detailed in Note 5 to the accounts. Governance costs represent direct and indirect costs incurred in relation to strategic management and compliance with constitutional and statutory requirements.

f) *Tangible fixed assets*

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. The minimum amount for the capitalisation of assets is £2,000. Assets purchased for projects funded by the local authorities are expensed upon purchase rather than depreciating over the life of the project. Depreciation is provided on all tangible assets, other than freehold land, to write off the cost, less estimated residual value of each asset over its expected useful life on a straight-line basis. The estimated useful lives are as follows:

Freehold buildings	- 2% per annum on cost
Fixtures and fittings	- 12.5% and 25% per annum on cost
Computer equipment	- 33 $\frac{1}{3}$ % per annum on cost
Motor vehicles	- 25% per annum on cost

g) *Intangible fixed assets*

Intangible assets are held at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a straight-line basis to write off the cost over their expected useful economic lives being 5 years.

h) *Fixed asset investments*

Quoted investments are valued at market price at the balance sheet date.

Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

Pension bonds are amounts required to be set aside under contractual arrangements in respect of local government pension schemes and are measured at cost.

Gains and losses on disposal and revaluation of investments are charged or credited to the Statement of Financial Activities.

i) *Stocks*

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

j) *Financial instruments – assets and liabilities*

Cash and cash equivalents

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

Debtors and creditors

Debtors and creditors with no stated interest rates are recorded at transaction price and subsequently measured at amortised cost. Any losses arising from impairment are recognised in the Statement of Financial Activities.

SPURGEONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

1. ACCOUNTING POLICIES (continued)

k) **Employee benefits**

The charity provides a range of benefits to employees including paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits

Short term benefits, including holidays and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

Defined contribution pension plans

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.

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 contributions are recognised as an expense when they fall due. The assets of the pension plans are held separately from the Charity in independently administered funds. The Charity's total Group Personal Pension Plan contribution for the year was £321,000 (2020: £224,000).

Local Government Pension Schemes (LGPS)

The Charity also has some staff who have been transferred into the organisation via TUPE transfer and are members of Local Government Pension Schemes. Under the terms of the associated contract arrangements the charity is responsible for making good any pension deficits that arise during the period of the contracts. As the contributions payable are estimated on a fully funded basis, contributions to the schemes are included within the Statement of Financial Activities on an accruals basis as incurred.

l) **Funds**

Fund balances are split between unrestricted (general and designated), restricted and endowment funds.

Permanent Endowment Funds, being composed of a fund which 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.

Unrestricted General Funds are funds which can be used in accordance with the charitable objects of the charity at the discretion of the trustees.

Unrestricted Designated Funds are funds which have been set aside for a purpose specified by the trustees as explained in Note 12 to the financial statements.

m) **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.

SPURGEONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to judgement and estimation are as follows:

Donations, grants and legacies

Donations and grants are recognised when the charity has confirmation of both the amount and settlement date, in the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. Where the donation or grant is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are included in the Statement of Financial Activities when probate is granted, the charity is entitled to the legacy and the executors have established there are surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Local authority funding

Local authority funding is recognised in accordance with the invoicing schedule, specified in the contract between Spurgeons and the local authority.

Investment property

The charity measures its investment properties at fair value in accordance with FRS 102. A full professional valuation of the investment property portfolio was commissioned in the year, resulting in an overall increase of the overall property valuations of £1,023,400.

Provisions for dilapidation works to leased properties

Management review and provide for potential dilapidations in respect of properties where the lease includes an obligation to restore the premises to the condition they were in when the lease was entered into. Management review such provisions on an annual basis and update them in accordance with historical experience and events that might materially impact on the potential costs to the charity. At the balance sheet date, the total amounts accrued within creditors was £75,000 (2020: £72,000).

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

SPURGEONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

3. ANALYSIS OF AMOUNTS RECEIVED TOWARDS THE SUPPORT OF CHILDREN & YOUNG PEOPLE & FAMILIES YEAR ENDED 31 MARCH 2021

	Unrestricted Funds £000's	Restricted Funds £000's	2021 Total £000's	2020 Total £000's
Fees and other project income	199	142	341	352
Churches and other partners	-	-	-	-
Catering	67	-	67	203
Statutory sector				
Local authorities	1,531	8,381	9,912	10,157
NOMS	155	684	839	848
Total	1,952	9,207	11,159	11,560

ANALYSIS OF AMOUNTS RECEIVED TOWARDS THE SUPPORT OF CHILDREN & YOUNG PEOPLE & FAMILIES YEAR ENDED 31 MARCH 2020

	Unrestricted Funds £000's	Restricted Funds £000's	2020 Total £000's	2019 Total £000's
Fees and other project income	174	178	352	408
Churches and other partners	4	(4)	0	10
Catering	203	-	203	-
Statutory sector				
Local authorities	1,561	8,596	10,157	10,071
NOMS	154	694	848	878
Total	2,096	9,464	11,560	11,367

4. ANALYSIS OF AMOUNTS EXPENDED IN THE SUPPORT OF CHILDREN, YOUNG PEOPLE AND FAMILIES YEAR ENDED 31 MARCH 2021

Type of project	Unrestricted Funds £000's	Restricted Funds £000's	2021 Total £000's	2020 Total £000's
Children's centres	1,859	7,574	9,433	9,275
Children & young people affected by Imprisonment	214	871	1,085	1,256
Family support	172	701	873	1,070
Youth, community & young carers	118	480	598	770
Other	-	-	-	3
	2,363	9,626	11,989	12,374

SPURGEONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

**ANALYSIS OF AMOUNTS EXPENDED IN THE SUPPORT OF CHILDREN, YOUNG PEOPLE AND FAMILIES
YEAR ENDED 31 MARCH 2020**

	Unrestricted Funds £000's	Restricted Funds £000's	2020 Total £000's	2019 Total £000's
Type of project				
Children's centres	1,749	7,526	9,275	8,882
Children & young people affected by Imprisonment	237	1,019	1,256	1,289
Family support	202	868	1,070	1,042
Youth, community & young carers	145	625	770	1,100
Other	-	3	3	-
	2,333	10,041	12,374	12,313

5. TOTAL EXPENDITURE YEAR ENDED 31 MARCH 2021

	Staff Costs (Note 6) £000's	Depreciation £000's	Other Costs £000's	2021 Total £000's
Expenditure on raising funds				
- Fundraising, marketing & promotion	202	-	150	352
- Investment property costs	-	-	164	164
Charitable expenditure				
- Project costs	8,445	31	3,513	11,989
	8,647	31	3,827	12,505

TOTAL EXPENDITURE YEAR ENDED 31 MARCH 2020

	Staff Costs (Note 6) £000's	Depreciation £000's	Other Costs £000's	2020 Total £000's
Expenditure on raising funds				
- Fundraising, marketing & promotion	246	-	149	395
- Investment property costs	-	-	80	80
Charitable expenditure				
- Project costs	7,907	32	4,435	12,374
	8,153	32	4,664	12,849

SPURGEONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

NET MOVEMENT IN FUNDS

	2021 £000's	2020 £000's
The net movement in funds is stated after charging:		
Depreciation	54	54
Operating lease rentals - buildings	118	133
Operating lease rentals - other	39	36
Auditor's remuneration (including VAT) - audit	17	17

SUPPORT COSTS

Operational management	840	848
Business development	232	212
Finance, IT & corporate services	702	621
Human resources & people development	294	279
Governance	74	80
Other central support and administration	56	76
	2,198	2,116

Organisational support costs are charged in line with contract agreement and deliverables. 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.

GOVERNANCE COSTS

	2021 £000's	2020 £000's
Audit	17	17
Trustees' expenses	1	3
Other costs	50	35
Professional indemnity insurance	6	6
	74	61

6. STAFF COSTS

	2021 £000's	2020 £000's
Wages and salaries	7,634	7,245
Social security costs	636	585
Pension costs	377	323
	8,647	8,153

SPURGEONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

Employee emoluments over £60,000

	2021 Number	2020 Number
Employees continuing in service:		
£60,001 to £70,000	1	1
£70,001 to £80,000	-	1
£80,001 to £90,000	1	-
£90,001 to £100,000	1	1

The Senior Executive Team consists of three people. The total emoluments for key management personnel for the organisation in the year, including gross salary, employer's pension contribution, employers NI Contributions, and benefits in kind, were £304,038 (2020: £294,726).

The average number of employees (including casual workers) in the year was 357 (2020: 354). The charity paid £2,650 (2020: £106,153) in termination payments during the year.

Analysis of full time equivalent employees

	2021 FTE	2020 FTE
Central departments and regional offices	41	42
Projects and services	236	239
	277	281

7. TANGIBLE FIXED ASSETS

	Computer Equipment Fixtures & Fittings £000's	Permanent Endowment Freehold Property £000's	Total £000's
Cost/valuation			
At 1 April 2020	180	185	365
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2021	180	185	365
Accumulated depreciation			
At 1 April 2020	142	90	232
Charge for the year	28	3	31
Disposals	-	-	-
As at 31 March 2021	170	93	263
Net book value			
As at 31 March 2021	10	92	102
At 1 April 2020	38	95	133

The carrying value of freehold property is deemed cost as previously adopted under UK GAAP. All tangible fixed assets are used for charitable purposes.

SPURGEONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

8. INTANGIBLE FIXED ASSETS

	Computer Software £000's
Cost	
At 1 April 2020	115
Additions	-
Disposals	(1)
As at 31 March 2021	114
Accumulated depreciation	
At 1 April 2020	50
Charge for the year	23
Disposals	-
As at 31 March 2021	73
Net book value	
At 31 March 2021	41
At 1 April 2020	65

9. FIXED ASSET INVESTMENTS

	2021 £000's	2020 £000's
a) Analysis of investments by class		
UK Common investment funds	5,265	4,469
Investment properties	8,610	7,587
Notice deposits (less than 3 months)	1,663	1,656
Total investments - charity	15,538	13,711
Pension bonds (see note 1.h)	-	5
Total investments	15,538	13,716
b) Movement in market value of investments		
Market value as at 1 April 2020	13,716	14,006
Additions at cost: common investment funds	298	5,498
Disposal proceeds: common investment funds	(285)	(5,538)
Cash retained in common funds	(13)	40
Acquisitions at cost: Notice deposits	7	11
Disposal at cost: Pension bonds	(5)	-
Unrealised appreciation	1,820 *	(301) *
Market value as at 31 March 2021	15,538	13,716

* includes revaluation loss of £150,000 (2020: gain of £342,000) on D. J. Thomas fund investment property. The valuation was carried out by Paul Goodsir, BSc (Hons) MRICS as at 31st March 2021.

SPURGEONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

10. DEBTORS: Amounts falling due within one year

	2021 £000's	2020 £000's
Trade debtors	116	182
Prepayments & accrued income	671	541
Other debtors	12	12
	<u>799</u>	<u>735</u>

11. CREDITORS: Amounts falling due within one year

	2021 £000's	2020 £000's
Trade creditors	152	96
Accruals & deferred income	638	1,012
Taxation & social security	158	149
Pension contributions	150	91
Other creditors	11	31
	<u>1,109</u>	<u>1,380</u>

Deferred income relates to income received in advance all of which is released in the following financial year, deferred income of £84,000 as at March 2020 was fully released in the year. As at March 2021, deferred income was £24,000.

12. FUNDS

a) MOVEMENT IN FUNDS FOR THE YEAR ENDED 31 MARCH 2021

	Balance at 1 April 2020 £000's	Income £000's	Expenditure £000's	Investment Gains £000's	Transfers £000's	Balance at 31 March 2021 £000's
RESTRICTED FUNDS						
(i) Foundation trust -						
Permanent endowment	95	-	(3)	-	-	92
(ii) UK projects	2,867	10,334	(9,543)	-	2	3,660
(iii) D. J. Thomas	4,847	124	(94)	(150)	-	4,727
TOTAL RESTRICTED	<u>7,809</u>	<u>10,458</u>	<u>(9,640)</u>	<u>(150)</u>	<u>2</u>	<u>8,479</u>
UNRESTRICTED FUNDS						
Designated funds						
(iv) Central office development fund	2,614	-	-	-	-	2,614
(v) Property investment fund	3,160	-	-	810	(2,200)	1,770
(vi) Service development fund	1,500	-	-	-	2,200	3,700
General funds						
(vii) General funds	2,790	2,670	(2,865)	1,160	(2)	3,753
TOTAL UNRESTRICTED	<u>10,064</u>	<u>2,670</u>	<u>(2,865)</u>	<u>1,970</u>	<u>(2)</u>	<u>11,837</u>
TOTAL FUNDS	<u>17,873</u>	<u>13,128</u>	<u>(12,505)</u>	<u>1,820</u>	<u>-</u>	<u>20,316</u>

SPURGEONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

12. FUNDS (Continued)

b) MOVEMENT IN FUNDS FOR THE YEAR ENDED 31 MARCH 2020

	Balance at 1 April 2019 £000's	Income £000's	Expenditure £000's	Investment Gains £000's	Transfers £000's	Balance at 31 March 2020 £000's
RESTRICTED FUNDS						
(i) Foundation trust -						
Permanent endowment	99	-	(4)	-	-	95
(ii) UK projects	2,225	10,443	(9,947)	-	146	2,867
(iii) D. J. Thomas	4,401	204	(100)	342	-	4,847
TOTAL RESTRICTED	6,725	10,647	(10,051)	342	146	7,809
UNRESTRICTED FUNDS						
Designated funds						
(iv) Central office development fund	2,614	-	-	-	-	2,614
(v) Property investment fund	3,924	-	-	(764)	-	3,160
(vi) Service development fund	1,500	-	-	-	-	1,500
General funds						
(vii) General funds	2,828	2,784	(2,798)	122	(146)	2,790
TOTAL UNRESTRICTED	10,866	2,784	(2,798)	(642)	(146)	10,064
TOTAL FUNDS	17,591	13,431	(12,849)	(300)	-	17,873

(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, Spurgeons Child Care. A uniting direction approved by the Charity Commission in 2005 led to Spurgeons 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 which 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.

(iii) The assets of the D.J. Thomas Fund 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 central office development fund was designated by the Trustees in the in 2014/15 for the provision of the appropriate infrastructure for the long term purposes of the charity; to provide for the future office needs of the organisation. The current fund value of £2,614,000 may be varied up to a maximum of £3 million and is expected to be utilised in the next two years.

(v) The property investment fund was designated for the provision of income for the long-term benefit of children and young people from sums invested in property. In light of the plans to invest to deliver the new strategy to support vulnerable children and families over the coming years, the balance of this fund has been transferred to the service development fund (see below).

SPURGEONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

12. FUNDS (Continued)

(vi) The service development fund is designated for the provision of work that is new to Spurgeons that compliments existing projects or develops partnerships in new areas of work. Funds from the property investment fund (above) have been transferred into this fund with the intention of using these funds over the next few years to deliver the new strategy to support vulnerable children and families.

(vii) General funds represent the free funds of the Charity which are not designated for particular purposes.

c) ANALYSIS OF ASSETS BETWEEN FUNDS AS 31 MARCH 2021

	Tangible Fixed Assets £000's	Intangible Fixed Assets £000's	Investments £000's	Net current Assets £000's	Total £000's
Spurgeons:					
Unrestricted funds	10	41	11,103	683	11,837
Restricted funds - UK projects	-	-	-	3,660	3,660
Restricted funds - D. J. Thomas	-	-	4,435	292	4,727
	10	41	15,538	4,635	20,224
Spurgeons:					
Foundation trust - Permanent endowment*	92	-	-	-	92
Total	102	41	15,538	4,635	20,316

d) ANALYSIS OF ASSETS BETWEEN FUNDS AS 31 MARCH 2020

	Tangible Fixed Assets £000's	Intangible Fixed Assets £000's	Investments £000's	Net current Assets £000's	Total £000's
Spurgeons:					
Unrestricted funds - General	38	65	9,126	835	10,064
Restricted funds - UK projects	-	-	-	2,867	2,867
Restricted funds - D. J. Thomas	-	-	4,590	257	4,847
	38	65	13,716	3,959	17,778
Spurgeons:					
Foundation trust - Permanent endowment*	95	-	-	-	95
Total	133	65	13,716	3,959	17,873

13. TRANSACTIONS WITH TRUSTEES

During the year the Charity reimbursed expenses of £982 (2020: £3,386) incurred by six Trustees (2019: six Trustees) in travelling to meetings and visiting projects.

None of the trustees have been paid any remuneration or received any other benefits from employment with the charity or a related entity.

Spurgeons 2

	2021 Commercial (Lease) £000's	2021 Residential (Tenancy) £000's	2020 Commercial (Lease) £000's	2020 Residential (Tenancy) £000's
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Minimum rentals receivable within:				
Not later than one year	78	105	200	80
Later than one year, not later than 5 years	30	70	765	30
Later than 5 years	-	-	-	-
14. RELATED PARTY TRANSACTIONS	108	176	965	110

2021 (Continued)

There were no related party transactions in the current or previous year.

15. TAXATION

Spurgeons is exempt from income tax and corporation tax on income and gains derived from its charitable activities as these activities fall within various exemptions available to registered charities.

16. OPERATING LEASE COMMITMENTS

At the balance sheet date the charity had the following future minimum rentals payable in respect of non-cancellable operating leases:

	2021 Property £000's	2021 Equipment £000's	2020 Property £000's	2020 Equipment £000's
Minimum rentals falling due:				
Not later than one year	40	22	27	21
Later than one year, not later than 5 years	106	18	227	29
Later than 5 years	-	-	-	-
	146	40	254	50

At the balance sheet date the charity had the following operating lease rentals receivable:

	2021 Commercial (Lease) £000's	2021 Residential (Tenancy) £000's	2020 Commercial (Lease) £000's	2020 Residential (Tenancy) £000's
Minimum rentals receivable within:				
Not later than one year	78	105	200	80
Later than one year, not later than 5 years	30	70	765	30
Later than 5 years	-	-	-	-
	108	175	965	110

SPURGEONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

17. POST BALANCE SHEET EVENTS

At midnight on the 30th June 2021, the activities and assets of Fegans, Registered Charity No.209930, were transferred to Spurgeons. Spurgeons and Fegans share a similar heritage built upon the foundation of the Christian faith and demonstrated through providing children a safe home with a children's orphanage environment, around 150 years ago. Today, Fegans provide qualified counselling to vulnerable children, parenting to struggling families and own two preschools that operate as family hubs in Kent, Sussex, South London and Oxford.

18. SPECIFIC ACKNOWLEDGEMENTS

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

The National Lottery Community Fund – Reaching Communities - Grant received for our Invisible Walls project £164,616 (2020: £72,500), all of which was spent in the year.

Comic Relief (KFC) - Grant received for our BeLeave project £55,000 (2020: £55,000).

The Rayne Foundation - Grant received for our BeLeave Project £20,000 (2020: £nil) of which £5,000 was spent in the year and £15,000 will be carried forward to 21/22.

SafeLives - Grant received for our Norwich Connect Project £484,669 (2020: £484,669) of which £62,585 will be carried forward to future years.

The Maurice and Hilda Charitable Trust – Grant received for our Invisible Walls project £10,000 (2020: £10,000). Of the £10,000 received in the year, £5,833 will be carried forward to 21/22.

Department of Health and Social Care; VCSE Health and Wellbeing Fund – Grant received for our Birmingham Forward Steps Perinatal Mental Health Project £16,059 (2020: £nil) all of which was spent in the year.

Reference and administrative details

Trustees and Directors

Andrew Caplen (1, 2, 3)	(Chair of Trustees) (Appointed 2 nd Term on 6 October 2020)
Michelle Brissett (1)	(Appointed 16 July 2020)
David Buchan	(Appointed 14 July 2021)
Ali Collins	(Appointed 14 July 2021)
Jennifer Emery (3)	
Philip Green (2)	
Chris James (2)	(Appointed 23 April 2020)
Sarah Powley (1)	(Appointed 2 nd Term on 6 October 2020)
Nicky Rayner (2)	(Appointed 16 July 2020)
Safron Rose	(Appointed 2 nd Term on 6 October 2020)
Nigel Wildish (1+3)	
Sian Wrangles	(Appointed 16 July 2020)

(1: Member of the Finance Committee; 2: Member of the Standards and Outcomes Committee; 3: Member of the Remuneration and Trustee Recruitment Committee)

Senior Officers

Senior Executive Team

Ross Hendry – Chief Executive	Ian Soars (joined the Senior Executive Team from Fegans on 1 July)
Paul Ringer – Deputy Chief Executive	
Sue Gillespie – Chief Operating Officer	

Registration details

Registered Office

Spurgeons
74 Wellingborough Road
Rushden
Northamptonshire, NN10 9TY

Registered Charity Number: 1081182
Company Number: 3990460

Professional advisors for the year ended 31 March 2021

Investment Managers

Epworth Investment Management Ltd.
9 Bonhill Street, London EC2A 4PE

Solicitors

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

Bankers

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

Wilson Browne
Kettering Parkway South
Kettering, NN15 6WN

Property Managers

Goodsir Commercial
9-10 Domingo Street,
London, EC1Y 0TA

Independent Auditor

Haysmacintyre LLP,
10 Queen Street Place,
London, EC4R 1AG

Spurgeons Annual Report 2019/20 DRAFT

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

Asda Foundation
Baron Davenport's Charity
BBC Children in Need
Birmingham City Council
Birmingham Town Council
Buttle UK
BVSC
Comic Relief & KFC
Community Foundation for Surrey
Department of Health and Social Care; VCSE
Forward Carers
Medway Council
Michael Marsh Charitable Trust
Neighbourly Community Fund
Norfolk Community Foundation
Office of the Police and Crime Commissioner for Norfolk
Office of the Police and Crime Commissioner for Wiltshire and Swindon
Radio Cash For Kids
SafeLives
Sutton Coldfield Charitable Trust
Tesco Bags of Help Covid-19 Community Grants / Groundwork
The Beacon Lodge Charitable Trust
The Blyth Watson Charitable Trust
The City of Wolverhampton Council
The Maurice and Hilda Charitable Trust
The National Lottery Community Fund - Reaching Communities England
The Norton Foundation
The Rayne Foundation
Waitrose Community Matters
Walton Charity
Westbury Area Board
Witton Lodge Community Association

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. We are happy to have been able to work with the following Local Authorities and other organisations to be able to deliver these services:

Birmingham City Council
Buckinghamshire County Council
CAFCASS
Dudley Metropolitan Borough Council
National Offender Management Service
Peterborough City Council
Surrey County Council
Wiltshire County Council
Wolverhampton City Council
Birmingham Community Healthcare NHS Trust
Birmingham Children's Trust
Faringdon Town Council
Ministry of Defence