

Spurgeons
Annual Report and Accounts
2018/19





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Trustee Report

Chairman's Welcome

I want to begin by thanking all those who have been part of our mission this year - our staff members, volunteers and many supporters. None of what has been achieved would have been possible without such an incredible, ongoing commitment to our cause.

During the 2018/19 financial year we have delivered 125 different strands of work through our 52 services and projects. These have included new opportunities to serve. For example, with Wolverhampton Young Carers and by being placed upon the Ministry of Justice's framework to deliver skills and resettlement services. In addition, we were invited to run Wiltshire's Children's and Families Voluntary Sector Forum and also selected to establish and support a new pilot project, Norfolk Connect, a Norwich-based service that seeks to develop a whole-family response to domestic abuse.

The coming year is both an exciting and challenging time for Spurgeons. Not only will we be stewarding the team towards completion of our current five-year strategic plan, but we will also be focusing upon finalising and communicating the next phase of our organisational strategy, in line with both our vision and mission.

Our desire is to see all children equipped, empowered and inspired in ways that enable them to realise the fullness of their potential. These children and their families are so often disadvantaged or struggling to cope with difficulties, are carrying emotional burdens and heavy responsibilities and have been or are at significant risk of being harmed or exploited. We are and will remain committed to working with them.

Spurgeons' Childrens Charity was, of course, founded by the great 19th Century Christian preacher Charles Haddon Spurgeon. That Christian foundation remains a fundamental part of our DNA and it is appropriate that our heartbeat for 2018/19 should be these words from the Apostle Paul:-

In everything I did, I showed you that by this kind of hard work we must help the weak, remembering the words the Lord Jesus himself said: "It is more blessed to give than to receive." Acts 20:35

We would very much appreciate your continued support and prayers at this pivotal time in the Charity's long history.

Blessings always,

Andrew Caplen
Chair of the Board of Trustees

Chief Executive's Review of the Year

"We are in a wrong state of mind if we are not in a thankful state of mind." Charles Spurgeon

Running a Christian children's charity in the current climate is not easy. However, in the case of Spurgeons, it remains rewarding and an honour to do so. The challenges facing us seem great, but so too are the achievements we have realised over the past year. The work we are called to undertake is difficult and complex, however we are blessed by the resilience, skill and resourcefulness of our staff. The need can seem overwhelming and resources too limited to cope, but once again we present an Annual Report full of hope and achievement, underpinned by robust finances.

As we enter the final year of our current five-year organisational strategy, we can look back at the past year and see where and how we have continued to work in line with our mission. Whether establishing new work tackling domestic violence and its impact on young people, deepening the roots of our work in prisons and with young carers, establishing new services in cities, or partnering churches in shire counties to help them reach isolated and vulnerable families, we have had another outstanding year; especially considering the number of lives we have touched and the children and young people we have given new hope to.

Our transformative, front-line work depends on the dedication and skill of many whose efforts are rarely acknowledged. However, we know how important it is to support project staff and volunteers well, so we have continued to invest in our systems and processes, and have sought to be good stewards of what we have been given.

In our 2015 strategy we stated that: *'We take seriously how we work, as much as we do the type of service we deliver. With hope and compassion, we want to realise transformation in the lives of those we work with; we seek the flourishing of all the communities we work in, and of every person in those communities, irrespective of faith, background or circumstance; we strive to understand and fully address the needs of the children, young people and families we work with. We work as partners with others, respecting others; what we do and how we work creates a positive and lasting legacy in individual lives and communities.'*

This has always been our approach. This Annual Report celebrates examples of where we have achieved these aims and demonstrated excellence in heart, mind and action. We may not always be perfect, but we live under Grace. Grace is liberating, inspiring and can change lives and, ultimately, that's the business we are in: Spurgeons, continuing to give vulnerable children a better present and a more hopeful future.

Ross Hendry, Chief Executive Officer

Spurgeons Objects and Activities

Spurgeons is a Christian children's charity founded in 1867 by Charles Haddon Spurgeon. Our formal Articles of Association state that: *'The Charity's Objects, which is carried out in the context of the charity's Christian foundation and history and is for the public benefit, is to advance in life and help children and young people, their families and carers who are in need of care and protection, in particular, but not exclusively, by the provision of education, support services, social care, maintenance, vocational training and financial assistance.'*

While these Articles set out who we are and all that we do, they do not readily describe how we work, the nature of the projects we run to achieve these Objects, or what we have achieved.

Spurgeons story began with the Christian ministry and mission of Charles Haddon Spurgeon, and a donation by Anne Hillyard of £20,000 (around £2.5 million today) for the very specific purpose of helping fatherless boys. Since the opening of the Stockwell Orphanage in 1867, Spurgeons has changed a great deal. Today we mostly seek to keep families together by getting involved in their problems at an earlier stage, and we carry out our work in numerous ways, in many different locations around England. Our workforce is diverse and multi-talented, reflecting the many different groups we work with. Yet we remain guided and motivated by the Christian faith and, as such, see ourselves at the heart of communities, strengthening our society by delivering intervention and support services to improve the lives of vulnerable children and families.

Our vision, mission, values and who we seek to help

Spurgeons vision is to see all children equipped, empowered and inspired in ways that enable them to realise the fullness of their potential. This vision is rooted in the Christian faith which shapes our mission to provide support for children, young people and families, who are experiencing difficulties or challenges, so that they can have a better present and a hopeful future.

Spurgeons is committed to delivering its mission by 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.

What kind of work do we do? How many people do we work with?

Our ambition to support and serve these three groups has led us to work in many different ways. We are not a single issue organisation, nor do we run a single type of service.

In the year up to the end of March 2019, Spurgeons ran 52 projects and services which were delivered in 19 local authority areas across England. This brought us into contact with 29,835 children and young people and 33,232 adult family members. Of these, we worked intensively with 3,095 children and young people to directly help them overcome the challenges they face and reduce their vulnerability and disadvantages. Further, we directly protected 454 children from harm through to the conclusion of the safeguarding concerns we raised about them.

In summary, our projects can be broken down as follows:

- 32 (61%) that deliver Family Support services. These include *Children's Centres*, delivering the *Separated Parents Programme* for CAFCASS, and our *Together for Families* projects working with churches.
- 12 (23%) projects based in prisons, where we run programmes with dads to help them build healthy relationships with their children, provide support for children in families impacted by having a father inside, and running child and family-friendly visitors' centres.
- 4 (8%) *Young Carers* projects, where we support children and young people who are having to support, or care for significant adults in their lives.
- 4 (8%) projects that are specialist services, specifically designed to tackle complex problems, such as *Girls in Gangs*, *Child Sexual Exploitation*, young people who are self-harming or have mental health problems, and projects like *Norfolk Connect* that are tackling *Domestic Violence* in the East of England.

Through our 52 services and projects, we delivered 125 different strands of work, from holiday kitchen clubs to baby massage sessions, from the *Freedom Programme*, for those experiencing domestic abuse, to the *Triple P Parenting Programme* that helps parents gain confidence and new parenting skills.

The number of families we come into contact over the course of a year remains incredibly high, for our relative size, and this year we continued to see the trend of early intervention services being inundated with families who are struggling to cope.

Yet we continue to be able to provide services that are extremely well regarded and impactful. We know this because we follow up our work by asking service users about the difference we have made, as well as using recognised measurement tools to objectively measure our impact. 98% of service users who gave us feedback agreed they were treated well through our services (sample: 4,859) and 98% of service users agreed that the service they received from us made a positive difference for them and their family (sample: 4,110). For more on the difference we made in the lives of these families, please see the *Achievements and Performance* section (below).

Most of the families we see are referred to us by other agencies, or come to know about us through the outreach work of our own staff. However, some families come to Spurgeons because other potential sources of help – whether Statutory agencies or other charities – are overwhelmed by demand. Spurgeons increasing involvement in such projects is evidence of other agencies or organisations either not having the capacity or capability to help with families' complex problems, or that other bodies offering support in the past have had to close, or cut back significantly, due to a lack of funding.

Spurgeons is not immune to the pressures on funding, especially Statutory funding, for early intervention. However, our financial position, and having a clear mission rooted in faith, means that we have the opportunity to respond to these pressures; these are aspects to be considered and which our plans for the future will take into account.

Speaking out on behalf of our beneficiaries

One of our strategic aims is to speak out and speak up on behalf of our beneficiaries. While Spurgeons primary purpose is to offer practical support and assistance to vulnerable children and families, in 2018/19 we continued to raise issues that were important to the groups of children and parents we worked with. Once again, we published our *Parent's Report* which highlighted the concerns of families who are struggling to cope. This report included parents' hopes, dreams and fears for their children, the kind of help they need and where they go to find it.

Furthermore, we accepted invitations to speak at national conferences, and submit evidence to official inquiries, where we believed we could influence policy makers and other agencies in order to help the groups we were working with. This work included Spurgeons response to the Domestic Abuse Bill, taking part in round-table consultation events (NCVO/CC) about the Charity Code of Ethics, participation in the #ChildrenAtTheHeart

campaign and our submission to the Women and Equalities Committee Inquiry into the mental health of men and boys.

This year we also refreshed our website, increasing our capability to engage with the public, especially our service users. As example, we have dedicated sub-sites for young carers, and for families impacted by imprisonment, that help us communicate effectively with, and support more of those we work with.

Although Spurgeons will never be a charity whose primary purpose is to campaign and lobby policy-makers, we will continue to use our experience and expertise to undertake timely and impactful interventions in the public square.

Working with churches and other partners

Churches remain a key source of support, partnership and encouragement to Spurgeons. Although we are not an organisation that seeks to evangelise through the preaching and teaching of the Christian Gospel, we nonetheless are keen to express and proclaim the love of Jesus Christ in and through the work that we do.

In this sense, churches are natural partners in our mission, and this is reflected in the work that we do at a local, regional and national level. In the past year, 26 of our 'project clusters' have recorded ongoing work with local churches and 49 faith-based organisations (47 Christian and 2 non-Christian). We have benefitted from the help and generosity of churches which have opened up their buildings for us, enabling us to deliver services nearer to those in need, encourage congregation members to volunteer in our projects and/or raise funds to support local work.

At a national and regional level, we have worked with Christian organisations that share our passion for helping the vulnerable and disadvantaged. For example, we have invested in pilot programmes that have seen us develop joint programmes with the Mothers Union and Messy Church, and we hope to see further examples of this grow at a local level.

One of the main expressions of our partnership with churches remains our *Together for Families* programme. In 2018 and 2019, we had *Together for Families* workers in Peterborough, Northamptonshire, Wiltshire and Birmingham. Through this initiative, we aim to link Spurgeons services with local churches and communities, to run groups and activities for families affected by social and geographic isolation.

Working with our children's centre teams and services in these areas, our *Together for Families* staff delivered 35 sessions to help create and train groups in 15 new churches over the past year. This is helping extending the reach of Spurgeons support across these communities.

Our partnership with local churches is just one expression of working with local communities and other groups. In total, there were 445 local partner agencies and teams working with our services during 2018/19. This demonstrates our commitment to expanding our work in local communities with our mission being lived out in practice through local groups.

Fundraising and income generation

The large majority of our income comes from contracts we have successfully bid for, for projects we are privileged to run on behalf of the public sector. Funding from local government remains our main source of funding, followed by prisons. The level of funding we receive from these sources is set out in the *Financial Review* section (below).

Our contract-based income is primarily generated through work undertaken by our Business Development department, which works closely with other parts of the charity to respond to invitations to tender from public sector Commissioners. In recent years we have strengthened the process of deciding what work we bid for and, in 2018/19, we streamlined our bid-writing process in order to make us more effective and more efficient in generating income from this sector.

Working together with the Fundraising Grants and Trusts team, the Business Development department's work in 2018/19 meant that we successful in securing work with Wolverhampton Young Carers, placed on the Ministry of Justice's framework to deliver skills and resettlement services, invited to run Wiltshire's Children's and Families Voluntary Sector Forum and establish a new, Norwich-based service called Norfolk Connect. This last project is a pilot scheme that seeks to develop a whole-family response to domestic abuse.

While fundraising accounts for a significantly less of our total income, it remains important to our identity, and to our sense of partnership with supporters and local communities. It is for these reasons that we seek to grow this area of funding. In 2018/19 our voluntary income totaled £1,790,000; of this, £1,149,000 was restricted income and £641,000 unrestricted income.

While our supporter base is relatively small, we are very grateful both for the generosity of our donors, and the success we have had in being awarded significant voluntary income grants which have enabled us to start new work and continue to meet unmet and often complex needs.

In 2018/19 progress continued in developing new areas of fundraising and, in particular, Community fundraising. In parallel, we sought better engagement with our church supporters to aid efforts to increase our supporter base over the coming years, while maintaining existing, restricted voluntary income grants. Part of this effort was attending national Christian events, such as Spring Harvest, New Wine, and Church Big Day Out to promote our work. These efforts were supplemented by some large legacy gifts which have helped to establish new areas of work in the East of England.

Mindful of our commitment to ethical fundraising, and respecting our supporters and others who donate money to work with vulnerable children and young people, we regularly monitor our campaigns and the nature of any complaints we receive. Wherever possible, we seek feedback directly from our supporters. All of our policies and procedures are informed by the Fundraising Regulator's *Code of Fundraising Practice* and, in reviewing our work, we seek to achieve best practice, not just legal compliance.

On May 25th, 2018, the General Data Protection Regulations (GDPR) came into force as the UK government's Data Protection Act (2018). Getting ready for the new regulations was a major undertaking. With significant investment and support from across the charity, we were able to ensure that our policies, processes and systems were in line with guidance given by both the Information Commissioner's Office (ICO) and the Fundraising Regulator by the implementation date. This work included updating policies concerning donations, acceptance and refusal, responding to complaints, managing refunds, storage and provision of data, and use of our website cookies. Our Fundraising Compliance pack comprises all of these policies. We keep this pack under regular review and ensure it is shared with the whole team and our partners as an ongoing resource.

We are committed to open and honest communication with our supporters and members of the public in a way that they are comfortable with. We will always consider and review our communication methodology, based on feedback and research, and will always seek to be transparent about how we work.

A total of two complaints were received about fundraising via direct mail in the year and escalated as part of our official complaints policy (as set out on our website www.spurgeons.org). We worked with each complainant to understand their concerns, updated them on any actions we had taken as a result, and made necessary changes to our systems and/or processes where deemed appropriate.

Our priorities in 2019/20 are to improve the return on investment of our fundraising activity and continue to build our supporter base, both with churches and individuals. In doing so we hope to continue to grow these important sources of income for our charitable work.

Our public benefit

The sections set out above reflect Spurgeons ongoing commitment to operate in accordance with public benefit requirements. As such, the Trustees give due regard to the Charity Commission's public benefit guidance in making decisions, when exercising their powers or duties set out in legislation and in Spurgeons Articles of Association.

As a Christian children's charity, we believe that this approach is consistent with pursuit of the Common Good. This is a doctrine that Christians down through the ages have held to be an essential part of their faith. We continue to 'seek the peace and prosperity' in each area of our work, working with the three groups of children and young people we seek to equip, empower and inspire. (cf. Jeremiah 29:4-7) By using our resources in this way we hope to see some of the most vulnerable and disadvantaged children thrive, and the communities that we seek to serve flourish.

Our staff and volunteers

Who are our staff?

On 31 March 2019, Spurgeons employed a total of 362 members of staff. The nature of our work and the sector we work in, as well as our staff's personal circumstances, means that many of these members of staff choose to have casual contracts (13%), or to work part-time (49%), rather than work full-time (38%). 92% of our workforce stated their gender as female and 65% declared their ethnicity as 'white'. From HR data, the 'average' Spurgeons employee is a 42-year old, part-time woman.

Equal opportunities

One of our core values is to be inclusive. This means that we recognise each person as a unique individual, treating them with respect and celebrating diversity. We express this through our equality and diversity policy.

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.

Disabilities in the workplace

As an employer, Spurgeons will not discriminate against a disabled person for a reason that relates to their disability, or treat them less favourably than a non-disabled person. We will conduct an individual risk assessment for every applicant, employee or volunteer with a disability. This will identify any reasonable adjustments that need to and can be made to the workplace or role, in order for the person to contribute fully to our work.

What our staff think about Spurgeons

Results from the annual *Have Your Say* Spurgeons staff survey, conducted in November 2018, revealed that 95% of our staff said that they were proud to work for Spurgeons. 99% of respondents said that the work we do for children and young people makes a difference.

We achieve this positive feedback, in part, because we value and invest in each member of staff. Each new employee is required to both follow an induction programme, that includes familiarisation with essential policies, and undergoes training appropriate to their role.

During the last year we have sought to streamline our policies, making their language and implementation more accessible, and ensured that managers across the charity are trained in how to conduct good supervision, annual appraisals and setting 'SMART' objectives.

This is, in part, how we make a difference as a good employer of people. As evidence, in the November 2018 staff survey, 98% of respondents said that their colleagues 'help and support' them; 95% felt they have a supportive manager and 94% felt that their line manager gives them regular feedback. These results are well above UK averages, which are 82% for colleagues' help and support, and 72% for managers' support.

Of the 282 respondents to the annual staff survey (80% response rate), 94% said they felt that they received the knowledge, skills and learning they

needed to do a good job while 86% said they have the tools and equipment to do their job. This reflects the record rates of training that were taken up this past year.

We are proud of these results but we continue to use the results of our staff survey, analysis of annual appraisals and feedback from staff to continue our focus on being the best employer we can be.

How we support our volunteers

Volunteers are an essential and an important part of our workforce.

Over the course of 2018/19, hundreds of people volunteered their time to help us deliver transformative services to children, young people and families. At the close of the year we had 165 active volunteers, however this number does not recognise many others who will help us during the year, on a one-off or short-term basis.

All of our volunteers are supported by our central services and teams and, like all of our staff, everyone has to undertake essential training in safeguarding, equality and diversity, health and safety and data protection (GDPR) requirements.

Our commitment to employees and volunteers alike is summed up in a pledge and commitment we make to everyone who works for us. Rooted in our ethos and values, this pledge gives specific commitments to staff and volunteers about the way in which we expect to treat one another, and we aim to embed this still further by encouraging every team to regularly consider how they live our values.

Our commitment to equip, empower and inspire starts with our staff and volunteers. When we give them a better present, and a more hopeful future at work, they are better able to realise our mission with the families we work with.

Planning for our future

Next year heralds the end of the period covered by our current organisational strategy, *Striding Forward to 2020*. Our intention is that the Board will review the impact of the current strategy at the end of the current financial year (year ending March 2019), with key learning from this process being fed into the aims and objectives set out in the next organisational strategy.

Preparation and planning has already started on this new strategy. This began in November 2018 with an 'away-day' where Trustees assessed future income streams and where Spurgeons work and resources could have most impact in the future. During 2019, we will continue to develop plans which we expect to shape both our new 5-10 year strategy and our new business plan for 2020 and beyond. We expect this to be a significant step forward in Spurgeons development and we have set out decisive steps regarding both the issues that we wish to tackle and the type of work we expect to be undertaking, for at least the next decade.

Our new strategy should be published in the first half of 2020, with implementation of the plans contained therein starting with immediate effect.

Strategic Report

Achievements and Performance

Measuring our work

Over the last two years, we have developed a unique framework to measure the difference we make; Spurgeons Impact and Outcomes Framework. This Framework links the work we undertake to the outcomes and impact we seek to establish for our service users, across each of the client groups we seek to work with. It aids development of a local theory of change, informs the monitoring and evaluation we undertake to ensure our work is on a positive track, and is effective, for each service user.

Applying this Framework across our services, we can both recognise our innovation in programmes and techniques that meet service user needs and apply this learning locally and nationally, where appropriate. The Framework is informed by user feedback and is reviewed annually to ensure we continue to link our efforts to what is appreciated by, or effective for service users.

What we said we would do

In our last Annual Report, we set out our ambitions for this year. Each year our commitment is to report honestly and openly about how we have done, learning from our successes and any failures.

We said we would ...	What we said we would do	What we achieved
1. Evidence the impact we have on the lives of those we work with by:	<ul style="list-style-type: none"> Being able to evidence improved outcomes for majority of users (having implemented the Spurgeons Outcomes and Impact Framework across our services and projects) Attaining service user and stakeholder satisfaction rates of at least 97% (2017 baseline) – this demonstrates the difference our service users feel we have made to their lives 	<ul style="list-style-type: none"> In the last year, we have rolled out the Spurgeons Outcomes and Impact Framework to more of our services. 22 projects have a theory of change and our Framework is now impacting how we monitor and assess all our projects. The Framework has been reviewed to ensure it reflects the 125 stands of work we deliver and the feedback we receive from families on their outcomes. After surveying our service users, 98% of respondents agreed they were treated

		<p>well at our services (sample: 4859) and 98% said that our service made a positive difference for them and for their family (sample: 4,110).</p>
<p>2. Be recognised for delivering innovative, high quality services by:</p>	<ul style="list-style-type: none"> • Living our commitment to 'Contract+', which means being able to demonstrate that Spurgeons has created at least 10% of added value to each contracted area of work. • Improving organisational effectiveness through up-to-date policies, simplified processes and improved cross-functional working 	<ul style="list-style-type: none"> • We have not lived up to our full ambition in relation to Contract+. We add value, and record this in every project (e.g. by recruiting volunteers, developing partnerships that provide help in-kind, and fundraising to do more life-changing work), but we have yet to realise at least 10% added value to every project we run. • We have reformed and re-organised some of our work and undertaken Lean Process Mapping to reduce inefficiencies and wasted effort across our central office teams. This has realised 5% efficiency savings across our central teams.
<p>3. Influence change by speaking-up on behalf of those with whom we work by:</p>	<ul style="list-style-type: none"> • Developing partnerships that amplify our impact, voice and reach on behalf of vulnerable children • Over 80% of our staff and volunteers feeling engaged and stating they believe Spurgeons lives its values; meaning our staff and volunteers become our best advocates. 	<ul style="list-style-type: none"> • 26 Project clusters have partnerships with 445 partner organisations and groups. These are an important part of how they work and support children and young people • In our last staff survey (end of 2018) 99% of staff said they believe the work we do for families makes a difference and 95% said that our core values influence the way they work
<p>4. Achieve financial sustainability that</p>	<ul style="list-style-type: none"> • Our delivery projects (services) working 	<ul style="list-style-type: none"> • Some of our projects ran in deficit last year, while some

<p>enables maximum resources to be used directly on realising our mission by:</p>	<p>within agreed budgets; and increasing efficiency and effectiveness across all the central support teams in order to deliver financial sustainability.</p> <ul style="list-style-type: none"> Achieving a turnover of over £13million based on new income, diversification of income, and partnerships 	<p>(fewer) ended the year in surplus. There were also some significant differences versus budget that were just caused by timing.</p> <ul style="list-style-type: none"> Across central office teams and functions, we came in under-budget and as a result were more efficient We hit our income target for the year through generous legacy gifts and grants to start new projects
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Achieving our strategic objectives

In addition to the aspirations set out above, we introduced the Spurgeons Scorecard in 2018 to help Trustees and staff measure progress against the strategic aims set out in our strategy *Striding Forward to 2020*. The Scorecard is designed to show and enable review of our status against objectives across different areas of our work. The Scorecard contains 12 targets divided into four sections (Impact, People, Enablers and Finance). There are three key measures behind each target that enable us to track progress. The Scorecard is published for all staff to see, with status against targets reported to our Board of Trustees, senior managers and central office-based staff each quarter.

Trustees have found this a useful tool that provides an overview of key areas of the charity's operations. The scorecard was reviewed at the end of the year and has been developed further for use in 2019/20.

Managing risk

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

The Risk Register is co-owned by our Board of Trustees and the Chief Executive. It follows the good practice format set out by the Charity Commission, which includes clarity of up-to-date mitigations, key actions that are assigned an owner and a risk score that is related to a RAG-rating (Red,

Amber, Green) for each risk. Each of our Board's sub-committees has responsibility for monitoring how we are managing risks relevant to their remit. Their consideration is then reported to the full Board who review the whole register at each meeting.

Having reviewed our key organisational risks, the Board believes the key challenges for 2019/20 remain:

1. The impact on our income of a changing funding environment for Spurgeons current portfolio of projects and the reduction in long-term funding for early intervention services.
2. The recruitment and retention of talented staff and Trustees to ensure good quality leadership, decision-making and operations.
3. Maintaining security, safety and compliance with relevant professional standards across each area of our work so that we continue to deliver 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 these risks through clear plans that set out our mitigating actions. These include:

1. Developing a new organisational strategy, to be ready by 2020, that clearly sets out our business model and expectations of how we will deliver our mission over the next 5-10 years.
2. Implementing the recommendations from our Lean Process Mapping exercise for our recruitment process, reviewing how we pay, reward and develop staff and volunteers (including Trustees), and setting up succession planning for our Board of Trustees and key staff.
3. Continuing 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.

Ambitions and targets for 2019/20: What we have set ourselves to do this year

As we move into the final year of our current strategy we will continue to lay down the foundations for future generations of work, as well as delivering

remarkable work, efficiently and effectively, in the present. Each year we share our ambitions and plans with our staff which are set out clearly in our Annual Charity Plan.

This year the Plan includes a Bible verse, our theme for the year, that we hope will inspire all our staff and volunteers:

"In everything I did, I showed you that by this kind of hard work we must help the weak, remembering the words the Lord Jesus himself said: 'it is more blessed to give than to receive.'" (Acts 20:35, NIV)

Realising our targets will be hard work, but these do reflect commitment to our mission and vision, which is to equip, empower and inspire vulnerable children.

With that ambition set out, listed below are some of the key deliverables we have committed to achieve in 2019/20, listed under each of our four strategic objectives.

1. Demonstrate excellence in evidencing the impact and positive difference we make.

- a. Evidenced improved incomes for a majority of users
- b. In living our commitment to 'Contract+', we can demonstrate that Spurgeons has added at least 10% value to each contracted area of work

2. Be recognised for delivering innovative, high quality services.

- a. At least 80% of our staff and volunteers feel engaged and believe that Spurgeons lives its values
- b. Service user and stakeholder satisfaction rates greater than 97% (2018/19 baseline)

3. Influence change by speaking-up on behalf of those with whom we work.

- a. Identify Spurgeons 'core calling' that will shape the direction and nature of our work for the next decade.

4. Achieve a medium-term financially sustainable organisation that enables maximum resources to be utilised to achieve our mission.

- a. Realise at least 10% efficiencies across our central services
- b. Our income will be over £13million, based on new income, diversification of income sources, partnerships, etc.

All of these targets (apart from [e]) will be monitored quarterly through our Scorecard, enabling us to continue to be able to report openly and honestly in next year's Trustee Report on how well we have done in achieving these deliverables.

Financial Review

An overview of our financial performance

The Statement of Financial Activities (SOFA) below shows it has been a strong year with an increase in income of 32% over the previous year, primarily due to our partnership with Birmingham City Council. The result for the year is a surplus before gains on investments of £804,000 (*2018: deficit £128,000*). The result comprises of an unrestricted deficit of £82,000 (*2018: deficit £602,000*) and an operating surplus on restricted funds of £886,000 (*2018: £474,000 surplus*). Large legacies received during the year have significantly helped the position on unrestricted funds whereas the majority of the year-end operating surplus in restricted funds is due to timing differences on projects and is carried forward in restricted reserves. (See Note 12 in the financial statements below.)

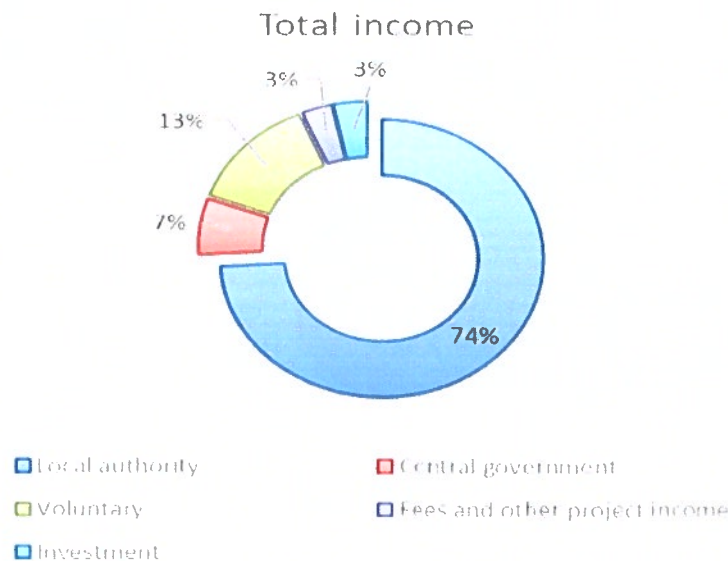
The increase in total income by 32% to £13,604,000 (*2018: £10,286,000*) was greater than the increase in expenditure of 23% to £12,800,000 (*2018: £10,414,000*). This was the result of being able to keep a tight control on costs. A continued focus on delivering cost efficiencies, especially in central teams where our costs decreased, has meant another strong set of operational results in the face of adverse economic conditions.

In addition, our net assets have again been enhanced by gains in investments. During the year the asset value of the Epworth investment portfolio increased by £200,000. In contrast, changes in property values resulted in unrealised losses on property assets of £104,000. In summary, this resulted in unrealised gains for the year of £96,000 (*2018: £105,000*).

The net outcome for the year resulted in a reduction of unrestricted funds of £220,000 (*2018: £507,000 decrease*), an increase in restricted funds of £1,120,000 (*2018: £484,000 increase*) and total funds increasing by £900,000 (*2018: £23,000 decrease*). The total net assets at year-end are £17,591,000 providing a strong financial base which has been developed in recent years from growth in retained assets.

Our income

Total income £13,604,000



As in the previous year, the majority of our income (74%), specifically £10,071,000 (2018: £7,270,000), 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, £878,000 (2018: £839,000), from central government departments through a number of contracts with Her Majesty's Prison and Probations Service to provide family support services. Virtually all external funding was given for specific services and is therefore restricted solely to that purpose and not transferable from one service to another.

Our expenditure

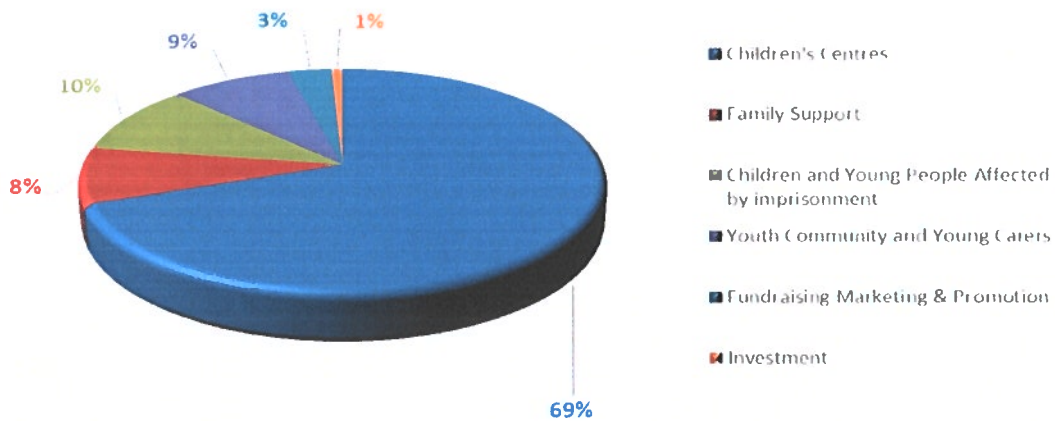
Total expenditure £12,800,000

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

Our children's centres work increased this year with this aspect of our work accounting for 69% of total spend at £8,882,000 (2018: £6,694,000), our family support work increased to 8% of total spend at £1,042,000 (2018: £485,000), with children and young people affected by imprisonment accounting for 10% of our total spend at £1,289,000 (2018: £1,480,000) and

youth, community and young carers work accounting for 9% of the total spend at £1,100,000 (2018: £1,299,000).

TOTAL EXPENDITURE

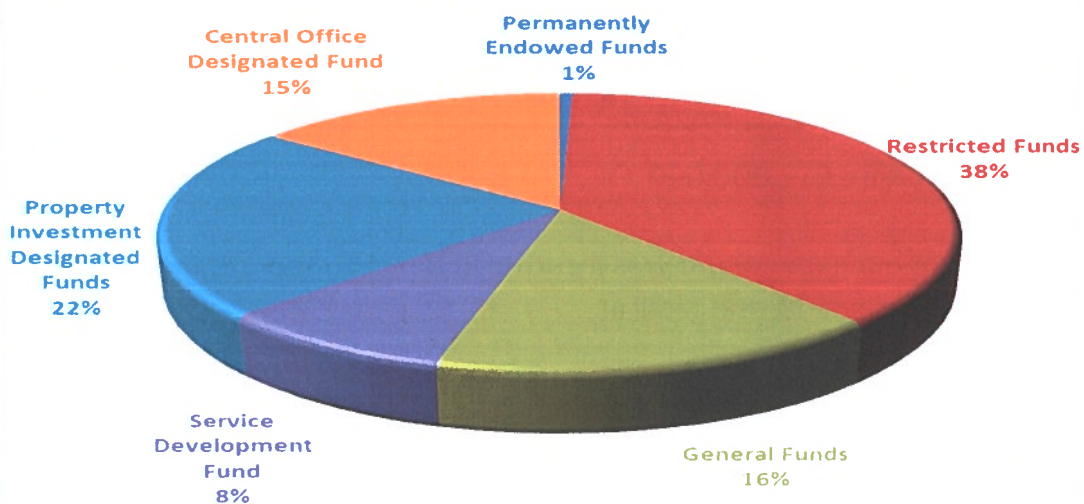


Employment costs remained by far the highest single item, totalling £8,708,000 (directly employed staff £7,119,000, seconded staff £1,589,000), equating to 68% of our total expenditure (2018: £7,127,000), the majority of this is being in direct services support personnel.

Our reserves

Total funds £17,591,000

TOTAL FUNDS



At year-end, Spurgeons total funds increased by £900,000, an increase of 5% year-to-year, to £17,591,000 (*2018: £16,691,000*).

Of our total funds, £6,725,000 (*2018: £5,605,000*) were restricted; such funding can only be spent on the specific purpose for which the funding has been given.

The permanently endowed funds, which are vested in the freehold property of Spurgeons' central office in Rushden, continued to depreciate to a year-end book value of £99,000 (*2018: £102,000*).

The designated funds of £8,038,000 (*2018: £8,156,000*) are those set aside by the Trustees for a particular purpose and comprise the Property Investment Fund £3,924,000 (*2018: £4,042,000*), the Central Office Development Fund £2,614,000 (*2018: £2,614,000*) and the new Service Development Fund £1,500,000 (*2018: £1,500,000*).

General, unrestricted, funds decreased by £102,000 to £2,828,000 (*2018: £2,930,000*).

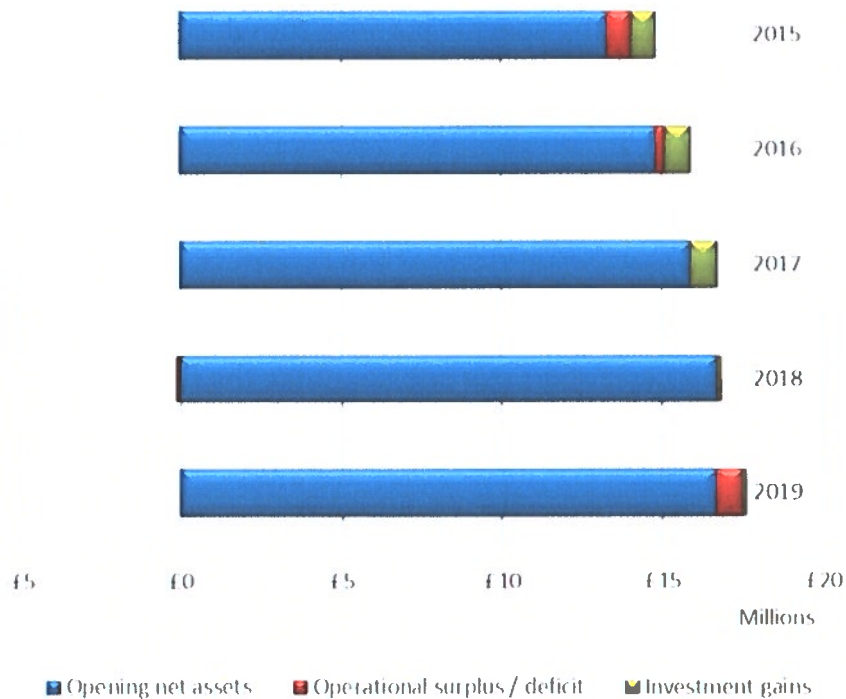
The Balance Sheet and liquidity of the charity at year-end remain strong. As a result, the charity's accounts can be prepared on a going-concern basis.

Annual net assets

The value of net assets in future years is projected to reduce in the light of budgeted deficits and potential investment will feature in the strategy beyond 2020, but remain strong as a 'going concern'.

One of our strategic aims is to make our central functions as efficient as possible so that we can maximise the resources we send to the front line and spend directly in our projects. To this end, we continued our investment of recent years in infrastructure. We also introduced new, more efficient ways of working to areas of our work, such as recruitment and bids, in order to identify and eliminate any potential waste and inefficiency (based on 'LEAN' principles). During the second half of the year we invested in a new HR system that provides better reporting and cleaner, easier-to-access support for all members of staff. Our ambition is that this will be extended in the future to support volunteers as well. This new system went live on April 1st, 2019. In addition, we started planning further improvements to our IT infrastructure, and are preparing to make changes to both our payroll and expense management systems. Our aim is to make Spurgeons systems more resilient and efficient.

Annual net assets



This work is carried out in the context of continuing pressure on income. The contract value for the work we currently undertake is decreasing due to challenges faced by local authorities.

However, our asset base remains strong, and we will be reviewing how these assets are best deployed to enable strategic objectives to be met. Our strong performance on income and strict control of costs have resulted in another strong financial performance.

As a result, we confidently assert that we are in a good financial position and meet the Charity Commission's expectations of being a 'going concern'.

Structures, Governance and Management

Governance documents and how we are constituted

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 in this document include the results of the unincorporated charity, Spurgeon's Child Care (this is a historic title; see Note 12 below). 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.

In 2017 we reviewed our governing documents and, following discussion at Board level, advice from our solicitors (Anthony Collins Solicitors) and consultation with the Charity Commission, we adopted new Articles of Association in an Extraordinary General Meeting in September 2017. These Articles of Associations set out how Spurgeons is governed.

Our governance and Board of Trustees

Our Board of Trustees has adopted the Charity Code of Governance as the benchmark of our governance arrangements and operation. Our work is reviewed periodically against this Code to ensure that how we work is in line with what is considered 'good practice' in the sector. In order to manage its responsibilities, the Board has delegated some elements of its work to sub-committees; in 2018/19 there were three sub-committees:

- **Finance** - oversees all financial aspects, including setting and managing the internal financial controls, budget setting, management against budget, and investment policy appraisal
- **Remuneration** - reviews the performance and remuneration package of the Chief Executive, the Deputy Chief Executive and the Chief Operating Officer
- **Standards & Outcomes** - undertakes a due diligence role to scrutinise, challenge and support our work with children and young people

In addition, Safeguarding and Health & Safety Panels provide key forums for monitoring certain elements of our performance. Membership of these Panels is made up of members of staff, with at least one member of the Senior Executive Group attending each. Minutes of each Panel meeting are reported to the appropriate sub-committee and directly to the main Board meetings.

Trustees are appointed to the Board through a fair and open selection process that may be managed directly by the charity's staff or by an external agency approved by the Board. The recruitment process is approved by the Board and candidates interviewed by delegated Trustees, before being invited to attend a Board meeting as an observer. Candidates are elected on to the Board by a vote of the Trustees present and appointed for a period of three years, after which time they are eligible for re-election for one further term. This may be extended in exceptional circumstances.

New Trustees undergo an induction programme and are encouraged to visit projects wherever possible. Details of the names of the Trustees as at the date of this report, and changes in the year are set out below.

Qualifying indemnity insurance

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

Organisational structure

The Trustees delegate the management, development of strategy and overall leadership of the Charity to the Chief Executive. The Chief Executive is also the Company Secretary.

Two senior managers report to the Chief Executive: The Deputy Chief Executive (DCE) and the Chief Operating Officer (COO). Together these three members of the Executive make up a Senior Executive Group.

The DCE and COO line manage seven Heads of function who each lead an area of our work. These include Practice, Business Development, Data Impact and Evidence, Finance and Corporate Services, People, IT and Systems and an Engagement team created in April 2019 that brings together parts of our marketing, communications, fundraising and church engagement work.

Decision making

A key part of effectively managing the work of a charity the size of Spurgeons is clarity over roles and responsibilities. Over the last year the Board of Trustees tasked the Senior Executive Group with refreshing our delegated scheme of authority. In March 2019 a new framework was approved by Trustees. This sets out the principles of why and how authority is delegated to different roles and individuals, and provides guidance on the different

types of decisions that managers, senior staff and the Board may need to make. This document is shared on Spurgeons Intranet pages and is available to all staff.

Remuneration and our pay policy

Spurgeons operates a clear and transparent Senior Executive Pay policy that follows the principles set out by the National Council for Voluntary Organisations (NCVO) and the charity leaders network, ACEVO. The policy is reviewed regularly and used to guide the determination of the senior executive group's pay.

Spurgeons is committed to paying its staff at least the hourly rate defined by the Foundation for a Living Wage. All other staff are paid in line with Local Government's National Joint Council (NJC) pay structures and it is our convention that pay awards to staff (other than the senior executive group) are guided by the NJC advice. Each year it is the Board of Trustees, following a recommendation from our Finance Committee, who approve the pay award to staff. This is usually part of their discussion concerning the charity's budget for the coming year.

A full copy of our remuneration policy can be found on our website (www.spurgeons.org). This is also where our annual Gender Pay Gap is published.

Membership of other organisations

Spurgeons is committed to speaking up on behalf of our service users. Sometimes this takes the form of issues relating to the operation of charities like Spurgeons, and sometimes campaigns directly relating to the lives of our service users. We continue to use our own resources to do this, but also partner other organisations where we believe this to be a more effective means of getting our voice heard.

In 2018/19 we continued to be a member of the End Child Poverty Coalition. As part of the coalition we supported several of their initiatives to bring attention to the growing numbers of children living in poverty in the UK. Spurgeons continued to play a key role in Prisons Week, an annual campaign that encourages Christians and churches to get involved in the justice system. We are also members of Children England, an umbrella body for children's charities in England that is a respected voice in speaking out on children's rights and issues that are impacting the voluntary sector. The Chief Executive continues as one of the Trustees of Children England.

Investment management

The management of our investments is governed by the provisions of the Trustee Act 2000. Income from investments is an important part of our funding and, as such, Trustees are mindful that we seek good rates of return that can be used for charitable purposes.

We seek to achieve this in a way that is consistent with our Christian ethos and therefore take an ethical approach to our investments. Our full investment policy, which sets out sectors and types of work that we do not invest in, is set out in our Investment Policy that is available on our website (www.spurgeons.org).

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

Our approach to managing our investments is to take a moderate (low to medium) approach to risk. Therefore, the funds have been set up with an approximate 75:25 split between equities and fixed interest securities and corporate bonds.

It is our intention to review the terms and conditions of the investment manager appointment and carry out a re-tendering process for our investment managers over the next year.

The greater part of our investment value is held in a property portfolio, which is represented by assets that have been gifted to us over many years. The property values are considered annually by our Trustees. A full professional valuation of the investment property portfolio was commissioned from our property managers as at 31 March 2014. The Trustees have decreased the valuation of the total property portfolio this year due to indexation by a sum of £104,000.

The Charity's non-property investments generated an unrealised gain of £200,000 on year-end valuation. At 31 March 2019, the total increase in the

valuation of all investments (Note 9) included in these accounts is a sum of £96,000 (2018: £105,000).

The Trustees continue to monitor the balance of the portfolio and how the assets can be best used in the interests of our charitable purposes. Clearly, current political uncertainty around 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 during the year.

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. At the year-end, on 31 March 2019, 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 two years this fund will be utilised to provide the appropriate infrastructure for the long-term purposes of the Charity. During the year ended 31 March 2019, £nil (2018: £nil) of this fund had been utilised.

We also have a designated Property Investment Fund that was established in 2016 to utilise the sums invested in property for the provision of income for charitable purposes, with a sum transferred in of £4,264,000. As at 31 March 2019, the value of the Property Investment Fund was £3,925,000.

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. Work is underway to identify potential partners to work alongside us on different projects to help vulnerable children and families. It has taken longer than expected for any projects to get started, but we are hopeful that work will begin in this area within the next year.

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 forecasted operating deficit over the coming year, ahead of achieving our financial sustainability strategic goal beyond 2020.
- 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.

At the same time, it is not our intention 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 £2.4 million at 31 March 2019. The Trustees are aware of the increasing pressure on local authority funding and new contracts and the reliance of the charity on an increasingly small number of contracts.

In addition, the Trustees recognise that, as a result of ongoing economic pressures, public expenditure cuts and the investment in the infrastructure of the charity approved by the Board, unrestricted deficits in the region of £0.4 million are likely to be incurred over the next year as the charity strives to achieve its goal of financial sustainability by 2020.

The level of free reserves is represented by the General Fund which, at year-end, totalled £2,828,000 (*2018: £2,930,000*), a decrease of £102,000 (*2018: £503,000 decrease*) from the previous year representing approximately 11 weeks (*2018: 11 weeks*) of planned operating expenditure. Given the above factors, the Trustees anticipate that the current level of free reserves will be sufficient to cover the identifiable risks and possible future deficits.

Reference and Administrative Details

Trustees

Trustees and Directors

Andrew Caplen (Chair of Trustees)

Simon Beresford

Jennifer Emery (appointed August 2019)

Natalie Cronin (resigned July 2019)

Philip Green (appointed August 2019)

Sarah Powley

Safron Rose

Romaine Thompson (resigned July 2019)

Helen Watson

Nigel Wildish (elected November 2018)

Ruth Vincent (resigned 31 May 2018)

Officers for the year ended 31 March 2019

Executive Team

Ross Hendry – Chief Executive

Paul Ringer – Deputy Chief Executive

Sue Gillespie – Chief Operating Officer

Registration details

Registered Office

Spurgeons

74 Wellingborough Road

Rushden

Northamptonshire, NN10 9TY

Registered Charity Number: 1081182

Company Number: 3990460

Professional advisors for the year ended 31 March 2019

Investment Managers

Epworth Investment Management Ltd.

9 Bonhill Street, London EC2A 4PE

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

Anthony Collins Solicitors LLP

134 Edmund Street
Birmingham, B3 2ES

Wilson Browne

Kettering Parkway South

Kettering, NN15 6WN

Independent Auditor

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

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 incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

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

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

So far as each of the Trustees is aware at the time the report is approved:

- There is no relevant audit information of which the charitable company's auditor is 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 auditor is 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.

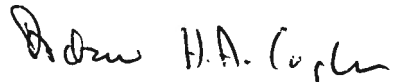
Spurgeons

Statement of Trustees' Responsibilities

Auditor

A resolution proposing the re-appointment of Haysmacintyre LLP will be submitted at the Annual General Meeting.

The Trustees' Report, including the Strategic Report, has been signed on behalf of the Board of Trustees on 16 July 2019



by Andrew Caplen, Chair of Spurgeons' Trustees Board.

Independent Auditor's Report

Opinion

We have audited the financial statements of Spurgeons for the year ended 31 March 2019, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019, 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 requirements of the Companies Act 2006.

Basis for opinion

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work

has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Adam Halsey (Senior Statutory Auditor)

for and on behalf of Haysmacintyre LLP, Statutory Auditor, 10 Queen Street Place, London, EC4R 1AG.

Date: 3 October 2019

Financial Statements

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019			2018		
		Unrestricted Funds £000s	Restricted Funds £000s	Total Funds £000s	Unrestricted Funds £000s	Restricted Funds £000s	Total Funds £000s
Income from:							
Donations & legacies							
Donations		232	1,149	1,381	259	833	1,092
Legacies		398	-	398	157	-	157
Investments:							
Rental income		103	187	290	86	202	288
Interest		20	9	29	5	5	10
Dividends		139	-	139	156	-	156
Charitable activities:							
Amounts received towards the support of children, young people & families	3	2,062	9,305	11,367	2,041	6,542	8,583
Total Income		2,954	10,650	13,604	2,704	7,582	10,286
Expenditure on:							
Raising funds:							
Fundraising, marketing & promotion		309	79	388	303	77	380
Investment property costs		81	18	99	49	27	76
Charitable activities							
Support of children, young people & families	4	2,646	9,667	12,313	2,954	7,004	9,958
Total Expenditure	5	3,036	9,764	12,800	3,306	7,108	10,414
Net (expenditure)/ income before net gains on investments		(82)	886	804	(602)	474	(128)
Net gains on investments	9	76	20	96	101	4	105
Net (expenditure) / income after net gains on investments		(6)	906	900	(501)	478	(23)
Transfers between funds		(214)	214	-	(6)	6	-
Net movement in funds		(220)	1,120	900	(507)	484	(23)
Total Funds brought forward at 1st April	12	11,086	5,605	16,691	11,593	5,121	16,714
Total Funds carried forward at 31st March	12	10,866	6,725	17,591	11,086	5,605	16,691

The net (deficit) / surplus of income over expenditure, together with details of income and expenditure required by the Companies Act, may be derived from the net movement in funds in the Statement of Financial Activities above, excluding unrealised gains in investments and movement on endowment funds which was expenditure of £20,000 (2018: £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 42 to 55 form part of these financial statements.

SPURGEONS

Company Number 3990460

BALANCE SHEET AS AT 31 MARCH 2019

	Notes	2019 £000's	2018 £000's
FIXED ASSETS			
Tangible fixed assets	7	152	181
Intangible fixed assets	8	78	52
Investments	9	14,006	13,896
Total fixed assets		14,236	14,129
CURRENT ASSETS			
Stock		2	1
Debtors	10	842	655
Cash at bank and in hand		3,856	3,229
Total current assets		4,700	3,885
LIABILITIES			
Creditors: Amounts falling due within one year	11	(1,345)	(1,323)
Net current assets		3,355	2,562
TOTAL NET ASSETS		17,591	16,691
THE FUNDS OF THE CHARITY			
Endowment funds	12(a)	99	102
Restricted funds	12(a)		
- D.J. Thomas fund *		4,401	4,298
- UK projects fund		2,225	1,205
Total restricted funds		6,725	5,605
- Designated funds **	12(a)	8,038	8,156
- General funds ***	12(a)	2,828	2,930
Total unrestricted funds		10,866	11,086
TOTAL FUNDS		17,591	16,691

* The D.J. Thomas fund includes a revaluation reserve of £2,457,000 (2018: £2,437,000)

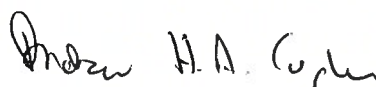
** Designated funds include a revaluation reserve of £3,856,000 (2018: £3,862,000)

*** General funds include a revaluation reserve of £786,000 (2018: £704,000).

Approved by the board of trustees and authorised for issue on the 16th July 2019 and signed on its behalf:



Sarah Powley



Andrew Caplen

The Notes on pages 42 to 55 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £000's	2018 £000's
Cash flows from operating activities:			
Net cash provided by operating activities	(Note a)	227	(183)
Cash flows from investing activities:			
Rental Income		290	398
Interest and dividends		168	166
Purchase of capital equipment		(49)	(70)
Additions at cost: common investment funds		(738)	(50)
Disposal proceeds: common investment funds		791	1,369
Cash retained in common funds		(53)	31
Cash reclassified as fixed asset investments		(9)	(2)
Net cash provided by investing activities		400	1,842
Change in cash and cash equivalents in the year		627	1,659
Cash and cash equivalents at beginning of year		3,229	1,570
Cash and cash equivalents at the end of the year	(Note b)	3,856	3,229
a) RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES			
		2019 £000's	2018 £000's
Net income		804	(128)
Adjustments for:			
Depreciation charges		52	33
Dividends, interest & rents from investments		(458)	(564)
(Increase)/decrease in stock		(1)	6
(Increase)/decrease in debtors		(187)	133
Increase in creditors		22	315
(Increase)/decrease in pension bonds		(5)	22
Net cash provided by/(used in) operating activities		227	(183)
b) ANALYSIS OF CASH AND CASH EQUIVALENTS			
		2019 £000's	2018 £000's
Cash at bank and in hand		2,744	2,123
Notice deposits (less than 3 months)		1,112	1,106
		3,856	3,229

Spurgeons Financial Statements
Statement of cash flows

c) ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2018 £000's	Cashflow £000's	Non-cash changes £000's	At 1 April 2019 £000's
Cash at bank and in hand	2,123	621	-	2,744
Notice deposits (less than 3 months)	1,106	6	-	1,112
	3,229	627	-	3,856

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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. In doing so the charitable company has adopted early the amendment to FRS 102 (issued December 2017 – Triennial review).

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.

e) **Expenditure**

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

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

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	- 33⅓% per annum on cost
Motor vehicles	- 25% per annum on cost

g) **Intangible fixed assets**

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

h) **Fixed asset investments**

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

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

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

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

i) **Stocks**

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

j) **Financial instruments – assets and liabilities**

Cash and cash equivalents

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

Debtors and creditors

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

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.

l) **Employee benefits (continued)**

Defined contribution pension plans

The charity contributes to a Group Personal Pension Plan for employees. The employer contributions range between 5% and 7% of gross pay depending upon the level of employee contribution. Contributions are further enhanced by a salary sacrifice arrangement through which

the employer pays into the employee's pension fund 10% of the 13.8% employer's NI saving on the salary sacrificed.

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

The contributions are recognised as an expense when they fall due. The assets of the pension plans are held separately from the Charity in independently administered funds. The Charity's total Group Personal Pension Plan contribution for the year was £214,000 (2018: £178,000).

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.

m) **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.

n) **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.

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 £46,000 (2018: £45,000).

3. ANALYSIS OF AMOUNTS RECEIVED TOWARDS THE SUPPORT OF CHILDREN & YOUNG PEOPLE & FAMILIES YEAR ENDED 31 MARCH 2019

	Unrestricted Funds £000's	Restricted Funds £000's	2019 Total £000's	2018 Total £000's
Fees and other project income	284	124	408	411
Churches and other partners	10	-	10	63
Statutory sector				
Local authorities	1,616	8,455	10,071	7,270
NOMS	152	726	878	839
Total	2,062	9,305	11,367	8,583

3. ANALYSIS OF AMOUNTS RECEIVED TOWARDS THE SUPPORT OF CHILDREN & YOUNG PEOPLE & FAMILIES YEAR ENDED 31 MARCH 2018

	Unrestricted Funds £000's	Restricted Funds £000's	2018 Total £000's	2017 Total £000's
Fees and other project income	207	204	411	598
Churches and other partners	54	9	63	5
Statutory sector				
Local authorities	1,550	5,720	7,270	10,419
NOMS	230	609	839	930
Total	2,041	6,542	8,583	11,952

4. ANALYSIS OF AMOUNTS EXPENDED IN THE SUPPORT OF CHILDREN, YOUNG PEOPLE AND FAMILIES YEAR ENDED 31 MARCH 2019

	Unrestricted Funds £000's	Restricted Funds £000's	2019 Total £000's	2018 Total £000's
Type of project				
Children's centres	1,909	6,973	8,882	6,694
Children & young people affected by imprisonment	277	1,012	1,289	1,480
Family support	224	818	1,042	485
Youth, community & young carers	236	864	1,100	1,299
Total	2,646	9,667	12,313	9,958

4. ANALYSIS OF AMOUNTS EXPENDED IN THE SUPPORT OF CHILDREN, YOUNG PEOPLE AND FAMILIES YEAR ENDED 31 MARCH 2018

Type of project	Unrestricted Funds £000's	Restricted Funds £000's	2018 Total £000's	2017 Total £000's
Children's centres	1,816	4,878	6,694	9,189
Children & young people affected by Imprisonment	625	855	1,480	1,724
Family support	152	333	485	648
Youth, community & young carers	361	938	1,299	1,177
Contact services	-	-	-	116
Independent visitors & mentoring	-	-	-	12
	2,954	7,004	9,958	12,866

5. TOTAL EXPENDITURE YEAR ENDED 31 MARCH 2019

	Staff Costs (Note 6) £000's	Depreciation £000's	Other costs £000's	2019 Total £000's
Expenditure on raising funds				
- Fundraising, marketing & promotion	201	-	187	388
- Investment property costs	-	-	99	99
Charitable expenditure				
- Project costs	6,918	37	5,358	12,313
	7,119	37	5,644	12,800

5. TOTAL EXPENDITURE YEAR ENDED 31 MARCH 2018

	Staff Costs (Note 6) £000's	Depreciation £000's	Other costs £000's	2018 Total £000's
Expenditure on raising funds				
- Fundraising, marketing & promotion	299	-	81	380
- Investment property costs	-	-	76	76
Charitable expenditure				
- Project costs	6,828	33	3,097	9,958
	7,127	33	3,254	10,414

NET MOVEMENT IN FUNDS

	2019 £000's	2018 £000's
The net movement in funds is stated after charging:		
Depreciation	37	33
Operating lease rentals - buildings	176	109
Operating lease rentals - other	34	23
Auditor's remuneration (including VAT) - audit	14	14

SUPPORT COSTS

Operational management	953	752
Business development	161	214
Finance, IT & corporate services	569	616
Human resources & people development	341	292
Governance	59	61
Other central support and administration	324	241
	2,407	2,177

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

	2019 £000's	2018 £000's
Audit	14	14
Trustees' expenses	3	12
Other costs	36	29
Professional indemnity insurance	6	6
	59	61

6. STAFF COSTS

	2019 £000's	2018 £000's
Wages and salaries	6,381	6,450
Social security costs	514	487
Pension costs	224	190
	7,119	7,127

Employee emoluments over £60,000

	2019 Number	2018 Number
Employees continuing in service:		
£60,001 to £70,000	1	1
£70,001 to £80,000	1	1
£80,001 to £90,000	1	1

The Senior Leadership team, also known as the Senior Executive Group, consists of three people.

The total emoluments for key management personnel for the organisation in the year, including gross salary, employer's pension contribution, employers NI Contributions, and benefits in kind, were £282,180 (2018: £282,289).

The average number of employees (including casual workers) in the year was 332 (2018: 322).

The charity paid £38,223 (2018: £75,277) in termination payments during the year.

Analysis of full time equivalent employees

	2019 FTE	2018 FTE
Central departments and regional offices	42	42
Projects and services	219	224
	261	266

7. TANGIBLE FIXED ASSETS

	Computer Equipment Fixtures & Fittings £000's	Permanemt Endowment Freehold Property £000's	Total £000's
Cost/valuation			
At 1 April 2018	252	185	437
Additions	8	-	8
Disposals	(8)	-	(8)
As at 31 March 2019	252	185	437
Accumulated depreciation			
At 1 April 2018	174	82	256
Charge for the year	33	4	37
Disposals	(8)	-	(8)
As at 31 March 2019	199	86	285
Net book value			
At 31 March 2019	53	99	152
At 31 March 2018	78	103	181

The carrying value of freehold property is deemed cost as previously adopted under UK GAAP.

All tangible fixed assets are used for charitable purposes.

8. INTANGIBLE FIXED ASSETS

	Computer Software £000's
Cost	
At 1 April 2018	65
Additions	41
Disposals	-
As at 31 March 2019	106
Accumulated depreciation	
At 1 April 2018	13
Charge for the year	15
Disposals	-
As at 31 March 2019	28
Net book value	
At 31 March 2019	78
At 31 March 2018	52

9. FIXED ASSET INVESTMENTS

	2019 £000's	2018 £000's
a) Analysis of investments by class		
UK Common investment funds	5,047	4,847
Investment properties	7,310	7,414
Notice deposits (less than 3 months)	1,644	1,635
Total investments - charity	<u>14,001</u>	<u>13,896</u>
Pension bonds (see note 1.i))	5	-
Total investments	<u><u>14,006</u></u>	<u><u>13,896</u></u>
b) Movement in market value of investments		
Market value as at 1 April 2018	13,896	15,157
Additions at cost: common investment funds	738	50
Disposal proceeds: common investment funds	(791)	(1,369)
Cash retained in common funds	53	(31)
Acquisitions at cost: notice deposits	9	6
Acquisitions at cost: Pension bonds	5	-
Disposal at cost: Pension bonds	-	(22)
Unrealised appreciation	96 *	105 *
Market value as at 31 March 2019	<u><u>14,006</u></u>	<u><u>13,896</u></u>
Historic cost of common investment funds	3,579	3,632
Historic cost of investment properties	389	388

* includes revaluation gain of £20,000 (2018: £4,000) on D. J. Thomas Fund investment property.

10. DEBTORS: Amounts falling due within one year

	2019 £000's	2018 £000's
Trade debtors	421	419
Prepayments & accrued income	409	229
Other debtors	12	7
	<u>842</u>	<u>655</u>

11. CREDITORS: Amounts falling due within one year

	2019 £000's	2018 £000's
Trade creditors	598	661
Accruals & deferred income	497	452
Taxation & social security	136	110
Pension contributions	40	26
Other creditors	74	74
	<u>1,345</u>	<u>1,323</u>

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

12. FUNDS**a) MOVEMENT IN FUNDS FOR THE YEAR ENDED 31 MARCH 2019**

	Balance at 1 April 2018 £000's	Income £000's	Expenditure £000's	Investment gains £000's	Transfers £000's	Balance at 31 March 2019 £000's
RESTRICTED FUNDS						
(i) Foundation trust - Permanent endowment*	102	-	(3)	-	-	99
(ii) UK projects	1,205	10,469	(9,663)	-	214	2,225
(iii) D. J. Thomas	4,298	181	(98)	20	-	4,401
TOTAL RESTRICTED	5,605	10,650	(9,764)	20	214	6,725
UNRESTRICTED FUNDS						
Designated funds						
(iv) Central office development fund	2,614	-	-	-	-	2,614
(v) Property investment fund	4,042	-	-	(118)	-	3,924
(vi) Service development fund	1,500	-	-	-	-	1,500
General funds						
(vii) General funds	2,930	2,954	(3,036)	194	(214)	2,828
TOTAL UNRESTRICTED	11,086	2,954	(3,036)	76	(214)	10,866
TOTAL FUNDS	16,691	13,604	(12,800)	96	-	17,591

b) MOVEMENT IN FUNDS FOR THE YEAR ENDED 31 MARCH 2018

	Balance at 1 April 2017 £000's	Income £000's	Expenditure £000's	Investment gains £000's	Transfers £000's	Balance at 31 March 2018 £000's
RESTRICTED FUNDS						
(i) Foundation trust - Permanent endowment*	106	-	(4)	-	-	102
(ii) UK projects	905	7,375	(7,081)	-	6	1,205
(iii) D. J. Thomas	4,110	207	(23)	4	-	4,298
TOTAL RESTRICTED	5,121	7,582	(7,108)	4	6	5,605
UNRESTRICTED FUNDS						
Designated funds						
(iv) Central office development fund	2,614	-	-	-	-	2,614
(v) Property investment fund	4,046	-	-	(4)	-	4,042
(vi) Service development fund	1,500	-	-	-	-	1,500
General funds						
(vii) General funds	3,433	2,704	(3,306)	105	(6)	2,930
TOTAL UNRESTRICTED	11,593	2,704	(3,306)	101	(6)	11,086
TOTAL FUNDS	16,714	10,286	(10,414)	105	-	16,691

- (i) The foundation trust is a permanent endowment vested in the charity's registered office freehold property in Rushden, which is held in the unincorporated charity, Spurgeons Child Care. A uniting direction approved by the Charity Commission in 2005 led to Spurgeons Child Care being incorporated into Spurgeons.
- (ii) Funding which has been given for a particular project, and any related expenditure, has been recorded in restricted funds in the year. Transfers in the year represent the following:
1. The meeting of net deficits from general funds on restricted funded projects which are not recoverable from future funding.
 2. The movement of restricted funded project surpluses to general funds where either the projects have ended or no further contractual liabilities exist.
 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 in 2014/15 for the provision of the appropriate infrastructure for the long term purposes of the charity; to provide for the future office needs of the organisation. The current fund value of £2,614,000 may be varied up to a maximum of £3 million and is expected to be utilised in the next two years. £nil has been spent in this financial year on improvements to the Rushden central office (2018: £nil).
- (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. In 2019 we will be reviewing how investments are managed to maximise returns. This may lead to the disposal of some properties over the next three years.
- (vi) The service development fund is designated for the provision of work that is new to Spurgeons that compliments existing projects or develops partnerships in new areas of work. This is expected to be utilised in the next two years.
- (vii) General funds represent the free funds of the Charity which are not designated for particular purposes.

12. FUNDS continued**c) ANALYSIS OF ASSETS BETWEEN FUNDS AS 31 MARCH 2019**

	Tangible fixed assets £000's	Intangible fixed assets £000's	Investments £000's	Net current assets £000's	Total £000's
Spurgeons:					
Unrestricted funds	53	78	9,810	925	10,866
Restricted funds - UK projects	-	-	-	2,225	2,225
Restricted funds - D. J. Thomas	-	-	4,196	205	4,401
	53	78	14,006	3,355	17,492
Spurgeons:					
Permanent endowment					
Foundation trust	99	-	-	-	99
Total	152	78	14,006	3,355	17,591

d) ANALYSIS OF ASSETS BETWEEN FUNDS AS 31 MARCH 2018

	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	78	52	9,823	1,133	11,086
Restricted funds - UK projects	-	-	-	1,205	1,205
Restricted funds - D. J. Thomas	-	-	4,073	225	4,298
	78	52	13,896	2,563	16,589
Spurgeons:					
Permanent endowment					
Foundation trust	103	-	-	(1)	102
Total	181	52	13,896	2,562	16,691

13. TRANSACTIONS WITH TRUSTEES

During the year the Charity reimbursed expenses of £2,738 (2018: £12,000) incurred by six Trustees (2018: 11 Trustees) in travelling to meetings and visiting projects.

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

14. RELATED PARTY TRANSACTIONS

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

15. TAXATION

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

16. OPERATING LEASE COMMITMENTS

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

	2019 Property £000's	2019 Equipment £000's	2018 Property £000's	2018 Equipment £000's
Minimum rentals falling due:				
Not later than one year	135	34	142	29
Later than one year, not later than 5 years	313	35	377	46
Later than 5 years	-	-	20	-
	448	69	539	75

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

	2019 Commercial (Lease) £000's	2019 Residential (Tenancy) £000's	2018 Commercial (Lease) £000's	2018 Residential (Tenancy) £000's
Minimum rentals receivable within:				
Not later than one year	195	117	192	84
Later than one year, not later than 5 years	294	2	595	-
Later than 5 years	-	-	-	-
	489	119	787	84

17. POST BALANCE SHEET EVENTS

After the balance sheet date Spurgeons were successful in winning new service tenders representing £1 million of income spread over three years.

18. SPECIFIC ACKNOWLEDGEMENTS

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

Big Lottery Fund – Reaching Communities – Grant received for our F.I.S.H. project £116,023 (2018: £112,829) of which £29,000 is to be carried forward in to 1920.

Big Lottery Fund – Reaching Communities - Grant received for our Invisible Walls project £145,000 (2018: £145,000), all of which was spent in the year.

Big Lottery Fund – Grant received for our Phoenix project £nil, (2018: £100,000).

Children in Need – Grant received for our Birmingham Young Carers Substance Abuse project £25,000 (2018: £18,750), all of which was spent during the financial year.



Comic Relief - Grant received for our BeLeave project £78,698 (2018: £145,118) all of which was spent during the financial year.

Esmee Fairbairn Foundation - Grant received for our Phoenix project £78,334 (2018: £78,333) all of which was spent during the financial year.

Ministry of Defence Covenant Fund - Grant received for our Recovering Together project £128,319 (2018: £96,369) all of which was spent during the financial year.

Peterborough Diocese - Grant received for our Together for Families project £nil (2018: £95,902).

Rayne Foundation - Grant received for our BeLeave Project £40,000 (2018: £nil) of which £26,667 to be carried forward to 2020 and £6,667 to be carried forward to 2021.

Safe Live - Grant received for our Norwich Connect Project £405,659 (2018: £nil) of which £76,164 to be carried forward to future years.

THANK YOU

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

BBC Children in Need
Big Lottery Fund Reaching Communities England
Comic Relief
SafeLives
Esmee Fairbairn Foundation
Kier
Miss E C Webber & Mrs E M Doidge Charitable Settlement
Northamptonshire Chamber of Commerce
Primark
Scott Bader
Stannah
Sutton Coldfield Training Ltd
Tesco
Winchester Prison Tea Bar Ltd
Maurice and Hilda Laing Foundation
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. We are happy to have been able to work with the following Local Authorities and other organisations to be able to deliver these services:

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

Spurgeons work is also sustained by the generosity of thousands who give their time and gifts, financial donations, and prayers. We thank you for your faithful and sacrificial giving. Finally, and above all, we give thanks for the privilege it is to work with children, young people, their families, communities and all who partner with us. We do so in the name of the Lord Jesus giving thanks to God the Father through him (Colossians 3:17).