



Statutory Report & Accounts

Year ended: 31 March 2017



Approved by Finance Committee Approval on 5 July 2017
Produced for Audit & Board Approval on 18 July 2017
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lodged at Companies House.

Charity Number: 1081182
Company Number: 3990460

Spurgeons Statutory Report & Accounts for the year ended 31 March 2017

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Reference & Administrative Information

Chair of Trustees

Stuart Cornwell OBE

Trustees and Directors

Stuart Cornwell OBE
Simon Beresford
Catherine Burns (resigned 2 Dec 16)
Natalie Cronin
Timothy Elgar
Anthony Gilbert (resigned 22 Sep 16)
Robert Groves CBE
Phil Inch
Sarah Powley (from 22 March 17)
Safron Rose (from 22 March 17)
Carol Russell
Justyn Singlehurst
Romaine Thompson
Helen Watson (from 22 March 17)
Ruth Vincent

Independent Auditor

haysmacintyre
Chartered Accountants
26 Red Lion Square London WC1R 4AG

Investment Managers

Epworth Investment
Management Limited
9 Bonhill Street
London EC2A 4PE

Executive Team

Ross Hendry -
Chief Executive
Paul Ringer -
Deputy Chief Executive
Sue Gillespie -
Chief Operating Officer

Registered Office

74 Wellingborough Road
Rushden
Northamptonshire
NN10 9TY

Bankers

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

Property Managers

Hindwoods
Chartered Surveyors
1 Charlton Road
Blackheath London SE3 7EY

Solicitors

Wilson Browne
Kettering Parkway South
Kettering NN15 6WN

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

Our History

A practical response to a heartfelt mission

In 1867 Baptist preacher Charles Haddon Spurgeon, motivated by his faith, reached out with compassion and hope to the most vulnerable and marginalised in society. In his own account of our founding, just at the time he received this calling, he was approached by the other key person in our story.

Anne Hillyard read an article on Jesus' life and teaching by Spurgeon, who was recognised as one of the greatest figures of nineteenth century Britain. The article was about the Christian call to tackle social needs, and immediately Anne told a close friend of her intention to respond.

Within weeks, Anne had pledged a £20,000 legacy (around £2.5 million today) to Charles Spurgeon for the very specific purpose of helping improve the lives of desperately vulnerable children in Victorian England.

It was thanks to this gift, that Spurgeon and a group of supporters opened an orphanage in Stockwell (South London) to care for boys living on the streets or whose parents could not look after them. 10 years later, it opened to girls and by the time the girls' dormitories were complete, over 500 children lived there.

Legal status

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

The financial statements set out on pages 22-36 include the results of the unincorporated charity, Spurgeon's Child Care. The unincorporated charity retains the permanent endowment. The unincorporated charity (no. 307560) is treated as forming part of the incorporated charity (no. 1081182) for the purposes of Part II (registration) and Part VI (accounting) of the Charities Act 2011 following the issue of a uniting direction for accountancy and legal purposes, which was issued on 7 April 2005. The two charities are accordingly registered under a common registration number (no. 1081182) and the Trustees prepare a single set of financial statements for the whole entity, within which the individual parts may be reported separately.



From this beginning, through to relocating to Kent in the 1940s, and onto developing 'foster' style homes in the 1980s, our Christian faith has always guided our mission, values and hope for children and families.

150-years on, we are still very much at the heart of communities, delivering intervention and support services to improve the lives of vulnerable children and families. Today, we work in partnership with local authorities; community groups and churches to continue our mission to give every child the opportunity of a hope-filled life.

Objectives and Activities

Spurgeons charitable objectives are as follows:

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

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

To provide financial assistance for education, social care and vocational training for children and families overseas in such locations as the Trustees may determine from time to time. We seek to undertake this work on a day to day basis by living out the Christian values of our founder Charles Haddon Spurgeon.



Chairman's Welcome



Spurgeons Children's Charity - a lasting legacy

150 years ago this year, Charles Haddon Spurgeon felt compelled to reach out to the most vulnerable.

Motivated by his deep Christian faith, he was aided in this heartfelt mission by Anne Hillyard – after she bequeathed to him a £20,000 legacy.

It was this gift that enabled Spurgeon to establish an orphanage for boys in Victorian England. Today, we continue in his mission to give every child the opportunity and hope of a better life.

Like many charities within this sector – we are navigating our way through interesting and sometimes challenging pathways. But, led by our chief executive, Ross Hendry, and our executive team, we continue to prioritise the needs of children and families. This is especially important as the demand for our services is as great as ever.

During my time here as Chairman, I have been honoured to work alongside some of the most caring and compassionate staff, who work tirelessly and with dedication. I am also grateful to the ongoing support of my fellow Trustees, colleagues and partners. Together, they, like Charles Spurgeon, are committed to helping the most vulnerable. It is thanks to them that we are able to continue his mission.

Although this is my final Annual Report & Accounts as Chairman, I look forward to seeing the great work of this very special charity go from strength to strength. I know that with the continued commitment of our board; executive team and staff, we will ensure the legacy of Charles Spurgeon lives on.

**Stuart Cornwell OBE
Chair of Spurgeons'
Trustees' Board**

Chief Executive's Review



As chief executive I have the privilege of seeing first hand the incredible work being done across our charity.

One story from this year that will stay with me is that of a young refugee mother (let's call her Esther) and her two children. The family was fleeing domestic violence, slavery, and a community where FGM was still widespread. Our staff met her in an office building that had been recently converted to house refugee families. Esther and her children were alone, afraid and had nothing to their names apart from a few clothes.

Over the course of several months, the staff from Spurgeons introduced the family to the right agencies who could help with benefits and healthcare; to a local church who gave her furniture and belongings; and into a safe community where the children began to flourish - and so did Esther. At Christmas our staff delivered a Christmas tree, presents, and new mattresses that the children could not believe were theirs to keep.

Over the last 150 years, we have always been there for those, who like Esther and her children, need support, an advocate, and a 'family'. As you will see from this Report, our dedicated teams work tirelessly so we can continue to give thousands of disadvantaged children a better today and more hopeful tomorrow. And so as we mark our 150th anniversary this year, we know that our work has

never been so important and so needed. But we are also realistic about the challenges we face in reaching and helping families in need. That is why we have undertaken significant work to strengthen how we support and deliver our services and measure the difference we make. It is why we have undertaken a major rebrand that helps us explain who we are and what we do. We have already found that our brand is helping us open doors to new work, partnerships and support. All our work is designed to renew Spurgeons as one body, united as staff, volunteers and supporters in living out our values through the support we bring vulnerable and marginalised children.

I doubt that in 1867 our founder Charles Spurgeon could have imagined the breadth and impact of our work in 2017 with families like Esther's. Yet I do believe that he would be pleased to see the incredible charity we have become. Guided by the same faith, mission and values that inspired our forerunners so many years ago, our charity today is vibrant and strong; and continues to give children across England a better present and more hopeful future.

Ross Hendry
Chief Executive

Strategic Report

Activities

Who we are and what we do?

We are a Christian children's charity. Our work is inspired and motivated by the Christian faith and our ethos is core to who we are. **At the heart of this is our mission to improve the lives of families and children who are struggling to cope.**

Through the delivery of support and intervention services and by speaking up on behalf of those who need us most, we give vulnerable and disadvantaged children and families the chance they need for a better present and more hope-filled future. At any one time, we are reaching out to over 37,000 children and young people and working in partnership with local communities across the country.

.....

Spurgeons is committed to working with children, young people and families who:

1. are disadvantaged or struggling to cope with their difficulties;
2. carry emotional burdens and heavy responsibility; and
3. have been, or are, at significant risk of being harmed or exploited.

“You were there for me when I was sad.”

“Our Vision is to give every child the opportunity of a hope-filled life”

Achievements and performance – making a difference

With a history spanning 150 years, we are committed to giving hope to every child. We support the most vulnerable in what can often be difficult and traumatic times in their lives. In the last year alone, we have taken action 712 times to protect over 1,300 children and young people (including siblings) from neglect, harm or abuse. We were also awarded a number of key grants that will see us deliver life changing work for young people who have been sexually exploited; those who are self-harming and girls who are trying to escape gangs.

In November 2016, our Play Therapy Bus and Invisible Walls service were both shortlisted for Children and Young People Now Awards. Our Invisible Walls service at HMP Winchester went on to win the Family Support Award and the team was highly commended for their partnership working.

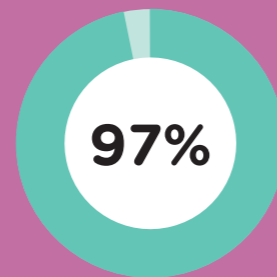
We also rolled out a new model of delivery in Wiltshire, working in partnership with the council to improve child and family health and life chances through good early child development, raising parenting aspirations and improving parenting skills.

“The Spurgeons team do amazing work to support our men to be the best dad/family member they can. They work tirelessly to reduce the impact imprisonment has on children’s lives. We’re grateful for their energy, dedication, commitment and insight in helping the men at Winchester to change their lives.”

Stephanie Roberts-Bibby,
Governor at HMP Winchester



Over 96% said we made a difference in their lives ('Good' or better)



97% of those we supported rated the way we treated them as 'Good' or 'better'

Other Highlights of 2016/17

Fundraising

We are extremely grateful to our supporters, who continue to support our work through generous donations as well as giving their time to assist our fundraising activities. This generosity makes an incredible difference to so many young lives every year. While it has been a challenging year for Fundraising across the sector we have received £204,833 in donations from individual donors with a further £32,463 in Legacies. Restricted income from Grants income was £402,176. We aim to work harder to reach our goal of doing more for children, young people and families and 2017/18 will see the development of new areas of fundraising that will allow us to reach our goal.

Our work with churches

Thanks to initial one off funding from the Diocese of Peterborough, our Together for Families project was launched in 2016 to provide support to isolated families. Now, 12 months on, the programme has been successfully rolled out in East Northants, Peterborough and, through separate funding, Wiltshire. It puts dedicated staff within our children’s centres, who encourage and support local churches to work with children, young people and their families in their community.

With a dedicated team in place, the project also links parents with more specialist support to help them with physical or mental health issues, debt and financial hardship or employment problems.

Our volunteers

Our volunteers are important to us and in 2016 we set up the Volunteer Working Group, to ensure we consistently review and improve our offering to them. They are offered training and development opportunities, with 10 taking up paid posts with us in the last six months.

In the last year, over 227 people gave their time freely to help us deliver support to vulnerable children and families; and carry out our mission to improve the lives of children and families struggling to cope. Volunteers undertake a number of invaluable roles in our services across the country, including family support and play work in prison projects and early years and family support in our children centres.

Other Highlights of 2016/17

Raising our profile

As we approached our 150th year, our Board of Trustees and senior team affirmed our commitment to ensuring the charity honours the legacy of our founder, Charles Spurgeon, through the implementation of our current strategy. It was this, and our desire to continue supporting those who need us for many years to come, that motivated us to renew our identity. In line with feedback from key stakeholders, we set out to create a brand that would help us stand out in an increasingly competitive sector whilst retaining a strong link to our heritage and Christian values. This, along with an increased focus on brand awareness, has seen a marked increase in our profile and awareness in the last year.

Our profile and influence grew during 2016/17 as we reached over **739,000** people on our social media platforms.

Moving forward, we will be looking to further develop our digital platforms and build on this work to ensure we can be a voice for the children and families we are here to support.



OVER 154,000 VISITS
TO OUR WEBSITE



2,405 PEOPLE FOLLOW
US ON TWITTER



2,030 PEOPLE FOLLOW
US ON FACEBOOK



WE RECEIVED OVER 270
MENTIONS IN THE MEDIA

Our work through real life stories

Living in fear of domestic abuse

At 11-years-old Natalie witnessed her father go to prison for domestic violence, she grew up in fear.

Diagnosed with anxiety at 16 she was afraid to leave her mother's side or even leave the house. When she met her boyfriend at 19, everything seemed perfect until she fell pregnant with her first child. The violence she thought she had left behind began again.

Her boyfriend began to hit her, pull her down and manipulate her. He slashed the tyres on the car so she couldn't leave the house. It wasn't until he beat her violently, cracking her spine in front of her children, six-year-old David and four-year-old Daisy that she realised something needed to change. Natalie found the courage to walk away from her abusive relationship and was able to begin rebuilding her life with our help.

"You get used to the violence," explained Natalie. "You don't seek a violent partner but you are half broken, vulnerable and the perpetrator picks that up. They think they can fix you and then they make you completely broken. I thought it was normal all my life."

After getting medical help for her injuries Natalie was referred to a social worker and to one of our Children's Centres. Our family support workers listened to Natalie and began to help her navigate a way forward through the trauma she had experienced.

"I was able to explain my whole situation to the Family Support Worker which wasn't just about domestic abuse. I had given up on doing housework and wasn't emotionally available to my children," confided Natalie.

"Before having a Family Support Worker, I felt like giving up on everything, including life, but afterwards I felt like living again. I felt more confident as a parent and I have gone from having no routines or boundaries in place for my children, to having a routine again."

"If it wasn't for the support I received then I wouldn't be where I am today, I became a mother and me again. The difference the Children's Centre has made is that it has had a positive impact on every aspect of mine and my children's lives."

“ Before having a Family Support Worker, I felt like giving up on everything, including life, but afterwards I felt like living again. ”

Our work through real life stories

“ We identified over 1800 young carers across England. ”

Reaching out to young carers

Archie (11) is an only child and has looked after his single mum Su since he was five. Su suffers from Fibromyalgia, a condition that causes chronic pain all over the body. She also has hearing problems, wears bilateral hearing aids and has poor eyesight.

When he's not at school, Archie helps out with household chores, such as washing the pots, shopping, putting out the washing, stripping and making the bed. He also makes his mum's snacks and drinks before going to school and helps her get in and out of the bath and on and off the toilet.

Archie said: "It depends on the day, but I do chores that other children wouldn't help with. I feel more mature than children who are not young carers, who don't do housework or chores. It also means I don't get to play outside much and can't go round and play with my friends very often, because I worry about mum. It can be quite tough sometimes."

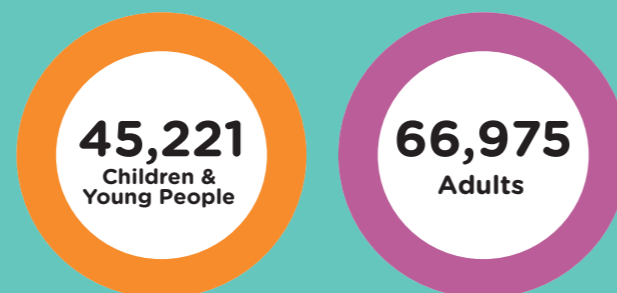
School can be a stressful environment for Archie as he worries about his mum when he's not with her and has been bullied. Archie said: "I was also bullied at school because I was different from other people who didn't understand about being a young carer - they would laugh at me sometimes. But my support workers from Spurgeons look after me and don't laugh at me like the kids at school."

We currently work with over 1,588 young carers across England, enabling them to overcome the challenges they face.

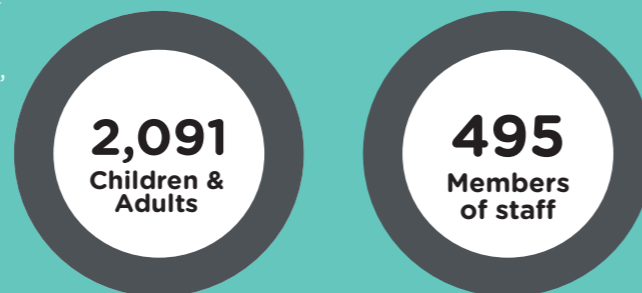
For Archie, we provide valuable respite and day to day support.

Through his Spurgeons' support worker, Archie is able to access time out through trips and activities; one to one support; help with school work and mentoring. This gives him vital time out from his caring responsibilities so he can concentrate on being young and carefree.

Our work in numbers



CAME INTO CONTACT WITH US OVER THE 12 MONTHS TO 31 MARCH 2017



RECEIVED A PERSONALISED CASEWORK SERVICE

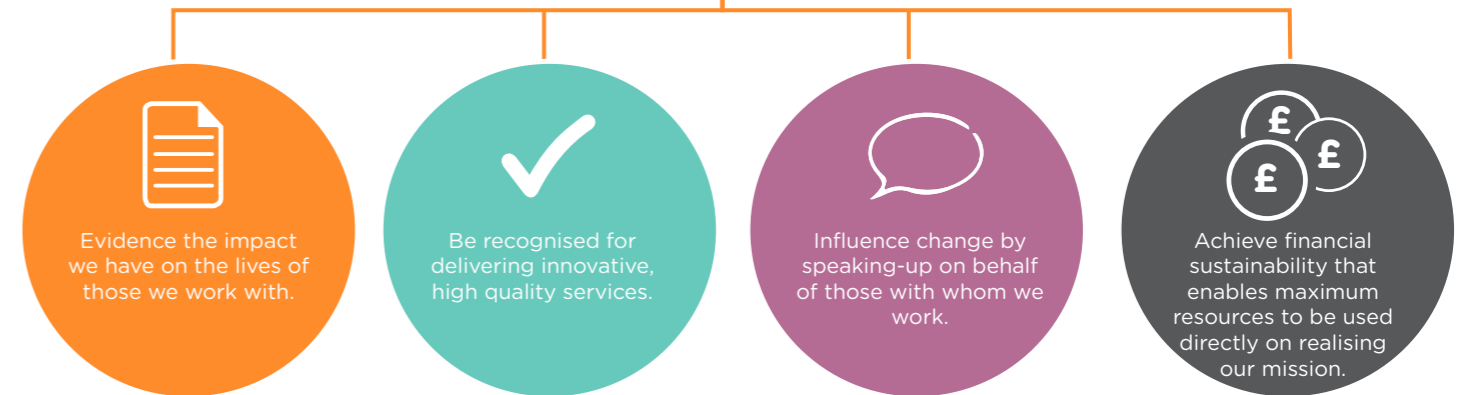
EMPLOYED ON AVERAGE



WERE DELIVERED BY US UP TO 31 MARCH 2017

What we Said we would Do

Our five year strategic goals: what we said we would do in 2016/17



A Implementing a single Framework outlining the theories of change for service delivery against which delivery outcomes are then reported against consistent and robust outcome measurement tools.

B Delivering a new platform for providing a reliable and secure document management/ case recording system.

C Launching a Research and Development Function with the aim of identifying and understanding what works, new ways of working or service responses.

D Improving the system of recruiting, supporting, retaining and valuing our volunteers.

E Raising our profile in order to be more effective at speaking up and speaking out on behalf of children and young people.

F Partnering with the Christian community and churches will be placed central to how we work and deliver services.

G Meeting our income target for tendering income that provides long term financial stability alongside other sources of income and realise an organisational turnover of at least £13 million.

H Being bolder and more creative in the ways we raise funding and particularly funding for specific projects from sources beyond the statutory sector.

How did we do?

A We developed our own Outcomes and Impact Framework based on a New Philanthropy Capital model. This Framework has been shared with all our practice supervisors and managers and will be used in 2017/18 to measure our work and communicate the difference we make.

B By the end of the year, we started to pilot a new electronic case recording system across our services. This will be available to all our services in 2017 and help us provide accurate, secure and timely information about our work.

C After trialing the effectiveness of a dedicated R&D team we decided that innovation and development of new services would be best approached as being integral to all of our projects, with staff better enabled to share good practice and new ideas.

D We launched a new volunteer toolkit to help streamline recruitment of volunteers.

E We raised the profile of our work and service users with greater coverage across different Christian, children's social care sector and mainstream media and key audiences. A significant achievement is the major rebrand exercise we undertook that now gives us the platform to better express who we are, what we do and what we seek to achieve.

F We launched a new way of working with local churches under our Together for Families project. Furthermore, we have a number of links with other churches and faith based organisations that benefit the communities in which we work. We are now looking at how we can extend this into other areas, alongside renewed partnerships with Christian groups and denominations including Baptists Together.

G We outperformed our income targets, raising £11.4 million from commissioned services and achieving a total income of £13.2 million. That meant we were able to release a surplus for the third year in a row, and lay down a solid foundation for investment in services in the years ahead.

H Through our fundraising, we are commencing at least three new projects that will help young people who have been sexually exploited, are self harming and girls trying to leave gangs. We also started fundraising with corporate and community supporters to increase our voluntary income. This includes donated goods; corporate volunteering and the donation of free or reduced professional services.

Our ambitions for 2017/18

In changing and often uncertain times, we believe our mission to give vulnerable children and young people a better present and more hopeful future has never been more crucial. We diligently and passionately continue to live out faith-centred values through our strategic goals and clear objectives for new work over the next year.

Therefore, we will:

1. Evidence the impact we have on the lives of those we work with by implementing and embedding the Spurgeons' Outcomes and Impact Framework across all of our services and work. This reflects our commitment to demonstrate the difference we make to children and families.

2. Be recognised for delivering innovative, high quality services by implementing our 'Contract Plus' model across each area where we have a significant service footprint. That means we will go above and beyond simply delivering a contract or basic service and look for ways to develop, fund and sustain work that gives the vulnerable children and young people we support a better present and more hopeful future.

3. Influence change by speaking-up on behalf of those with whom we work and use the 150 years experience and expertise of supporting children to raise the profile of children and young people we work with by highlighting these families' concerns, challenges and aspirations.

4. Achieve financial sustainability that enables maximum resources to be used directly on realising our mission. To do this requires us to implement a change programme that both renews some of our central systems and processes and refreshes how we organise our central support groups of staff so that we are better able to efficiently meet the needs of children and families.

This work goes above and beyond maintaining the high standards we set ourselves in supporting and helping thousands of children and young people every year.

Governance and Management

Governance

The main Board meets quarterly, with sub-committees delegated to oversee specific aspects of our work and to ensure effective governance. The sub-committee structure is as follows:

- External Communications and Fundraising - to maximise communication and fundraising opportunities.
- Finance - to oversee all financial aspects including investment policy, people management matters, income generation and strategy and performance.
- Remuneration - to review the performance and remuneration package of the Chief Executive, the Deputy Chief Executive and the Chief Operating Officer.
- Standards & Outcomes - to undertake a due diligence role to scrutinise, challenge and support our work with children and young people.
- Strategy - to undertake assessing, reviewing and advising the CEO on strategic options that he/she will present to the Board.

In addition, Safeguarding, Health & Safety and Human Resources Panels provide key forums for monitoring certain elements of our performance. There is Trustee oversight on these Panels, through the committee structures and minute monitoring ensures that they remain subject to the Board's agenda.

The engagement of Trustees in visiting projects, meeting with staff and taking part in participation forums is key to ensuring the needs of our beneficiaries are directly linked in to our governance at all times.

Trustees may be proposed by any person and their appointment to the Board is decided by the ascent of the existing Board, with appointment confirmed by members at the following AGM for a period of three years. After which they are eligible for re-election. Previously the Chair has been elected from within the Board triennially for two terms. We are currently in the process of selecting a new chair through an external recruitment process, with the aim of the successful person taking up the position during 2017/18. New Trustees receive an induction programme and are assigned a mentor from among the existing Trustees to work alongside them during their induction period. Details of the names of the Trustees at the date of this report, and changes in the year are set out on page 2.

Governance and Management

Management

The Trustees delegate the management, development of strategy and overall leadership of the Charity to the Chief Executive, who leads an executive team that includes the Deputy Chief Executive and the Chief Operating Officer. The Chief Executive is also the Company Secretary.

A Corporate Leadership Team (CLT) has been established in order to share decision-making about the organisation's direction and management with a wider group of people and to ensure that decisions are made quickly and as close to the frontline as possible. It is formed of a group of senior managers who, together with the executive team, play a key role in shaping and leading the charity's strategy and future development.

Christian engagement

Our Christian engagement is managed directly by the Chief Executive, linking our services with churches and faith based organisations as well as supporting churches to develop their work with children and young people. This work is integral to our ethos as a charity founded on its Christian values. As part of this, we seek to encourage partnership working across the wide range of Christian denominations and within the local communities we deliver services. We also provide a number of bespoke resources to further engage them to support vulnerable children and families.

Equal Opportunities

One of our core values is to be inclusive. This means we recognise each person as a unique individual, treating them with respect and celebrating diversity. We express this through our equality and diversity policy. This policy clearly states that we will provide equal opportunities to all job applicants and employees regardless of race, nationality, ethnic origin, marital status, religion or belief, gender, disability, sexual orientation, age or employment status.

Full details of our equal opportunities policy can be found on our website: www.spurgeons.org

We are proud that in our last staff survey (November 2015) 90% of respondents said they were inclusive and that they agreed with the statement 'By valuing employment, embracing of differences in cultural and ethnic backgrounds and lifestyles, this gives us great confidence - but not complacency - that we are successfully striving to live out our core values.'

Governance and Management

Communicating with Employees

Effective internal communication is essential to delivering excellent services and expressing how we value one another's contribution to providing children and young people with a better present and more hopeful future. We seek to provide regular and clear communication to all our colleagues, providing opportunities for staff to meet one another and express their views to managers and leadership.

In addition to our regularly updated Intranet, we send every member of staff a monthly Essential Briefing outlining the key developments and news from across the charity, and managers also receive a supplementary quarterly briefing with content specifically designed for them. Our Chief Executive and executive team undertake regular visits to all services and proactively encourage a culture where all staff can discuss their work and share their expertise with their colleagues at all levels within the charity. We also have an annual staff day that allows colleagues to get together and share best practice, as well as to network with each other and keep up-to-date with charity wide developments.

Remuneration of key management personnel

Spurgeons operates a clear and transparent Senior Executive Pay policy that is approved annually by the Board of Trustees and implemented by a Remuneration Committee that meets at least twice a year.

In determining pay for all staff, Spurgeons will fully implement the recommendations and principles of NCVO guidance and adhere to the five principles of ACEVO guidance on good pay:-

- **Transparency** – being open about how pay is set
- **Proportionality** – being fair and consistent
- **Performance** – ensuring pay works both for the organisation and those for whom we provide services
- **Recruitment and Retention** – to attract and retain talented and committed staff
- **Process** – ensuring a clear process underpinned by appropriate policies and procedures

Staff are paid in line with NJC pay structures and pay awards to these staff are guided by the NJC advice with proposals for cost of living increases being brought to the Board following discussion and recommendations from the Finance Committee. We pay all our staff at least the hourly rate defined by the Foundation for a Living Wage.

A full copy of our remuneration policy can be found on our website: www.spurgeons.org

Governance and Management

Investment management

Our powers of investment are governed by the provisions of the Trustee Act 2000. We operate an ethical investment policy which specifically excludes investments in companies where there is evidence of child exploitation or pornography, or where there is a substantial dealing in tobacco, gambling, alcoholic drinks, military hardware or pay-day lending. So far as is practical our Trustees seek to protect the income derived from the investment asset base because it helps fund an essential part of our charitable activity. Our non-property investments are held in Common Investment Funds under the management of Epworth Investment Management Limited. Epworth Investment Management has a social, environmental and ethical investment policy that is consistent with the aims and objectives of the Charity.

The funds have been set up so as to retain an approximate 75:25 split between equities and fixed interest securities and corporate bonds as set out in the Charity's investment policy. The investments are reviewed quarterly by the Finance Committee. As permitted by the Charity's Memorandum and Articles of Association, our Trustees have given the investment managers discretion to manage the investment portfolio within an agreed risk profile.

A review of the terms and conditions of their appointment is made every three years. The investment managers' performance is monitored against a set of benchmark total returns for the different classes of investment. The investment managers' target is to out-perform the benchmark index for total return by at least the amount of their fees.

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. A full professional valuation of the investment property portfolio was commissioned from our property managers as at 31 March 2014. The Trustees have increased the valuation of the total property portfolio this year by indexation at by a sum of £14,000. The charity's non-property investments generated an unrealised gain of £797,000 on year-end valuation, due to strong market performance. At 31 March 2017 the total increase in unrealised valuation of investments (Note 9) included in these accounts is a sum of £811,000 (2016: £782,000).

With the increase in value of our property portfolio and other investments, 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. Clearly current political uncertainty leading into Brexit negotiations may impact the planning going forward. As a result of a strong cash flow and budget position there have been no property disposals or plans made for future disposals during the year.

Governance and Management

Reserves Policy

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

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, totalling £2,684,000. During the year ended 31 March 2017, £nil (2016: £55,000) of this fund had been utilised to improve the environment of the Charity's current central office in Rushden, Northamptonshire. At the year-end 31 March 2017 the value of the Central Office Development Fund was £2,614,000. We are currently reviewing our property and likely future requirements and it is expected that in the next five years this fund will be utilised to provide the appropriate infrastructure for the long-term purposes of the Charity.

At March 2016, a new designated Property Investment Fund was established to utilise the sums invested in property for the provision of income for charitable purposes with a sum transferred in of £4,264,000. As at 31

March 2017 the value of the Property Investment Fund was £4,046,000.

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 has been set up to reflect this.

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

- Loss of unrestricted income as a result of the closure of major pieces of work or failure to retain commissioned work on re-tender
- Failure to achieve necessary fundraising targets, including a drop in legacy income
- Fluctuations in investment income, especially with the uncertainties around Brexit negotiations
- Working capital for payments made in arrears
- Future significant project deficits
- Cash flow requirement necessary to fund the ongoing, planned operating deficits over the next three years

Governance and Management

- An event having a major negative reputational effect on the Charity

Without a sufficient level of free reserves to cover the financial impact of factors that may be largely outside our control, our ability to safeguard the current level of charitable work would be rapidly undermined and could ultimately lead to a withdrawal of services. As a service-based charity with long term commitments to children and young people, an appropriate level of freely available reserves is a vital requirement for stability by smoothing out ebbs and flows in fundraising and other income. The use of unrestricted reserves over the past few years, and our financial projections for the immediate future, demonstrate our commitment to continuing our work with disadvantaged children. Our intention is not to accumulate funds unnecessarily, but to use them in a prudent and efficient manner to enhance the future lives of the many children and families with whom we work.

Based on the above assessment, the Trustees have estimated that the level of free reserves required to mitigate against the identifiable risks is approximately £1.2 million at 31 March 2017. A number of contracts came to an end at 31 March 2017 although a significant portion of their value will be

replaced by confirmed contract wins.

The Trustees are also aware that, as a result of the challenging and uncertain economy, public expenditure cuts and the investment in the infrastructure of the Charity, unrestricted deficits in the region of £1.7 million may be incurred over the next three years.

The level of free reserves is represented by the General Fund, which at year-end totalled £3,433,000 (2016: £4,089,000) a decrease of £656,000 (2016: £4,000 increase) from the previous year representing approximately 15 weeks (2016: 15 weeks) of planned operating expenditure. Given the above factors the Trustees therefore anticipate that the current level of free reserves will be sufficient to cover the identifiable risks and possible future deficits.

Financial review for the year 2016/17

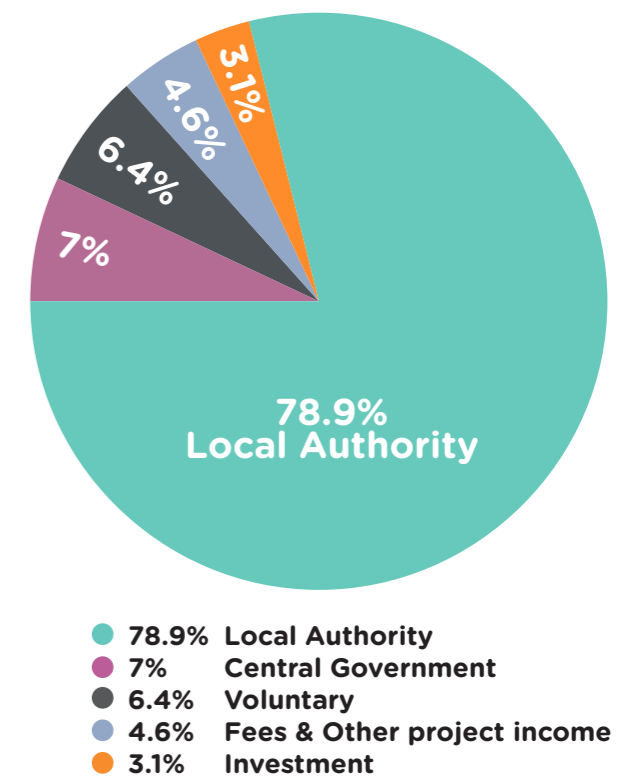
The statement of financial activities on page 22 shows that this has been the third year of financial stability for Spurgeons with the Charity maintaining its long-term financial target; delivering virtual break-even before gains on investments of £9,000 (2016: £298,000). The net operating surplus of £9,000 comprises of an unrestricted surplus of £88,000 (2016: £361,000) and an operating deficit on restricted funds of £79,000 (2016: £63,000 deficit). Despite the third year fall in total income by 12.9% to £13,209,000 (2016: £15,163,000), the reduction in total expenditure has again been carefully managed at £13,200,000 (2016: £14,865,000), to achieve another outstanding operating result in the face of adverse economic conditions.

In addition to this favourable operating performance the net assets of the Charity have for the fourth year in a row been considerably enhanced by gains in investments, albeit unrealised. During the year the asset value of the Epworth investment portfolio increased by £797,000. In addition, the improving property market conditions resulted in unrealised gains on property assets of £14,000. In total this resulted in unrealised gains for the year of £811,000 (2016: £782,000).

The net outcome for the year resulted in an increase of unrestricted funds of £626,000 (2016: £854,000), an increase in restricted funds of £194,000 (2016: £226,000) and total funds increasing by £820,000 (2016: £1,080,000). The total net assets at year-end are £16,714,000 providing a strong financial base which has been developed in recent years from growth in retained asset values as exemplified below.

Total Income £13,209,000

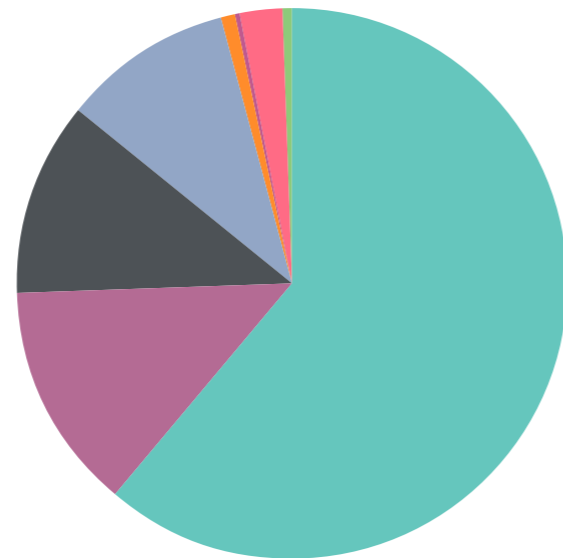
As in the previous year, the majority, 78.9% of our income, £10,419,000 (2016: £12,288,000) came from the statutory sector, mainly from local authorities, particularly in support of the number of early help/children's centre services we manage. We also received 7% of our income £930,000 (2016: £980,000) from central government departments through our contract with the National Offender Management Service (NOMS) to run the Prison Visitor services in the London prisons. Virtually all external funding was given for specific services and is therefore restricted solely to that purpose and not transferable from one service to another.



Financial review for the year 2016/17

Total Expenditure £13,200,000

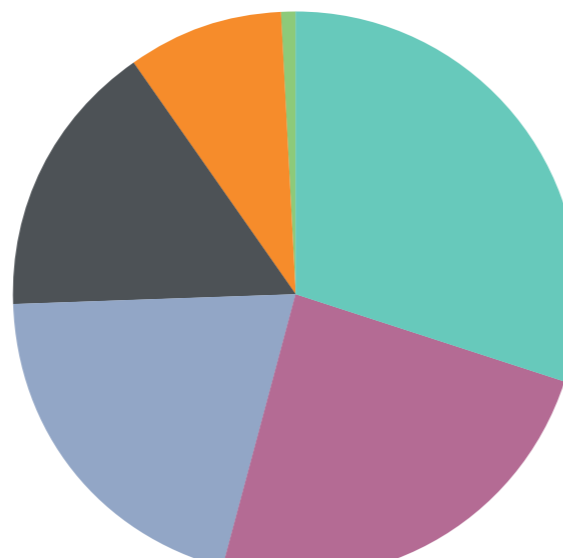
Over 97% of our expenditure was incurred in direct support of our work with children, young people and families. Our children's centres work increased slightly this year with this aspect of our work accounting for 69.6% at £9,189,000 (2016: £9,112,000) of total spend, our family support work decreased to 4.9% of the total at £648,000 (2016: £1,668,000), with children and young people affected by imprisonment accounting for 13.1% of the total at £1,724,000 (2016: £1,993,000) and youth, community and young carers work accounted for 8.9% of the total at £1,177,000 (2016: £1,497,000). Employment costs remained by far the highest single item of expenditure at over 71%, but overall fell by 7.4% to £9,418,000 (2016: £10,171,000), the majority of this is in direct services support personnel.



- 61.3% Children's Centres
- 13.4% Children & Young people affected by imprisonment
- 10.1% Youth, Community & Young Carers
- 11.2% Family Support
- 2.5% Fundraising, Marketing & promotion
- 0.7% Contact Services
- 0.5% Other Projects
- 0.3% Investment

Total Funds £16,714,000

At the year-end the total funds of the Charity increased by £820,000, the equivalent of 5.2% to £16,714,000 (2016: £15,894,000). This very beneficial result was not envisaged at the start of the year with a deficit budget projected. Of our total funds, £5,015,000 (2016: £4,817,000) were restricted funds which can only be spent on the specific purpose for which the funds have 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 £106,000 (2015: £110,000). The designated funds of £8,160,000 (2016: £6,878,000) are those set aside by



- 30% Restricted Funds
- 24.2% Property Investment
- 20.5% Designated Funds
- 15.7% General Funds
- 9.0% Central Office Designated Fund
- 0.6% Service Development Funds
- 0.6% Permanently Endowed Funds

Financial review for the year 2016/17

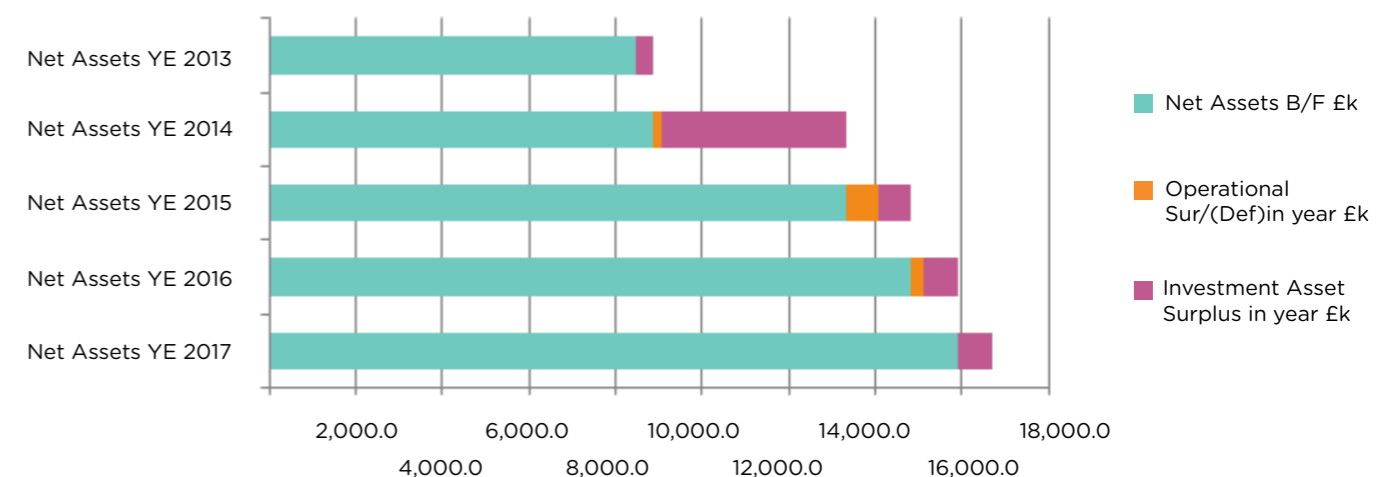
the Trustees for a particular purpose and comprise particular purpose and comprise the Property Investment Fund £4,046,000 (2016: £4,264,000), the Central Office Development Fund £2,614,000 (2016: £2,614,000) and the new Service Development Fund £1,500,000 (2016: £nil). General Funds decreased by £656,000 to £3,433,000 (2016: £4,089,000). The balance sheet and the liquid funds position of the Charity at year-end remains strong, as a result the accounts have been prepared on a going-concern basis.

by ensuring costs are tightly managed and growth in the value of our assets.

However it is expected that the charity will fall back into deficit next year. This is due to a reduction in income as a result of a number of contracts coming to an end at 31 March 2017, that will in part be counterbalanced by new contract wins already secured that will be mobilised in the autumn of 2017. We will also be reviewing and reducing our central costs in order to bring us back to a sustainable break even position as soon as possible. Our asset base remains strong, and in future years we plan to review how these assets are deployed to enable the strategic objectives to be met.

Annual Net Assets

The value of net assets in future years is projected to reduce in the light of budgeted deficits. Nevertheless, we are continually looking to improve our infrastructure in order to build for the future and maintain and develop the quality of services we deliver to children and young people. Spurgeons has generated another small unrestricted surplus this year due in part to new contracts offsetting any losses as well as



Managing Risk

Managing risk is a way of being ready for events that have the potential to disrupt our charitable work and mission. Spurgeons has an Organisational Risk Register that identifies the key organisational risks we face. It is kept up-to-date by our senior managers and is co-owned by our Board of Trustees and the chief executive. 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.

As well as reviewing risks at each meeting the Board undertakes an annual in-depth review of the Risk Register to make sure we are as prepared as we can be for what lies ahead. **Our Board believe the key challenges for 2017-18 will be:**

1. Responding positively to a changing commissioning environment and marketplace where charities and the commercial sector are competing over less public funding.
2. Ensuring the resources (from commissioning and fundraising) and our infrastructure are robust enough to service the current and future needs of the Charity.
3. Maintaining the security, safety and professional standards across all of our work so that we continue to realise the highest standards of services and have a positive impact on the lives of vulnerable children.

The Trustees and executive team are confident that Spurgeons is in a strong position to tackle and mitigate the impact of these risks through the steps already taken and actions planned for the year ahead. These include:

1. Reviewing and implementing a clear and distinctive strategy that combines our strong ethos and values with plans to invest in services, staff and new strands of income generation that diversifies our work and secures sustainable future income streams.
2. Undertaking a change programme to ensure that our infrastructure, systems and staffing structures are efficient and effective in supporting services that make a real difference in the lives of children and young people.
3. Maintaining good governance arrangements, robust controls, and strong reporting mechanisms that seek to identify potential areas of weakness that can be addressed at the earliest practical time.

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 (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the income 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.

Statement of Trustees' Responsibilities

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 at the Annual General Meeting.

The Trustees Report has been signed on behalf of the Board of Trustees on 18 July 2017 by

Stuart Cornwell
Chair of Spurgeons' Trustees Board

Independent Auditor's Report to the Members of Spurgeons

We have audited the financial statements of Spurgeons for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report to the Members of Spurgeons

Opinion 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' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with those financial statements and has been prepared in accordance with applicable legal requirements.

In the light of our 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' Report, including the Strategic

Report.

Matters on which we are required to report by exception

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

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

Adam Halsey (Senior Statutory Auditor) for and on behalf of haysmacintyre, Statutory Auditor

26 Red Lion Square
London
WC1R 4AG

Spurgeons Statement of Financial Activities for the year ended 31 March 2017

	2017			2016			
	Notes	Unrestricted Funds £000's	2017 Restricted Funds £000's	Total Funds £000's	Unrestricted Funds £000's	2016 Restricted Funds £000's	Total Funds £000's
Income from:							
Donations and legacies:							
Donations		269	545	814	286	403	689
Legacies		32	-	32	56	-	56
Investments:							
Rental Income		124	111	235	125	110	235
Interest		6	7	13	8	9	17
Dividends		163	-	163	149	-	149
Charitable Activities							
Income received towards the support of children, young people & families	3	2,923	9,029	11,952	3,329	10,688	14,017
Total Income		3,517	9,692	13,209	3,953	11,210	15,163
Expenditure on:							
Raising funds:							
Fundraising, marketing and promotion		219	75	294	270	99	369
Investment property costs		32	8	40	43	7	50
Charitable activities:							
Support of children, young people & families	4	3,178	9,688	12,866	3,279	11,167	14,446
Total Expenditure	5	3,429	9,771	13,200	3,592	11,273	14,865
Net income/ (expenditure) before net gains on investments		88	(79)	9	361	(63)	298
Net gains on investments							
Unrealised gains	9	807	4	811	601	181	782
Net income (expenditure)		895	(75)	820	962	118	1,080
Transfers between funds	12	(269)	269	-	(108)	108	-
Net Movements in Funds		626	194	820	854	226	1,080
Total funds brought forward at 1st April		10,967	4,927	15,894	10,113	4,701	14,814
Total funds carried forward at 31st March		11,593	5,121	16,714	10,967	4,927	15,894

Spurgeons Statement of Financial Activities for the year ended 31 March 2017

The net 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 expenditure of £4,000 (2016: £4,000).

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 29 to 51 form part of these financial statements.

Spurgeons Balance Sheet as 31 March 2017

	Notes	2017 £000's	2016 £000's
Fixed Assets			
Tangible fixed assets	7	131	149
Intangible fixed assets	8	69	-
Investments:	9	15,157	14,408
Total Fixed Assets		15,357	14,557
Current Assets			
Stock		7	8
Debtors	10	788	719
Cash at bank and in hand		1,570	2,039
Total current assets		2,365	2,766
Liabilities			
Creditors: Amounts falling due within one year	11	(1,008)	(1,429)
Net Current Assets		1,357	1,337
Net Assets		16,714	15,894
Represented by The funds of the Charity			
Endowment funds	12(a)	106	110
Restricted funds			
- D.J. Thomas fund *	12(a)	4,110	4,050
- UK projects fund	12(a)	905	767
Total restricted funds		5,015	4,817
Unrestricted funds:			
- Designated funds **	12(a)	8,160	6,878
- General funds ***	12(a)	3,433	4,089
Total unrestricted funds		11,593	10,967
Total Funds		16,714	15,894

* The D.J. Thomas fund includes a revaluation reserve of £2,433,000 (2016: £2,429,000)

** Designated funds include a revaluation reserve of £3,862,000 (2016: £3,895,000)

*** General funds include a revaluation reserve of £603,000 (2016: £560,000).

Approved by the board of trustees and authorised for issue 18 July 2017 and signed on its behalf:

Carol Russell

Stuart Cornwell

Spurgeons Statement Of Cash Flows for the Year Ended 31 March 2017

		2017 £000's	2016 £000's
Cash Flow from operating activities			
Net cash (used in)/provided by operating activities	(Note A)	(848)	670
Cash flows from investing activities:			
Rental income		235	235
Interest and dividends		176	166
Purchase of capital equipment		(69)	(43)
Additions to UK common investment funds		-	(1,000)
Cash reclassified as fixed asset investments		37	(1,666)
Net cash provided by/(used in) investing activities		379	(2,308)
Change in cash and cash equivalents in the year		(469)	(1,638)
Cash and cash equivalents at beginning of year		2,039	3,677
Cash and cash equivalents at the end of the year	(Note B)	1,570	2,039
RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		2017 £000's	2016 £000's
Net income before net gains on investments		9	298
Adjustments for:			
Depreciation charges		18	11
Dividends, interest & rents from investments		(411)	(401)
Decrease in stocks		1	-
(Increase)/decrease in debtors		(69)	811
(Decrease) in creditors		(421)	(71)
Decrease in Pension Bonds		25	22
Net cash (used in)/ provided by operating activities		(848)	670
ANALYSIS OF CASH AND CASH EQUIVALENTS		2017 £000's	2016 £000's
Cash at bank and in hand		518	811
Notice deposits (less than 3 months)		1,052	1,228
		1,570	2,039

The Notes on pages 22 to 36 form part of these financial statements

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2017

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 2015), 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.

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 as both income and expenditure.

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2017

e) Expenditure

Expenditure is accounted for on an accruals basis. Irrecoverable VAT is included within the expense items to which it relates and principal activities in supporting children, young people and families.

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

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.

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 - 33.3% 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 allocate value evenly over their useful economic lives being five 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.

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2017

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. Any losses arising from impairment are recognised in the Statement of Financial Activities.

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

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2017

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 £225,000 (2016: £250,000).

• 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 2017

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:

Investment property

The Charity measures its investment properties at fair value in accordance with FRS 102. The fair value of these properties is estimated on the basis of application of indices considered appropriate to the location and type of properties to previous professional valuations last carried out as at 31 March 2014. The Trustees consider the values stated to be an appropriate estimate of fair value for reporting purposes.

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 £81,000 (2016: £208,000).

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2017

3. Analysis Of Amounts Received Towards The Support Of Children, Young People And Families				
	Unrestricted Funds £000's	Restricted Funds £000's	2017 Totals £000's	2016 Totals £000's
Fees and other project income	487	111	598	724
Churches and other partners	1	4	5	25
Statutory Sector				
Local Authorities	2,233	8,186	10,419	12,288
NOMS	202	728	930	980
Totals	2,923	9,029	11,952	14,017

4. Analysis Of Expenditure On The Support Of Children, Young People And Families				
Type of Project	Unrestricted Funds £000's	Restricted Funds £000's	2017 Totals £000's	2016 Totals £000's
Children's Centres	2,015	7,174	9,189	9,112
Children & Young People Affected by imprisonment	742	982	1,724	1,993
Family Support	158	490	648	1,668
Youth, Community and Young Carers	245	932	1,177	1,497
Contact Services	15	101	116	106
Independent Visitors and Mentoring	3	9	12	28
International Projects	-	-	-	42
Total	3,178	9,688	12,866	14,446

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2017

5. Total Expenditure					
	Staff Costs (Note 6) £000's	Depreciation £000's	Other costs £000's	2017 Totals £000's	2016 Total £000's
Expenditure on raising funds					
- Fundraising, marketing and promotion	178	-	116	294	369
- Investment property costs Charitable expenditure	-	-	40	40	50
- Project costs	9,240	18	3,608	12,866	14,446
	9,418	18	3,764	13,200	14,865

Net Movement in Funds			2017 Totals £000's	2016 Total £000's
The net movement in funds is stated after charging:				
Depreciation			18	11
Operating lease rentals - buildings			180	168
Operating lease rentals - other			44	62
Auditor's remuneration (including VAT) - Audit			13	14

Support Costs			2017 Totals £000's	2016 Total £000's
Operational management			689	992
Business Development			409	371
Finance, IT and Corporate Services			733	583
Human Resources and People Development			327	337
Governance			75	51
Other central support and administration			541	499
			2,774	2,833

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2017

Organisational support costs are charged as far as possible to projects in a consistent manner. Costs are apportioned on the basis of the unit cost of each support activity and the estimated number of units used by each individual project or service based on the number of employees or FTE's within that project or service.

Both recovered and unrecovered support costs are included entirely within the analysis of amounts expended in the support of children, young people and families detailed in Note 4 above.

Governance Costs		
	2017 Totals £000's	2016 Total £000's
Audit	13	14
Trustees expenses	15	13
Other costs	41	18
Professional indemnity insurance	6	6
	75	51
Staff Costs		
	2017 Totals £000's	2016 Total £000's
Wage and salaries	8,449	9,103
Social security costs	659	685
Pension costs	310	383
	9,418	10,171

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2017

Employee emoluments over £60,000		
Employees continuing in service:	2017 Number	2016 Number
£70,001 to £80,000	0	3
£80,001 to £90,000	1	0
£90,001 to £100,000	1	1

Both of the above employees belonged to the charity's group personal pension plan throughout the financial year. Employer contributions, in accordance with Note 1 to the accounts, were £13,000 (2016: £29,000). The Executive team consists of three people; due to staff turnover the third person has not received emoluments in excess of £60,000 during 2017.

The key management personnel for the organisation have reduced from four to three during 2017. Their total emoluments in the year, including gross salary, employers pension contribution, employers NI contributions, and benefits in kind, were £300,500 (2016: £377,700).

The average number of employees (including casual workers) in the year was 495 (2016: 611). The average number of full time equivalent employees (including casual workers) was 343 (2016: 385).

Analysis of full time equivalent employees		
	2017 FTE	2016 FTE
Central departments and regional offices	56	62
Projects and services	287	323
Total	343	385

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2017

7. Tangible Fixed Assets				
	Motor Vehicles £000's	Computer Equipment Fixtures & Fittings £000's	Permanent Endowment Freehold Property £000's	Total £000's
Cost				
At 1 April 2016	15	258	185	458
Disposals	-	(76)	-	(76)
At 31 March 2017	15	182	185	382
Accumulated depreciation				
As at 1 April 2016	15	219	75	309
Charge for the year	-	14	4	18
Disposals	-	(76)	-	(76)
At 31 March 2017	15	157	79	251
Net Book Value				
At 31 March 2017	-	25	106	131
At 31 March 2016	-	39	110	149

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 2017

8. Intangible Fixed Assets	
	Motor Vehicles £000's
Cost	
At 1 April 2016	-
Additions	69
Disposals	-
At 31 March 2017	69
Accumulated depreciation	
As at 1 April 2016	-
Charge for the year	-
Disposals	-
At 31 March 2017	-
Net Book Value	
At 31 March 2017	69
At 31 March 2016	-

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2017

9. Investments		
	2017 £000's	2016 £000's
A. UK Common investment funds	6,220	5,423
Investment properties	7,286	7,272
Notice deposits (less than 3 months)	1,629	1,666
Total investments - Charity	15,135	14,361
Pension bonds	22	47
Total Investments	15,157	14,408
B. Movements in market value of investments		
Market value as at 1 April 2016	14,408	10,982
Acquisitions at cost: Common investment funds	-	1,000
Acquisitions at cost: Notice deposits	-	1,666
Disposal at cost: Pension bonds	(25)	(22)
Disposal at cost: Notice Deposits	(37)	-
Unrealised appreciation *	811	782
Market value as at 31 March 2016	15,157	14,408
Historical cost of Common Investment Funds	4,976	4,976
Historical cost of Investment Properties	388	388

* includes revaluation gain of £4,000 (2016: £181,000) on D J Thomas Fund investment property

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2017

10. DEBTORS: Amounts falling due within one year		
	2017 £000's	2016 £000's
Trade debtors	553	532
Prepayments and accrued income	230	180
Other debtors	5	7
	788	719

11. CREDITORS: Amounts falling due within one year		
	2017 £000's	2016 £000's
Trade creditors	211	347
Accruals and deferred income	447	560
Taxation and social security	166	172
Pension contributions	46	45
Other creditors	138	305
	1,008	1,429

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

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2017

12. Funds						
a) Movement in Funds for the Year Ended 31 March 2017	Balance at 1 April 2016 £000's	Income £000's	Expenditure £000's	Investment Gains £000's	Transfers £000's	Balance at 31 March 2017 £000's
RESTRICTED FUNDS						
(i) Foundation Trust Permanent Endowment*	110		(4)			106
(ii) UK Projects	767	9,573	(9,704)		269	905
(iii) D J Thomas	4,050	119	(63)	4		4,110
TOTAL RESTRICTED FUNDS	4,927	9,692	(9,771)	4	269	5,121
UNRESTRICTED FUNDS Designated funds						
Central office development fund	2,614	-	-	-	-	2,614
Property investment fund	4,264	-	-	(33)	(185)	4,046
Service development fund	-	-	-	-	1,500	1,500
General funds						
General funds	4,089	3,517	(3,429)	840	(1,584)	3,433
TOTAL UNRESTRICTED FUNDS	10,967	3,517	(3,429)	807	(269)	11,593
TOTAL FUNDS	15,894	13,209	(13,200)	811	-	16,714

* Denotes funds held in Spurgeon's Childcare

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2016

b) Movement in Funds for the Year Ended 31 March 2016	Balance at 1 April 2015 £000's	Income £000's	Expenditure £000's	Investment Gains £000's	Transfers £000's	Balance at 31 March 2016 £000's
RESTRICTED FUNDS						
(i) Foundation Trust Permanent Endowment*	114	-	(4)	-	-	110
(ii) UK Projects	717	11,090	(11,148)	-	108	767
(iii) D J Thomas	3,870	120	(121)	181	-	4,050
TOTAL RESTRICTED FUNDS	4,701	11,210	(11,273)	181	108	4,927
UNRESTRICTED FUNDS Designated funds						
Central office development fund	3,359	-	-	904	(4,263)	-
Property investment fund	2,669	-	-	-	(55)	2,614
Service development fund	-	-	-	-	4,264	4,264
General funds						
General funds	4,085	3,953	(3,592)	(303)	(54)	4,089
TOTAL UNRESTRICTED FUNDS	10,113	3,953	(3,592)	601	(108)	10,967
TOTAL FUNDS	14,814	15,164	(14,865)	782	-	15,894

* Denotes funds held in Spurgeon's Childcare

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2017

12. FUNDS (continued)

(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 Childcare. A uniting direction approved by the Charity Commission in 2005 has led to Spurgeons Childcare 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.

3. Fundraising costs have been allocated to restricted funds within the SOFA to reflect the costs of raising restricted voluntary income. However, these costs are unrecoverable by the restricted projects so they have been transferred to the general funds accordingly.

(iii) 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 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 five years. £nil has been spent in this financial year on improvements to the Rushden central office (2016: £55,000).

(v) The Property Investment Fund is designated for the provision of income for the long-term benefit of children and young people from sums invested in property. The income yield will be utilised for unrestricted income. The capital value of the assets will vary according to the market values of the assets under management.

The assets in the fund are valued annually; disposal is not expected within the next three years.

(vi) The Service Development Fund is designated to directly develop and enhance our work with vulnerable children and families. This is expected to be utilised over the next three years.

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

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2017

c) Analysis of Assets between Funds	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	25	69	5,476	(2137)	3,433
Unrestricted Funds - Designated	-	-	5,546	2,614	8,160
Restricted Funds - UK Projects	-	-	-	905	905
Restricted Funds - DJT	-	-	4,135	(25)	4,110
	25	69	15,157	1,357	16,608
Foundation Trust Permanent endowment-	106	-	-	-	106
Total	131	69	15,157	1,357	16,714

13. S.C.C TRADING LIMITED

S.C.C Trading Limited was a wholly-owned subsidiary company which is limited by guarantee. The company became dormant with effect from 31 March 2004, and was struck off the company register on 22 November 2016.

14. TRANSACTIONS WITH TRUSTEES

During the year the Charity reimbursed expenses of £15,000 (2016: £13,000) incurred by 11 Trustees (2016: 10 Trustees) travelling to meetings and visiting projects. The Charity's Trustees were not paid or received any other benefits from employment with the Charity.

15. RELATED PARTY TRANSACTIONS

Romaine Thompson, a Trustee of the Charity from 27 January 2015, was, until 4 March 2016, a partner of Anthony Collins Solicitors LLP, a firm which provides legal advisory services to the Charity. The Charity incurred fees in the prior year up to the date of her retirement of £10,994.

16. 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.

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2017

17. OPERATING LEASES COMMITMENTS

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

	2017 Property £000's	2017 Equipment £000's	2016 Property £000's	2016 Equipment £000's
Minimum rentals falling due:				
Not later than one year	131	20	132	29
Later than one year, not later than five years	382	28	160	14
Later than five years	116	-	30	-
	629	48	322	43

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

	2017 Commercial (Lease) £000's	2017 Residential (Tenancy) £000's	2016 Commercial (Lease) £000's	2016 Residential (Tenancy) £000's
Minimum rentals receivable within:				
Not later than one year	110	122	110	121
Later than one year, not later than five years	440	-	440	-
Later than five years	-	-	110	-
	550	122	660	121

Spurgeons Notes to the Financial Statements for the Year Ended 31 March 2017

18. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events requiring disclosure.

19. SPECIFIC ACKNOWLEDGEMENTS

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

Big Lottery Fund - Reaching Communities - Grant received for our **Invisible Walls Project** £97,488 (2016: £99,950), of which £24,166 to be carried forward to 2017/18.

Garfield Weston Charitable Trust - Grant received for our **Invisible Walls Project** £30,000 (2016 nil), all of which was spent during the financial year.

Big Lottery Fund - Grant received for our **Phoenix Project** £100,000, (2016: £100,000), £67,000 was spent in this financial year, £33,000 was carried forward to 2017/18.

Children in Need - Grant received for our **Birmingham Young Carers Substance Abuse project** £23,890 (2016: £7,560), all of which was spent during the financial year.

Comic Relief - Grant received for our **Young Carers Healthy Lifestyle project** £15,000 (2016: £15,000), £12,460 to be carried forward to 2017/18.

The Notes on pages 29 to 51 form part of these financial statements.

Thank You

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

Anton Jurgens Charitable Trust
BBC Children in Need
Big Lottery Fund Communities England
Buckles Solicitors
Comic Relief
Esmee Fairbairn Foundation
Garfield Weston Charitable Trust
Miss E C Webber & Mrs E M Doidge Charitable Settlement
Northamptonshire Chamber of Commerce
Peterborough Diocese
The Anchor Foundation
The Orangefield Trust

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

Bedford Borough Council
Birmingham City Council
Buckinghamshire County Council
CAFCASS
Department for Work & Pensions
Dudley Metropolitan Borough Council
Essex County Council
Hampshire County Council
National Offender Management Service
Northamptonshire County Council
Nottingham City Council
Oxfordshire County Council
Peterborough City Council
Portsmouth City Council
Royal Borough of Kensington and Chelsea
Wiltshire Council
Wolverhampton City Council



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