



**Spurgeons**

**Statutory Report & Accounts**

**Year Ended 31 March 2015**

**Charity Number: 1081182**

**Company Number: 3990460**

**SPURGEONS  
STATUTORY REPORT & ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**Our History**

Founded in 1867, Spurgeons is very proud of its heritage. We know that, but for the generosity of one woman, Anne Hillyard, and the passion and drive of one man, Charles Haddon Spurgeon, we would not be changing young lives today. Anne Hillyard wrote to Charles Haddon Spurgeon offering him £20,000 (worth approximately £2.0m in today's terms) on condition that he established an orphanage for fatherless boys. As a result, Spurgeon, driven by faith-fuelled compassion, opened his first orphanage to care for the street children of his day. When our last orphanage closed in 1979, we cared for children through 'foster' style homes until the early 1990s when partnerships with local authorities and churches enabled us to take our service delivery into new communities.

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

## **Chairman's Welcome**

In 1867 our founder Charles Haddon Spurgeon was inspired by his faith and the Christian gospel to transform lives, through the inclusive offer of compassion and hope to vulnerable and marginalised children. That faith basis and mission still underpins and motivates Spurgeons today. The trustees and senior team all personally commit to that Faith basis, which unifies us in our mission. That mission is to provide support for children, young people and families who are experiencing difficulties or challenges so that they can have a better present and hopeful future.

The past year has included significant change in the leadership of the organisation. After an extensive recruitment process we were delighted to appoint Ross Hendry as Chief Executive. Ross started with Spurgeons in August 2014 having previously served as Deputy Chief Executive at the Office of the Children's Commissioner for England. He has extensive experience in the sector and a strong background in influencing decision makers.

Also during the year we were fortunate in securing the services of two new trustees, whose skill sets significantly enhance the Board's capability. Natalie Cronin was appointed in September, coming from a background in the criminal justice sector and with strong practical experience of voluntary sector leadership. Romaine Thompson joined the Board in January 2015 bringing extensive legal expertise particularly focused on the charitable sector and governance. I am sure that both appointments will be highly instrumental in helping Spurgeons to move forward to transform lives.

The details that follow in this report do not fully do justice to our work. To truly understand the impact Spurgeons makes you must also understand the passion and expertise of our staff and volunteers and the compassion they demonstrate on a daily basis. You must experience the transformation we have brought about in the lives of individuals, families and communities. The hope that now springs in lives changed by the support we have delivered. The protection we have provided, and the way we have equipped, empowered and inspired children and young people to realise their potential.

I am immensely grateful to those who have shared in what we do. I would like to record my thanks to staff, volunteers, trustees, the many local authorities, trusts, donors, churches, organisations and communities who partner with us and support our work. I look forward to the years ahead in confidence that with the support of our partners and reassured by our faith Spurgeons will continue to meet the needs of vulnerable children in our society.

**Stuart Cornwell**  
**Chair of Spurgeons' Trust Board**

**Chief Executive's Review:**

**An amazing year is the first step in an exciting journey**

It's been a momentous and amazing year for Spurgeons.

In my first year as chief executive I have been humbled by the work I have seen Spurgeons services carry out. By the quality of support we provide our front-line, and by the transformation in the lives to those we work with. I am grateful to all our staff and volunteers for their dedication, passion and expertise. To our supporters for their continued belief in what our work achieves, and to commissioners and partners for their commitment with us to providing the best services possible.

Much of this Annual Report and Accounts is about reporting facts and figures and they speak for themselves: Spurgeons reached over 37,000 children and young people and almost 79,000 parents and carers in the year ending March 2015. Over 12,000 gave feedback and 95% said we made a difference in their lives; 5,000 said the difference we had made was outstanding.

We delivered 100 services in 37 areas of England, raised over £900,000 from supporters, donors, churches and grant making trusts. Spurgeons partnered over 400 churches, and the Spurgeons Network continued to grow in size and importance.

Our volunteers are marvellous, and they are a special part of our organization. Recognising their contribution we are finding new ways of supporting and celebrating the work of the almost 400 who help us. The Spurgeons staff continue to feel engaged and supported, and it is their expertise, creativity and perseverance to keep supporting and serving that helps us to realise changed lives.

New services and work has been launched. We engaged policy makers, published a report on the issues emerging from the work we carry out in prisons, and received more national and local media attention than ever before.

Ofsted and Her Majesty's Inspectorate of Prisons praised our work. We made a difference – and we know this, in part, because of the respected measurement tools we now use to evidence outcomes and impact of our services. And, in following through almost 600 safeguarding incidents, we have protected over 1000 children and young people from harm.

So in facts and figures it has been an incredible year.

But as I've begun to suggest bare details and statistics do not do justice to our work. To truly understand Spurgeons you must experience the transformation we have brought about in the lives of individuals, families and communities. I have seen this up close. Since joining in August I have visited services up and down the country and am extremely proud of the job we are doing.

On one visit I saw how our staff picked up a domestic violence incident involving a mother who used one of our centres. How they sat with her from 9 in the morning when she turned up not knowing what to do, until late afternoon when the police arrived and a safe place for the night had been arranged for her and her daughter. In one of our other services I watched as staff supported young carers as they produced their own programme of activities and newsletter, while in another an 'average' session meant children had a safe place to relax and share time and their experiences with others who understood their situation. These are not soft sessions, but ones that our measurement tools show have a tangible impact on children's outcomes.

Whether helping run a family's day in Wandsworth Prison or speaking to staff who work with sexually exploited young women; whether it was taking part in Big Orange Stomp in October, raising thousands of pounds and - as far as I was concerned, getting gunged by a group of three year olds – or being taken over by six young people from London and Birmingham as part of the Children's Commissioner's Takeover Day in November; to really understand Spurgeons you need to see the experience beyond the facts and figures.

Ours is a rich history that is being honoured through the work we are doing today. It is work that is still inspired by the same faith and the Christian gospel as our founder Charles Haddon Spurgeon. And it is this inspiration that will guide us in the journey that is ahead of us.

**Chief Executive's Review: (Continued)**

**An amazing year is the first step in an exciting journey**

To do this the new senior team in place since summer 2014 has been developing a new organisational strategy that will be rolled-out in the autumn of 2015. Acknowledging the challenges ahead this new strategy up to 2020 will affirm our identity as a Christian children's charity and our values of compassion, inclusiveness and hope. With the prospect of continued competition for funding it will be the foundation for how we work, what work we undertake, and the groups we intend to support.

It will provide the dynamism and purpose for the journey ahead. A journey, that with current political and economic uncertainties and a changing society with more complex needs, we look ahead to with confidence and hope. A journey that we make with a team that has shown resilience and commitment, passion and expertise, and we are grateful for every member of staff, volunteer, supporter and partner who has been a part of this year.

It's been a remarkable year, but just the start of a new part of Spurgeon's journey. One that we are confident will see us have many more amazing years and many more stories of transformation.

**Ross Hendry  
Chief Executive - Spurgeons**

**SPURGEONS  
TRUSTEES REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**

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**Reference and Administrative Information**

Trustees, officers and professional advisors for the year ended 31 March 2015.

**Chair of Trustees**

Stuart Cornwell

**Trustees and Directors**

Stuart Cornwell  
Simon Beresford  
Catherine Burns  
Natalie Cronin (appointed 25 September 2014)  
Tim Elgar  
Tony Gilbert  
Bob Groves CBE  
Phil Inch  
Carol Russell  
Justyn Singlehurst  
Romaine Thompson (appointed 27 January 2015)  
Ruth Vincent

**Strategic Leadership Team**

Ross Hendry – Chief Executive (appointed 18 August 2014)  
Tim Jeffery – Chief Executive (resigned 27 June 2014)  
Nicola Didlock – Director of Business Development (appointed 2 June 2014)  
Ken Owst – Director of Finance and Corporate Services and Company Secretary  
Paul Ringer – Director of Children’s Services (appointed 12 May 2014)

**Registered Office**

74 Wellingborough Road  
Rushden  
Northamptonshire NN10 9TY

**Independent Auditor**

haysmacintyre  
Chartered Accountants  
26 Red Lion Square  
London WC1R 4AG

**Bankers**

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

**Investment Managers**

Epworth Investment Management Limited  
9 Bonhill Street  
London EC2A 4PE

**Property Managers**

Hindwoods  
Chartered Surveyors  
1 Charlton Road  
Blackheath London SE3 7EY

**Solicitors**

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

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham B3 2ES

## **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 20-32 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 (1081182) and the Trustees prepare a single set of financial statements for the whole entity, within which the individual parts are reported separately.

## **Objectives and Activities**

Spurgeons charitable objects are as follows:

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

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

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

## **Activities – Who we are and what we do**

We believe that every child deserves an equal chance to be all that they can into adulthood. **Our Vision is to see all children and young people inspired, equipped and empowered in ways that enable them to flourish and realise the fullness of their potential. We see that our Mission is to provide support for children, young people and families who are experiencing difficulties or challenges so that they can have a better present and hopeful future.**

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

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

*"I have been supported for the last two years. It has helped me a lot to get back on my feet. I have had help with the Freedom Programme to identify men who are at risk. I found it very helpful and good for me and my daughter, we both benefit." Parent at Honeyhill Children's Centre, Peterborough.*

*"Sometimes it's hard to find extremely helpful people through this difficult time when it is needed. Spurgeons staff are not only friendly but have been very helpful and answered any questions that I have had." Parent at Wandsworth Visitors Centre.*

## **Activities – Who we are and what we do (Continued)**

*“Parents who take up services have excellent knowledge and understanding of how to support their children’s learning and development. This is due to the high quality care and guidance centre staff provide in groups and through one-to-one support in the home” Ofsted quote: Hazelwood Children’s Centre cluster.*

*“A good visitors’ centre was run by Spurgeons, a charity providing services to children and their families. Refreshments were available from vending machines. Information, practical help and advice was given to visitors”. HMIP quote: HMYOI Feltham.*

### **Our work in numbers**

- 100 high quality services delivered
- 37,071 children and young people have used our services in the last year
- 78,643 parents and carers have used Spurgeons services
- 374 volunteers have helped deliver Spurgeons services
- 420 full time equivalent members of Spurgeons staff
- We have worked in 37 different local authority areas during 2014/15
- We have taken action 590 times to safeguard children during the year
- We had feed-back from 12,391 service users during 2014/15
- 96% of those rated the way we treated them as ‘Good’ or better
- 95% said we made a difference in their lives
- 406 members of the Spurgeons Network of churches

## **Governance and Management**

### **Governance**

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

During the year the sub-committee structure was as follows:

- A Standards & Outcomes Committee to undertake a due diligence role to scrutinise, challenge and support Spurgeons’ work with children and young people
- A Finance Committee to oversee all financial aspects (including investment policy), people management matters, income generation and strategy and performance.
- A Remuneration Committee to review the performance and remuneration package of the Chief Executive and in conjunction with the Chief Executive, the Strategic Leadership Team.
- A Marketing & Fundraising Committee to maximise communication opportunities and fundraising.

In addition, a Safeguarding Panel and a Health & Safety Panel with links to the Standards & Outcomes Committee act as the key forum for monitoring the organisation’s performance. Trustee oversight on these panels ensures that they remain key to the Board’s agenda. The ongoing engagement of the Trustees in visiting projects and taking part in participation forums is a key element in linking the governance level of the Charity with its ultimate beneficiaries. Trustees are encouraged to visit services to engage with staff and users as part of our commitment to user participation.

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

The Chair is elected from within the Board triennially and may serve up to two terms. New Trustees receive an induction programme and are assigned a mentor from among the existing Trustees to work alongside them during their induction period. Details of the names of the Trustees at the date of this report, and changes since 31 March 2014 are set out on page 5.

## **Governance and Management (Continued)**

### ***Management***

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

In order to share decision-making about the organisation's direction and management with a wider group of people and to ensure that decisions are made quickly and as close to the frontline as possible, the SLT established an Executive Management Team of senior managers. The Executive Management Team plays a role in shaping key issues about the organisation's future and development and to transact the regular business of the organisation. This has proved most effective in working and quickly communicating actions throughout the charity.

Service managers and workers deliver the extensive range of services that are offered by the organisation and they are supported by 374 volunteers. Volunteers are an integral part of how we deliver many services. We seek to train and support volunteers appropriately, based on their role, and our work to continuously improve national systems for volunteer recruitment, management and support is now led by the volunteering service delivery group.

Spurgeons Department for Business Development leads the process of developing and growing our work. The Department has a dual role of leading and coordinating the tendering process and for developing new types of services. Spurgeons Network is managed through the Business Development Department, linking our services with churches and faith based organisations as well as supporting Network members to develop their work with children and young people. The Department also includes the Marketing and Fundraising functions, thus coordinating all of our income generation activities.

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

### ***Equal Opportunities***

It is Spurgeons' policy to 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. We do not condone or tolerate any form of discrimination in our recruitment or employment practices. All employees and applicants are treated on merit, fairly, with respect and dignity, recognised as individuals and valued for the contribution they make, provided fair and equal access to training, development, reward and progression opportunities and are accountable for the impact of their own behaviour and actions. Spurgeons does operate within a Christian ethos. This means that a few posts, by the nature of the role or to uphold the ethos, may have an occupational requirement for a practicing Christian, which we will keep under review in line with the law. We do not seek to impose our beliefs on others but respect the unique worth of all individuals to make choices. Similarly we welcome people to work with us regardless of their faith basis providing they support our values. All of Spurgeons' policies are designed to uphold legal requirements, celebrate the diversity, and be consistent with our core values of inclusion, compassion and hope.

### ***Communicating with Employees***

Spurgeons values the opinions of our employees and volunteers. We engage with them regularly, sharing news about our work and frequent updates about how we're meeting our objectives and our plans for the future. We encourage everyone to speak to our senior leadership team, through face-to face meetings, telephone access and email and raise questions directly with them. We provide regular e-newsletters and forums; we encourage employees to discuss our work, sharing their expertise with colleagues as well as our leadership team. We also receive feedback via staff surveys and events. Spurgeons has an intranet to provide consistent available information to our workforce across all of our services. We are continuing to invest in IT to provide greater connectivity across the organisation for all staff and volunteers. During the year, regular communications have been provided to employees, including updates on the Charity's progress. Employees have been consulted on decisions directly affecting them.

## **Governance and Management (Continued)**

### ***Senior Executive Pay***

Spurgeons recognises that its employees are pivotal in the provision of high quality services to its services, the children and young people we seek to serve and all client groups, and aims to attract and retain the skilled employees required and to reward them equitably for the roles that they carry out. Senior pay levels reflect the size of the organisation and the range of work carried out; children's work and social care, education and professional support services and are benchmarked against the median for these sectors. Spurgeons has noted the recommendations of the NCVO report into senior executive pay. The Remuneration Committee has responsibility for recommendations to the Board of Trustees for ensuring appropriate policies and remuneration packages are in place to maintain equitable structures and secure the best senior leadership for the charity.

### ***Investment management***

Our powers of investment are governed by the provisions of the Trustee Act 2000. We operate an ethical investment policy which specifically excludes investments in companies where there is evidence of child exploitation or pornography, or where there is a substantial dealing in tobacco, gambling, alcoholic drinks or military hardware or pay-day lending. So far as is practical our Trustees seek to protect the income derived from the investment asset base because it helps fund an essential part of our charitable activity. Our non-property investments are held in Common Investment Funds under the management of Epworth Investment Management Limited. Epworth has a social, environmental and ethical investment policy that is consistent with the aims and objectives of the Charity. The ethical work of Epworth is based on a robust approach involving research, company meetings and networking over a wide range of issues. Certain companies whose activities are deemed inconsistent with this ethical approach are excluded from the portfolio, whilst a policy of constructive engagement is applied to those where it's felt likely to lead to positive change.

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

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, which indicated a substantial increase in the value of these properties. The trustees have concluded that no revaluation of the portfolio is required at 31 March 2015 as the change in valuation is likely to be immaterial.

The Trustees are continuing to review investments with a consideration of maximising value from direct property disposals as and when considered appropriate, with the timing of sales being largely dependent upon market conditions. Some of the sale proceeds have been re-invested in common investment funds and other securities so as to achieve a more balanced portfolio mix, which is less heavily weighted towards property. The remainder will be used to fund our ongoing working capital requirements over future years.

## **Governance and Management (Continued)**

### ***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 2015, £15,000 of this fund had been utilised with further sums being committed to improving the environment of the Charity's current central office in Rushden, Northamptonshire. It is expected in the next 5 years this fund will be utilised to provide the appropriate infrastructure for the long-term purposes of the charity.

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
- Future significant project deficits
- Cash flow requirement necessary to fund the ongoing, planned operating deficits over the next three years
- An event having a major negative reputational effect on the charity

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

Based on the above assessment, the Trustees have estimated that the level of free reserves required to mitigate against the identifiable risks is approximately £1.3 million at 31 March 2015. There is particular concern that several large medium-term contracts are due to end in the near future and at present the process of public services delivery and the commissioning environment is uncertain. It is increasingly challenging to secure the future work of equal financial value of contracts that are due to terminate, though we will commit every effort to do so.

The Trustees are aware that, as a result of the challenging economy, public expenditure cuts and the investment in the infrastructure of the Charity, unrestricted deficits in the region of £1.9 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 £4,085,000 (2014:£2,748,000) an increase of £1,337,000 from the previous year representing approximately 14.0 weeks of planned operating expenditure. The Trustees therefore anticipate that the current level of free reserves will be sufficient to cover the identifiable risks and possible future deficits.

## **Strategic Review**

### **Achievements and Performance – Making a Difference**

*Our work has had a real impact during 2014/15 and our staff and volunteers have worked hard to continue to support as many children and young people as possible.*

*In just one year we:*

- *helped 37,071 children and young people*
- *engaged 78,643 adults*
- *received feedback from over 12,000 service users*
- *were told by 95% of service users surveyed that the difference Spurgeons made in their lives was good or better, with over 5,000 service users telling us that this difference was 'Outstanding'*
- *took or ensured protective action was being taken to safeguard 590 children*
- *utilised measurement tools which evidenced an improvement for large majority(79%) of users (more than 1,100)*

### **Other highlights of 2014/15**

- We took part in the Children's Commissioner's Takeover Day in November 2014 and gave six children and young people the opportunity to work with staff at head office for the day. The group were involved in looking at Spurgeons core values and writing letters for Spurgeons volunteers and supporters
- Successfully took on the largest contract in Spurgeons history, including delivering services in the area surrounding our Rushden office
- Achieved 50% Good or Better grading at Ofsted inspections across six inspections; slightly exceeding the national average. No Spurgeons Children's centre has been graded as Inadequate
- Received positive recognition within three HMIP inspections of prisons where we provide visitor centre services

### **Growth of voluntary income and support**

#### **Legacies**

Each year we are so very grateful to those supporters who leave a legacy to us. Their generosity makes an incredible difference to so many young lives.

#### **Grants**

We have seen our relationships further deepen with grant giving bodies and corporate organisations and in 2014/15 our income grew by 11% from the previous financial year, securing more than £600,000 in restricted income.

#### **Network**

We have remained true to our Christian roots by continuing to grow Spurgeons Network, supporting Christians working in their local communities with children, young people and families, with 406 members across the country.

#### **Church and individual donations**

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

### **Making Progress for Our Target Groups**

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

We regularly assess how we can best focus our efforts and resources to achieve the greatest impact. We pledged to continue to run and develop our extensive work in children's centres, family support and other services. Since 2012 we have reported specifically on:

- Young carers
- Teenage parents
- Families affected by the criminal justice system

Each target group has been the focus of a dedicated working group and has been monitored through 2014/5; achievements seen by each are outlined as follows:

## **Achievements and Performance (continued)**

### **Young carers**

Spurgeons has delivered seven young carers services during 2014/5 and engaged with 3,250 young carers and young adult carers. Over 1,000 received group work services and nearly 300 received a one to one intervention. A small number of young carers received a service from our non-young carer services.

Highlights include:

- The pilot, then introduction of Young Carers services standards
- DfE consultation responses on the draft Young Carers (Needs Assessments) Regulations 2015
- Active membership of the National Young Carers Coalition

*'As a family we are very grateful for the activities you provide it gives the children the chance to "feel normal" in their role as young carers' Parent of young carer at our Wiltshire Young Carers service.*

*'Spurgeons is time out from home life, where I can see friends, learning instruments is good, very different from what we would normally do.' Young carer at Wolverhampton Young Carers.*

### **Teenage parents**

Teenage parents use Spurgeons services through a range of service areas, both in specific targeted programmes such as DWP funded work with Separated Teenage Parents and through our Children's Centre delivery both within group work and individual casework. During 2014/15, we worked with nearly 400 teenage parents across service areas, with at least 92 one to one interventions.

Highlights include:

- received extended funding to continue our work with DWP to support separated teenage parents across the West Midlands
- "Nearly all local teenage mothers-to-be and young mothers attend the 'Teen Parents Group' because the advice, guidance and support is highly effective". (Ofsted inspection quote, Essex children's centre).

*'It's great for separated parents and has helped me and my ex-partner sort out our differences and put our son first.' Service User at Separated Teenage Parents Programme.*

*'Helped connect us as parents and remain calm and focussed in the best interests of our daughter.' Service User at Separated Teenage Parents Programme.*

### **Families and the criminal justice system**

Spurgeons delivered ten services for families involved in the criminal justice system through 2014/5 involving at least 31,000 engagements with children across our work in this service area.

Highlights include:

- Publication of 'Supporting children with a parent in prison: A review of the London Prisons Visiting Service: 2014' delivered to circa 7,000 online recipients.
- We supported Prisons Week nationally through sponsorship and leading on the families and children element, worked together with partners of the 'Families Left Behind' campaign group, and through Spurgeons Network, on the 'Together for Scrubs' volunteering initiative.
- Spurgeons received positive recognition within three HMIP inspections of London prisons where we deliver visitor centre services.

*'I think Spurgeons are a good support group and offer the best advice for young people. They set people in the right direction.' Service user at Youth in Focus Sisters Project.*

*'We have always found the Spurgeons very helpful and friendly and they've never treated us like we are bad people like some of the other prisons have. You always make us feel welcome and having this here helps with the stress of visits. Thank you' - Service user at Invisible Walls.*

**Where we met our targets for 2014/15 and where we did not:**

Each year we set ourselves clear objectives and ambitions. They do not reflect all that Spurgeons has achieved. Our aim is to be honest and transparent in reporting how we did.

**Inspections**

We will meet or exceed the national average for Ofsted inspection grades to demonstrate how we improve the wellbeing of children and their families through our early childhood services:

**Ambition achieved:** Spurgeons achieved Good grading for half of centres inspected against the 2013 Ofsted framework during 2014/15; unlike other charities we did not receive any inadequate ratings despite operating in challenging authority areas. Our visitor centre services were referenced positively in 3 HMIP inspection reports.

**Participation**

We will ensure the people who use our services actively participate in the design, development and improvement of our services:

**Ambition achieved:** We again took part in the Children's Commissioner's Takeover Day and young people participated in the bids and tenders we submitted for new work. All our services are undertaking participatory activity including feedback surveys, advisory boards/user forum, and specific issue consultations.

**Family support**

We will introduce and apply service standards to our main delivery areas ensuring we maintain their high quality and impact for children and families.

**Ambition achieved:** Continuing to seek greater excellence across all our services we piloted and introduced standards for Young Carers projects, and for our work in addressing Domestic Abuse. We have maintained our ISO 9001 Quality Management System certification.

**Service reach**

We will broaden our geographical footprint to reach the children who need our help through contracted delivery and enterprise unit, delivering in two new geographic areas and increase the diversity of delivery with two new products launched and delivered.

**Ambition achieved:** During 2014-15 we delivered 100 services across 37 different local authority areas. This included new work in Northamptonshire, which was our largest ever single contract, and new work in Staffordshire. We successfully rolled out new work under the Troubled Families programme and new mental health interventions.

**Increase Spurgeons' profile**

We will increase Spurgeons profile, focusing on engagement with the children's sector, churches and other faith based organisations.

**Ambition achieved:** We saw a minimum of a 20% increase from 2013/14 figures across a range of our key measures, including media coverage and Social media presence. As members of Children England we supported their campaign to promote and protect children's services, published our own report on the impact of our work in London Prisons, and drew on our expertise to respond to government consultations.

**Tendering**

We will generate £1.9 million through tendering activity with a tender success rate of 30%.

**Partially met:** This was a challenging year to win new work. While we successfully won new business, we did not achieve our target, but did win £774k of new tender work. This represented a 50% success rate on the number of tenders submitted.

**Restricted income**

We will achieve an income target of £850,000 of restricted voluntary income by increasing the number of relationships with existing and new grant givers.

**Partially met:** We only partially met this target raising £674,000. This enabled us to provide some vital services. Our restricted voluntary income came from 17 grant and trust funders, 7 of whom gave us funding for the first time.

**Unrestricted income**

We will increase our unrestricted voluntary income through improving our engagement with new and existing donors and develop new products with a target of £450,000.

**Partially met:** We increased our support this year; £313,000 of unrestricted voluntary income was raised and while this was lower than our ambition we did see an increase in active donors, with new products delivered during the year.

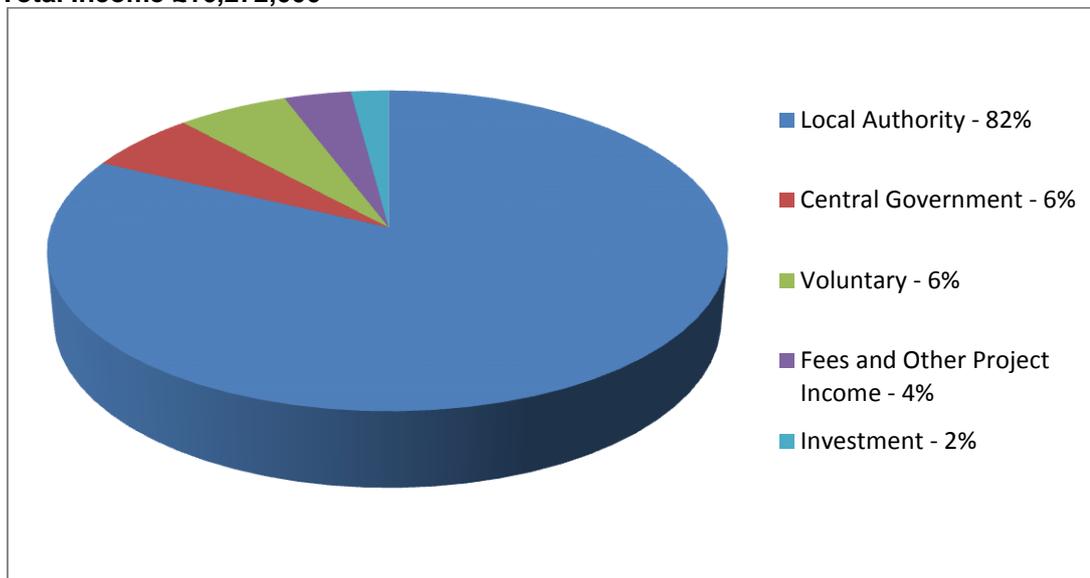
### Financial review 2014/15

The statement of financial activities on page 20 shows that this has been a second year of financial stability for Spurgeons with the charity maintaining its long-term financial target; delivering a net operating surplus before gains on investments of £764,000 (2014:£179,000). The net operating surplus of £764,000 comprises of an unrestricted surplus on services of £582,000 and an operating surplus on restricted funds of £182,000. Despite the total incoming resources reducing by 4.9% to £16,272,000 (2014:£17,115,000), the reduction in resources expended has been carefully controlled at £15,508,000 (2014:£16,936,000), to achieve this outstanding operating result in the face of adverse economic conditions.

In addition to this exceptional operating performance the net assets of the charity have for the second year in a row been considerably enhanced by gains in the property and investment portfolio. During the year investment properties sold resulted in realised gains on disposal of investment assets of £515,000 (2014:£1,196,000), Also the assets value of the investment portfolio increased with improving market conditions and resulted in unrealised gains for the year of £225,000 (2014:£3,044,000 including property revaluation). This resulted in an increase of unrestricted funds of £1,322,000, an increase in restricted funds of £182,000 and total funds increasing by £1,504,000.

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. Whilst we have generated a significant unrestricted surplus this year partly due to taking on a major new contract mid-way through the year and making expense savings, it is possible that we will fall back into deficit again next year. This is due to the adverse impact of certain contracts expiring and not being able to replace those with new work of a similar or higher value. We will of course, look to grow our work to bring us back to a sustainable break even position as soon as possible. Our asset base remains strong, and in future years we will continue to undertake planned sales of certain investment properties to fund deficits, rebalance investments and enable the strategic objectives to be met.

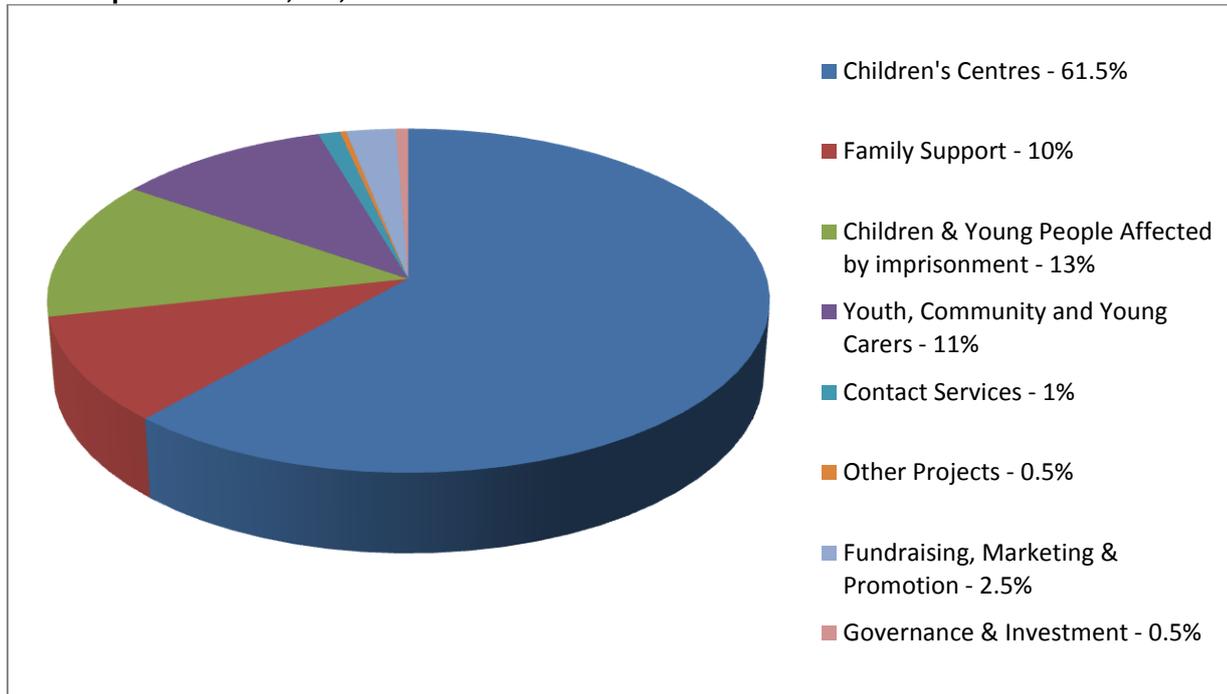
### Total Income £16,272,000



As in the previous year, the majority, 82% of our income, £13,369,000 (2014:£13,773,000) came from the statutory sector, mainly from local authorities, particularly in support of the number of children's centres we manage. We also receive 6% of our income £987,000 (2014:£1,014,000) from central government departments through our contract with the National Offender Management Service (NOMS) to run the Prison Visitor services in the London prisons. Virtually all external funding was given for specific services and is therefore restricted solely to that purpose and not transferable from one service to another.

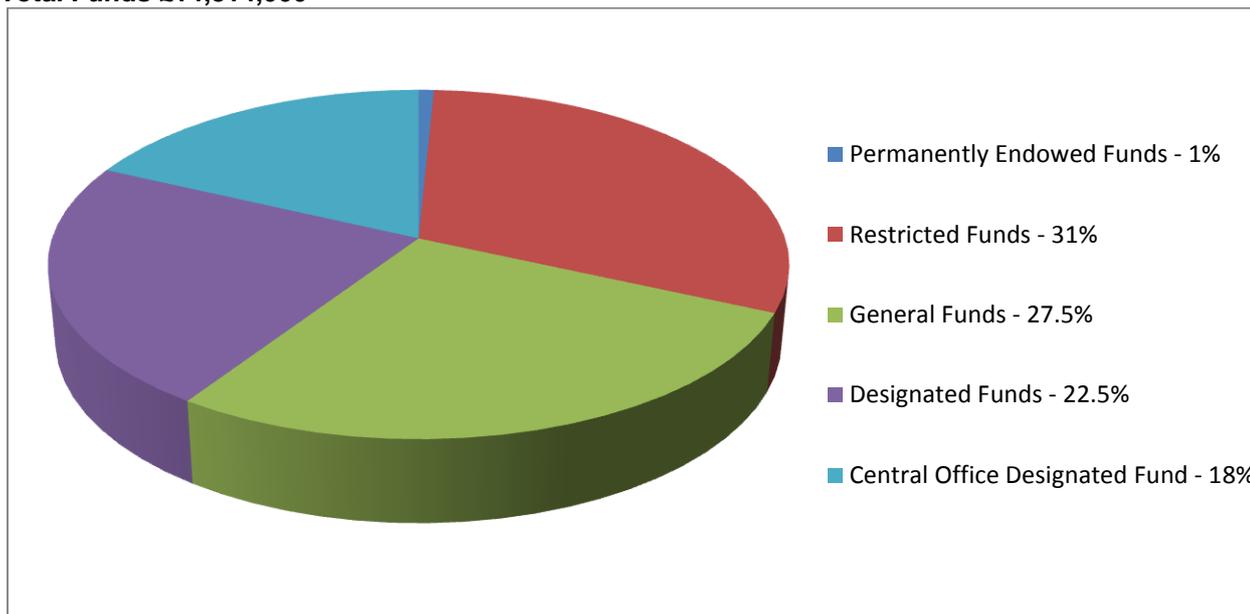
**Financial review 2014/15 (Continued)**

**Total Expenditure £15,508,000**



Once again over 96% of our expenditure was incurred in direct support of our work with children, young people and families. Our children’s centres work marginally declined this year as a result of fixed term contracts ending but this aspect of our work still accounted for 61.5% at £9,547,000 (2014:£9,989,000) of total spend, our family support work accounted for 10% of the total at £1,541,000 (2014:£2,539,000), with children and young people affected by imprisonment accounting for 13% of the total at £2,034,000 (2014:£1,784,000) and youth, community and young carers work accounted for 11% of the total at £1,680,000 (2014:£1,510,000). In a year when we strove to reduce our cost base with total expenditure reducing by 8.4% compared to income reduction of 4.9%, employment costs remained by far the highest single item of expenditure at over 72% (2014:71%) of total spend, the majority of this is in direct project and services support personnel.

**Total Funds £14,814,000**



### **Financial review 2014/15 (Continued)**

At the year-end the total funds of the charity increased in the period by in excess of £1.5m, the equivalent of 11.3% to £14,814,000 (2014:£13,310,000). This very beneficial result was not envisaged at the start of the year with a deficit budget projected. Approximately half of the surpluses generated in the year resulted from the asset base buoyed by the economic recovery. Of our total funds, £4,587,000 (2014:£4,401,000) were restricted funds which related to specific projects and which can only be spent on the purposes for which the funds have been given. 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 £114,000 (2014: £118,000). The designated funds of £6,028,000 (2014:£6,043,000) are those set aside by the trustees for a particular purpose and comprise the Investment Property Revaluation Reserve £3,359,000 (2014:£3,359,000) and the Central Office Development Fund £2,669,000 (2014: £2,684,000). The small reduction in designated funds in the year of £15,000 results from initial spending of the central office development fund to effect a low cost refurbishment of the existing premises. General Funds were increased by the unrestricted surplus of £1.3m to a value of £4,085,000 (2014:£2,748,000), this is more fully explained on page 10. The growth in the General Funds and the liquid funds position of the charity at year-end remains strong and the accounts have been prepared on a going-concern basis.

### **Risk management**

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

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

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

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

1. We maintain a system of internal controls that govern operational delivery including quality assurance of all safeguarding incidents which is independent from line management.
2. We have invested in practice improvement resources including e-learning, internal auditing, best practice identification and quality improvement interventions.
3. We maintain the controls of: monitoring progress against our corporate plan, internal business processes, organisational development work and continue to review our long-term strategy.
4. We maintain strong internal financial and corporate support system controls that seek to identify potential areas of failure in order to focus the available resources on efficiently delivering outcomes.

### **Our Ambitions for 2015/16**

This year Spurgeons adopts a new organisational strategy. It will shape who we are, how we work and what we expect to achieve. Our ambitions this year will contribute to achieving our four strategic goals for the next five years.

We will:

#### **Evidence the impact we have on the lives of those we work with by:**

- publishing a single Framework outlining the theories of change for service delivery, against which delivery outcomes are then reported, and
- producing at least one insight report based on an analysis of the data and evidence we collect.

#### **Be recognised for delivering innovative, high quality services**

- through independent recognition for the quality and impact of service delivery, and
- building on our partnerships to develop new projects or enhance our existing services for children and families.

#### **Influence change by speaking-up on behalf of those with whom we work by**

- developing a new participation framework and a means for children and young people to participate in Spurgeons, and
- increasing our profile and influence with policy makers and media on matters impacting the children, young people and families we work with.

#### **Achieve a medium-term financially sustainable organisation that enables maximum resources to be utilised to achieve our mission by**

- attaining a turnover of *at least* £14.0m as part of a sustainable financial model over the medium-term, and
- raising over £1.4million of voluntary income by increasing the number and depth of relationships with existing and new supporters and grant givers.

**This Strategic Review has been signed on behalf of the Board of Trustees on 21 July 2015 by**

**Stuart Cornwell  
Chair of Spurgeons' Trust Board**

### **Statement of Trustees' Responsibilities**

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

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the company's state of affairs and profit or loss for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities' SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it's inappropriate to presume the company will continue in business

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. So far as each of the Trustees is aware at the time the report is approved:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The Trustees have taken all steps to make themselves aware of any relevant audit information and to establish the auditors are aware of that information

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

### **Auditors**

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

The Trustees Report has been signed on behalf of the Board of Trustees on 21 July 2015 by

**Stuart Cornwell  
Chair of Spurgeons' Trust Board**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPURGEONS**

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We have audited the financial statements of Spurgeons for the year ended 31 March 2015 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 Trustees' Responsibilities Statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the financial statements**

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](http://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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006

### **Opinion on other matters prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

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

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

**Signed on 21 July 2015**

**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 2015**

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	2015 Total Funds £000's	2014 Total Funds £000's
<b>Incoming Resources</b>					
<b>Incoming resources from generated funds:</b>					
<b>Voluntary income</b>					
Donations and collections		236	674	910	852
Legacies		77	-	77	180
<b>Investment income</b>					
Rental income		114	110	224	245
Interest		5	9	14	18
Dividends		96	-	96	65
<b>Incoming resources from charitable activities</b>					
Amounts received towards the support of children, young people and families	2	3,363	11,588	14,951	15,755
<b>Other incoming resources</b>					
Profit on disposal of tangible fixed assets		-	-	-	-
<b>Total incoming resources</b>		<b>3,891</b>	<b>12,381</b>	<b>16,272</b>	<b>17,115</b>
<b>Resources Expended</b>					
<b>Cost of generating funds:</b>					
Fundraising, Marketing and promotion		278	110	388	440
<b>Investment property costs</b>					
		41	7	48	40
<b>Charitable activities:</b>					
Amounts expended in the support of children, young people and families	3	3,210	11,813	15,023	16,410
<b>Governance costs</b>					
		49	-	49	46
<b>Total resources expended</b>	4	<b>3,578</b>	<b>11,930</b>	<b>15,508</b>	<b>16,936</b>
<b>Net incoming resources before transfers</b>		<b>313</b>	<b>451</b>	<b>764</b>	<b>179</b>
Transfers between funds		269	(269)	-	-
<b>Net incoming resources after transfers</b>		<b>582</b>	<b>182</b>	<b>764</b>	<b>179</b>
<b>Net gains on investment assets:</b>					
Realised gains		515	-	515	1,196
Unrealised gains		225	-	225	3,044
Net movement in funds		1,322	182	1,504	4,419
Fund balances brought forward at 1 April 2014		8,791	4,519	13,310	8,891
Fund balances carried forward at 31 March 2015		<u>10,113</u>	<u>4,701</u>	<u>14,814</u>	<u>13,310</u>

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 (2014: £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 24 to 32 form part of these financial statements.

**SPURGEONS  
BALANCE SHEET  
AS AT 31 MARCH 2015**

**Company Number 3990460**

	Notes	2015 £000's	2014 £000's
<b>FIXED ASSETS</b>			
Tangible fixed assets	5	117	125
Investments	6	10,982	11,111
		<u>11,099</u>	<u>11,236</u>
<b>CURRENT ASSETS</b>			
Stock		8	9
Debtors	7	1,530	961
Cash at bank and in hand		3,681	2,394
		<u>5,219</u>	<u>3,364</u>
<b>CREDITORS:</b> Amounts falling due within one year	8	(1,504)	(1,290)
<b>NET CURRENT ASSETS</b>		<u>3,715</u>	<u>2,074</u>
<b>NET ASSETS</b>		<u>14,814</u>	<u>13,310</u>
Represented by			
<b>FUNDS</b>			
<i>Spurgeons :</i>			
Unrestricted Funds			
- General Funds *	9(a)	4,085	2,748
- Designated Funds **	9(a)	6,028	6,043
Restricted Funds			
- Project Funds	9(a)	717	556
- D J Thomas Fund ***	9(a)	3,870	3,845
		<u>14,700</u>	<u>13,192</u>
<i>Spurgeon's Child Care:</i>			
Permanent Endowment Funds			
- Foundation Trust	9(a)	114	118
		<u>114</u>	<u>118</u>
		<u>14,814</u>	<u>13,310</u>

\* General Funds includes a revaluation reserve of £191,000 (2014: £1,488,000)

\*\* Designated Funds includes a revaluation reserve of £3,359,000 (2014: £3,359,000)

\*\*\* The D J Thomas Fund includes a revaluation reserve of £2,248,000 (2014: £2,248,000).

Signed on behalf of the Board of Trustees on 21 July 2015

by:

**Carol Russell**

**Stuart Cornwell**

The notes on pages 24 to 32 form part of these financial statements.

**SPURGEONS  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2015**

	2015		2014	
	£000's	£000's	£000's	£000's
<b>Net Cash In/(Out)flow from Operating Activities (Note a)</b>		142		(134)
<b>Returns on Investments and Servicing of Finance</b>				
Rental income	224		245	
Interest and dividends	110		83	
	<u>          </u>		<u>          </u>	
		334		328
<b>Capital expenditure and financial investment</b>				
Additions to UK common investment funds	(1,000)		(2,000)	
Disposal of investment property	1,815		1,869	
	<u>          </u>		<u>          </u>	
		815		(131)
		<u>          </u>		<u>          </u>
<b>Increase in cash in the year</b>		1,291		63
		<u>          </u>		<u>          </u>

The notes on pages 24 to 32 form part of these financial statements

**SPURGEONS**  
**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

<b>a)</b>	<b>RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH IN/(OUT)FLOW FROM OPERATING ACTIVITIES</b>	<b>2015</b>	<b>2014</b>
		<b>£000's</b>	<b>£000's</b>
	Net resources received	764	179
	Depreciation charges	8	33
	Investment income receivable	(334)	(328)
	(Increase)/Decrease in debtors	(569)	187
	Decrease in stock	1	-
	Increase/(Decrease) in creditors	218	(161)
	Decrease /(Increase) in Pension Bonds	54	(44)
	Net Cash In/(Out)flow from Operating Activities	<u>142</u>	<u>(134)</u>
<b>b)</b>	<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>	<b>2015</b>	<b>2014</b>
		<b>£000's</b>	<b>£000's</b>
	Net funds at 1 April	2,386	2,323
	Increase in cash in the year	<u>1,291</u>	<u>63</u>
	Net funds at 31 March 2015	<u>3,677</u>	<u>2,386</u>
<b>c)</b>	<b>ANALYSIS OF NET FUNDS AS SHOWN IN THE BALANCE SHEET</b>	<b>2014</b>	<b>Cash Flow</b>
		<b>£000's</b>	<b>£000's</b>
	Short term deposits	1,814	1,613
	Cash at bank and in hand	580	(326)
	Bank overdraft	(8)	4
		<u>2,386</u>	<u>1,291</u>
		<u>2,386</u>	<u>3,677</u>

The notes on pages 24 to 32 form part of these financial statements.

**1. ACCOUNTING POLICIES**

**a) *Basis of Preparation***

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

**b) *Income and Expenditure***

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

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

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

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

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

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

**c) *Investments***

Quoted investments are valued at closing middle market price on the balance sheet date. Investment properties are stated based on a professional valuation carried out at year end 2014.

**d) *Investment Gains and Losses***

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

**e) *Tangible Fixed Assets***

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

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

Freehold buildings	- 2% per annum on cost
Fixtures and fittings	- 12.5% and 25% per annum on cost
Computer equipment	- 33⅓% per annum on cost
Motor vehicles	- 25% per annum on cost

**SPURGEONS**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**1. ACCOUNTING POLICIES (continued)**

**f) Stocks**

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

**g) Funds**

- **Permanent Endowment Fund.** This fund is treated as being permanently endowed in accordance with an agreement with the Charity Commission.
- **Restricted Funds** are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.
- **Unrestricted Funds** are donations and other incoming resources received or generated for the charitable purposes of the trust and are usable, for these purposes, at the discretion of the Trustees.

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

**h) 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.

**i) Pensions**

The Charity contributes to a Group Personal Pension Plan for employees. The employer contributions range between 5% and 7% of gross pay depending upon the level of employee contribution. Contributions are further enhanced by a salary sacrifice arrangement through which the employer pays into the employee's pension fund 10% of the 13.8% employer's NI saving on the salary sacrificed.

In compliance with the auto enrolment requirements the Charity contributes to a separate section of the Group Personal Pension Plan for those employees not wishing to join the enhanced scheme, at an initial rate of 1%, no salary sacrifice option is available.

The Charity's total Group Personal Pension Plan contribution for the year was £277,000 (2014: £323,000).

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

**2. ANALYSIS OF AMOUNTS RECEIVED TOWARDS THE SUPPORT OF CHILDREN, YOUNG PEOPLE AND FAMILIES**

	<b>Unrestricted Funds £000's</b>	<b>Restricted Funds £000's</b>	<b>2015 Totals £000's</b>	<b>2014 Total £000's</b>
Fees and other project income	499	65	564	952
Churches and other partners	6	25	31	16
<b>Statutory Sector</b>				
Local Authorities (including Sure Start)	2,667	10,702	13,369	13,773
NOMS	191	796	987	1,014
<b>Total</b>	<b>3,363</b>	<b>11,588</b>	<b>14,951</b>	<b>15,755</b>

Income relating to international projects is included within the figures for "Donations and Collections" in the Statement of Financial Activities on page 20.

**SPURGEONS**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**3. ANALYSIS OF AMOUNTS EXPENDED IN THE SUPPORT OF CHILDREN, YOUNG PEOPLE AND FAMILIES**

Type of project	Unrestricted Funds £000's	Restricted Funds £000's	2015 Total £000's	2014 Total £000's
Children's Centres	1,783	7,764	9,547	9,989
Children & Young People Affected by imprisonment	776	1,258	2,034	1,784
Family Support	304	1,237	1,541	2,539
Youth, Community and Young Carers	317	1,363	1,680	1,510
Contact Services	26	145	171	528
Independent Visitors and Mentoring	4	22	26	33
International Projects	-	24	24	27
	<u>3,210</u>	<u>11,813</u>	<u>15,023</u>	<u>16,410</u>

**4. TOTAL RESOURCES EXPENDED**

	Staff Costs £000's	Depreciation £000's	Other costs £000's	2015 Totals £000's	2014 Total £000's
<i>Costs of generating funds</i>					
- Fundraising, marketing and promotion	235	-	153	388	440
- Investment property costs	-	-	48	48	40
<i>Charitable expenditure</i>					
- Project costs	10,985	8	4,030	15,023	16,410
<i>Governance costs</i>					
	-	-	49	49	46
	<u>11,220</u>	<u>8</u>	<u>4,280</u>	<u>15,508</u>	<u>16,936</u>

**NET MOVEMENT IN FUNDS**

	2015 £000's	2014 £000's
The net movement in funds is stated after charging:		
Depreciation	8	33
Operating lease rentals - buildings	116	207
Operating lease rentals - other	81	93
Auditors remuneration (including VAT) - Audit	13	13
	<u>208</u>	<u>346</u>

**SUPPORT COSTS**

Operational management	995	1,146
Business Development	346	429
Finance, IT and Corporate Services	580	577
Human Resources and People Development	366	443
Other central support and administration	490	395
	<u>2,777</u>	<u>2,990</u>

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.

**SPURGEONS**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**4. TOTAL RESOURCES EXPENDED (continued)**

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**

	<b>2015</b>	<b>2014</b>
	<b>£000's</b>	<b>£000's</b>
Audit	13	13
Trustees Expenses	8	11
Other Costs	22	17
Professional Indemnity Insurance	6	5
	<u>49</u>	<u>46</u>

**STAFF COSTS**

	<b>2015</b>	<b>2014</b>
	<b>£000's</b>	<b>£000's</b>
Wages and salaries	10,038	10,897
Social Security costs	738	838
Other pension costs	444	402
	<u>11,220</u>	<u>12,137</u>

	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>
<b>Employee emoluments over £60,000</b>		
Employees continuing in service:		
£60,001 to £70,000	3	-
£70,001 to £80,000	-	1

Two of the above employees belong to the Charity's Group Personal Pension Plan, employer contributions were in accordance with note 1. i) to the accounts, being £10,577 (2014: £6,261).

The average number of employees (including casual workers) in the year was 675 (2014: 662)

The average number of full time equivalent employees (including casual workers) was 420 (2014: 456)

Analysis of full time equivalent employees:

Central departments and regional offices	66	66
Projects and services	354	390
	<u>420</u>	<u>456</u>

**SPURGEONS**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**5. TANGIBLE FIXED ASSETS**

	<b>Motor Vehicles £000's</b>	<b>Computer Equipment Fixtures &amp; Fittings £000's</b>	<b>Permanent Endowment Freehold Property £000's</b>	<b>Total £000's</b>
<b>Cost/valuation</b>				
At 1 April 2014	15	221	185	421
Additions	-	-	-	-
Disposals	-	-	-	-
	<u>15</u>	<u>221</u>	<u>185</u>	<u>421</u>
At 31 March 2015	15	221	185	421
	<u>15</u>	<u>221</u>	<u>185</u>	<u>421</u>
<b>Accumulated depreciation</b>				
As at 1 April 2014	15	214	67	296
Charge for the year	-	4	4	8
Disposals	-	-	-	-
	<u>15</u>	<u>218</u>	<u>71</u>	<u>304</u>
At 31 March 2015	15	218	71	304
	<u>15</u>	<u>218</u>	<u>71</u>	<u>304</u>
<b>Net Book Value</b>				
At 31 March 2015	-	3	114	117
	<u>-</u>	<u>3</u>	<u>114</u>	<u>117</u>
At 31 March 2014	-	7	118	125
	<u>-</u>	<u>7</u>	<u>118</u>	<u>125</u>

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

**SPURGEONS**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2015**

<b>6. INVESTMENTS</b>	<b>2015</b>	<b>2014</b>
	<b>£000's</b>	<b>£000's</b>
a) UK Common investment funds	4,726	3,501
Investment properties	6,187	7,487
	<u>          </u>	<u>          </u>
Total investments – Charity	10,913	10,988
Pension Bonds (see note 1. i))	69	123
	<u>          </u>	<u>          </u>
Total Investments	<u>10,982</u>	<u>11,111</u>
b) Movements in market value of investments		
Market value as at 1 April 2014	11,111	6,696
Acquisitions at cost: Common investment funds	1,000	2,000
(Disposal)/Acquisitions at cost: Pension Bonds	(54)	44
Disposals:		
Proceeds on sale of investment properties	(1,815)	(1,869)
Realised gain	515	1,196
	<u>          </u>	<u>          </u>
Unrealised appreciation	225*	3,044*
	<u>          </u>	<u>          </u>
Market value as at 31 March 2014	<u>10,982</u>	<u>11,111</u>
Historical cost of Common Investment Funds	3,976	2,976
Historical cost of Investment Properties	388	391
<i>* includes revaluation gain of £Nil (2014: £1,164,000) on D J Thomas investment property</i>		
<b>7. DEBTORS</b>	<b>2015</b>	<b>2014</b>
	<b>£000's</b>	<b>£000's</b>
Due within one year		
Other debtors	1,440	891
Prepayments and accrued income	90	70
	<u>          </u>	<u>          </u>
	<u>1,530</u>	<u>961</u>
<b>8. CREDITORS: Amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	<b>£000's</b>	<b>£000's</b>
Bank overdraft	4	8
Other creditors	554	426
Other taxation and social security	199	270
Pension contributions	54	61
Accruals	591	426
Deferred income	102	99
	<u>          </u>	<u>          </u>
	<u>1,504</u>	<u>1,290</u>

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

**SPURGEONS**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**9. FUNDS**

**a) MOVEMENT IN FUNDS**

	Balance at 1 April 2014 £000's	Incoming Resources £000's	Outgoing Resources £000's	Investment Gains £000's	Transfers £000's	Balance at 31 March 2015 £000's
<b>RESTRICTED FUNDS</b>						
(i) Foundation Trust						
Permanent Endowment*	118	-	(4)	-	-	114
(ii) UK Projects	556	12,260	(11,830)	-	(269)	717
(iii) D J Thomas	3,845	121	(96)	-	-	3,870
<b>TOTAL RESTRICTED FUNDS</b>	<b><u>4,519</u></b>	<b><u>12,381</u></b>	<b><u>(11,930)</u></b>	<b><u>-</u></b>	<b><u>(269)</u></b>	<b><u>4,701</u></b>
<b>UNRESTRICTED FUNDS</b>						
<b>Designated funds</b>						
(iv) Investment property revaluation reserve	3,359	-	-	-	-	3,359
(v) Central office development fund	2,684	-	-	-	(15)	2,669
<b>General funds</b>						
(vi) General funds	2,748	3,891	(3,578)	740	284	4,085
<b>TOTAL UNRESTRICTED FUNDS</b>	<b><u>8,791</u></b>	<b><u>3,891</u></b>	<b><u>(3,578)</u></b>	<b><u>740</u></b>	<b><u>269</u></b>	<b><u>10,113</u></b>
<b>TOTAL FUNDS</b>	<b><u><u>13,310</u></u></b>	<b><u><u>16,272</u></u></b>	<b><u><u>(15,508)</u></u></b>	<b><u><u>740</u></u></b>	<b><u><u>-</u></u></b>	<b><u><u>14,814</u></u></b>

\* Denotes funds held in Spurgeon's Child Care

- (i) The Foundation Trust is a permanent endowment which holds the charity's registered office freehold property in Rushden in the unincorporated charity, Spurgeons Childcare. A uniting direction approved by the Charity Commission in 2005 has led to Spurgeons Childcare being accounted for within 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 DJ Thomas Fund can be used in accordance with the objects of the predecessor 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.

**SPURGEONS**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**9. FUNDS (continued)**

- (iv) The Investment Property Revaluation Reserve represents the cumulative net revaluation on the investment properties (excluding those restricted to the D.J. Thomas Fund). The fund has been designated by the Trustees to reflect the fact that this sum is tied up in the Charity's investment properties, which are used to derive essential income for the charity's activities. During the year, following the decision of the trustees to dispose of certain properties, the revaluation reserve from those properties (both those that have been disposed of or are in the process of being disposed) has been transferred to general funds. This amounted to £Nil (2014: £1,145,000).
- (v) The Central Office Development Fund has been designated by the Trustees from the surplus generated from the disposal of identified investment properties. The fund may be increased over the next 5 years and will be utilised to provide the appropriate infrastructure for the long-term purposes of the charity. £15,000 has been spent in this financial year on repairs & renewals to the Rushden support office, approximately £50,000 has been committed for the following year.
- (vi) General Funds represents the free funds of the Charity which are not designated for particular purposes

<b>b) ANALYSIS OF ASSETS BETWEEN FUNDS</b>	<b>Tangible fixed assets £000's</b>	<b>Investments £000's</b>	<b>Net current assets £000's</b>	<b>Total £000's</b>
<i>Spurgeons :</i>				
Unrestricted Funds	3	8,732	1,378	10,113
Restricted Funds	-	-	717	717
Restricted Funds - DJT	-	2,250	1,620	3,870
	<u>3</u>	<u>10,982</u>	<u>3,715</u>	<u>14,700</u>
<i>Spurgeons:</i>				
Permanent Endowment – Foundation Trust	114	-	-	114
Total	<u>117</u>	<u>10,982</u>	<u>3,715</u>	<u>14,814</u>

**10. S.C.C. TRADING LIMITED**

SCC Trading Limited is a wholly-owned subsidiary company which is limited by guarantee. The company became dormant with effect from 31 March 2004. As at 31 March 2015 SCC Trading Limited had net assets of £Nil (2014: £Nil).

**11. TRANSACTIONS WITH TRUSTEES**

During the year the charity reimbursed expenses of £8,000 (2014: £11,000) incurred by 8 Trustees (2014: 9) in travelling to meetings and visiting projects.

**12. RELATED PARTY TRANSACTIONS**

Romaine Thompson, a trustee of the charity from 27 January 2015, is a partner of Anthony Collins Solicitors LLP, a firm which provides legal advisory services to the charity. In the period from her date of appointment to the balance sheet date, the charity incurred fees totalling £518. At the balance sheet date an amount of £247 was owed to the firm. All transactions are conducted at arm's length.

The husband of Natalie Cronin, a trustee of the charity from 25 September 2014, was the Joint Chief Executive of the Royal Borough of Kensington and Chelsea and the London Borough of Hammersmith and Fulham. The charity has operated the contract for the provision of services for the Tri-borough Young Carers Project since September 2013, which covers these two Boroughs plus the City of Westminster. There is one billing point for the contract. The Royal Borough of Kensington & Chelsea; the total invoiced for 2014/15 was £210,000, all of which was paid within the financial year. All transactions are conducted at arm's length.

**SPURGEONS**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**13. TAXATION**

Spurgeons is a registered charity and therefore under Sections 466 to 493 of the Corporation Tax Act 2010 the Charity is exempt from paying tax on its charitable activities.

**14. OPERATING LEASES COMMITMENTS**

The charity is committed to the following payments in 2015/16 under non-cancellable operating leases:

	Property £000's	Equipment £000's	2015 £000's	2014 £000's
<b>Leases expiring:</b>				
Within one year	60	15	75	64
Between 2 – 5 years	87	35	122	141
	<u>147</u>	<u>50</u>	<u>197</u>	<u>205</u>

**15. POST BALANCE SHEET EVENTS**

In Oct 2011, HMRC ruled that the services provided by Spurgeons under the NOM's contract were taxable supplies, which lead to Spurgeons becoming VAT registered since that time. Spurgeons challenged this decision. HMRC confirmed in February 2015 that the services were in fact exempt and therefore retrospectively cancelled the VAT registration. As at 31 March 2015, Spurgeons were awaiting a further decision from HMRC as to whether a claim could be made for a refund for a net VAT payment of £104,000 under s73(3) and s80 VAT Act 1994, subject to the unjust enrichment and capping rules. Spurgeons received confirmation from HMRC in May 2015 that they did not believe it to be appropriate to consider to refuse part of Spurgeon's claim on 'unjust enrichment grounds. Therefore Spurgeons will be submitting a Voluntary Disclosure to HMRC to request a VAT refund and raising appropriate VAT credit notes which will result in net unrestricted income of £104,000 in 2015/16.

**16. 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.

**Big Lottery Fund – Youth in Focus** - Grant received for our **Sisters Project** £333,440 (2014: £308,529) £168,045 income was brought forward from 2013/14; expenditure in the year £381,974, with agreement to carry the remainder forward into next financial year.

**Big Lottery Fund – Reaching Communities** - Grant received for our **Invisible Walls Project** £99,950 (2014:£74,961), all of which was spent in this financial year.

**Comic Relief** – Grant received for our **Phoenix Project** £40,000, (2014: £40,000), all of which was spent in this financial year.

**Esme Fairbairn Foundation** - Grant received for our **Phoenix Project** £54,144, (2014: £0) all of which was spent in this financial year.

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

## THANK YOU

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

Albert Hunt  
Alchemy Foundation  
Anthony Collins Solicitors LLP  
Baron Davenport's Charity  
CHK Charities Ltd  
Comic Relief  
EC Webber & EM Doidge Charitable Trust  
Edgar E Lanley Foundation  
Settlement  
Esmee Fairbairn Foundation  
Frank Russon Charitable Trust  
Hampshire Police CC  
Indigents Trust Fund  
Society of Old Brentwoods  
Spurgeon Oaklands Charitable Trust  
Stobart Newlands Charitable Trust  
The Big Lottery Fund  
The Evan Cornish Foundation  
The Eveson Charitable Trust  
The Grimmitt Trust  
The Hunting Charitable Trust  
The Orangefield Trust  
The Wilson Family Trust

**We have been so pleased this year to continue to provide life changing services to so many children, young people and their families across England in 2014/15. We are happy to have been able to work with the following Local Authorities and other organisations to be able to deliver these:**

Bedford Borough Council  
Birmingham City Council  
CAFCASS  
Department for Work and Pensions  
Dudley Metropolitan Borough Council  
Essex County Council  
Hampshire County Council  
Hertfordshire County Council  
Isle of Wight Council  
Lincolnshire County Council  
London Borough of Wandsworth  
London Borough of Hammersmith & Fulham  
London Borough of Westminster  
National Offender Management Service  
Northamptonshire County Council  
Oxfordshire County Council  
Peterborough City Council  
Portsmouth City Council  
Royal Borough of Kensington and Chelsea  
Royal British Legion  
Solihull Metropolitan Borough Council  
Warwickshire County Council  
West Sussex County Council  
Wiltshire Council  
Wolverhampton City Council