

# Creating futures together

Annual report and accounts 2016/17

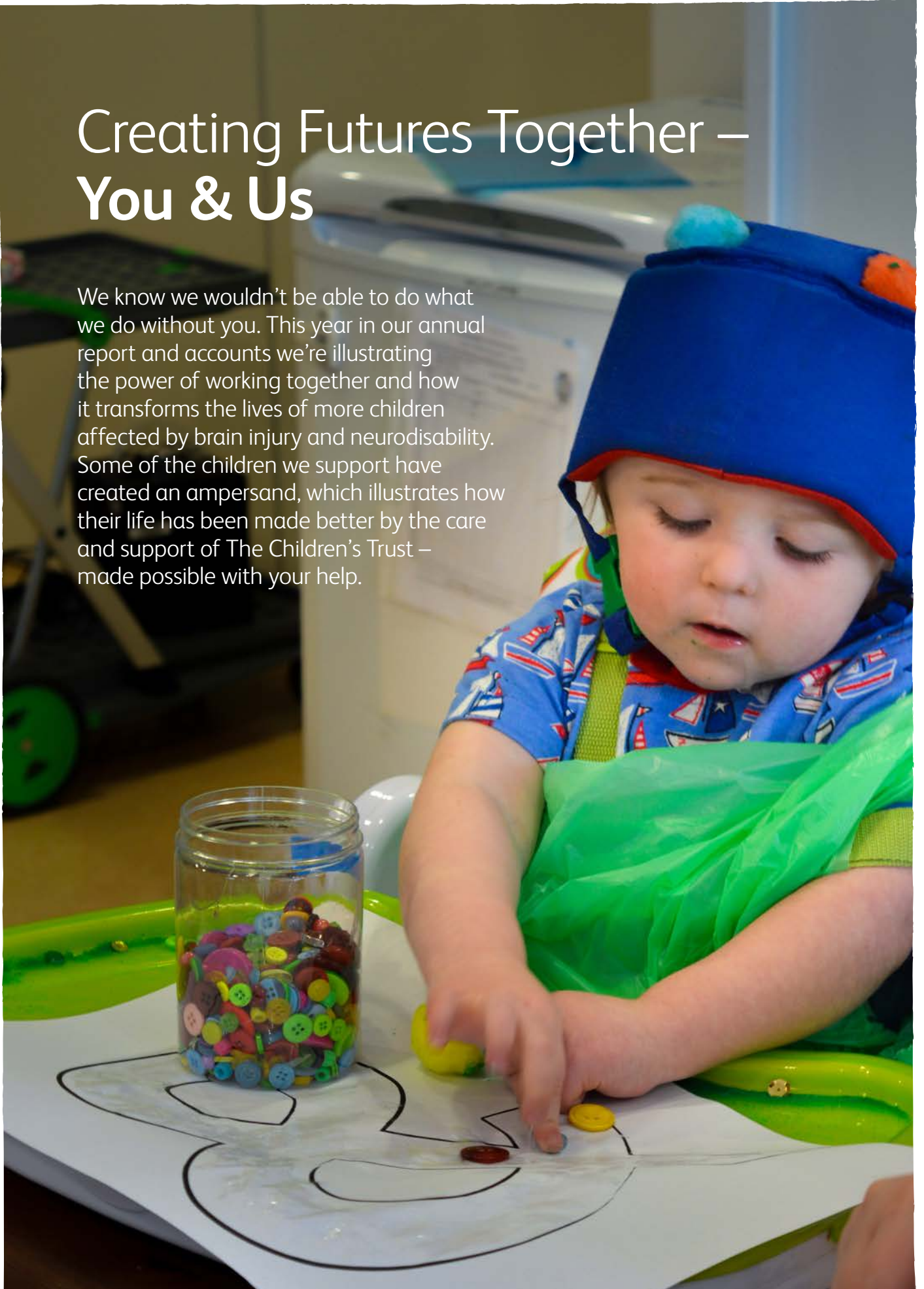


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# Creating Futures Together – You & Us

We know we wouldn't be able to do what we do without you. This year in our annual report and accounts we're illustrating the power of working together and how it transforms the lives of more children affected by brain injury and neurodisability. Some of the children we support have created an ampersand, which illustrates how their life has been made better by the care and support of The Children's Trust – made possible with your help.





## Who we are

**We are The Children's Trust, the UK's leading charity for children with brain injury. We have an ambition that all children with brain injury and neurodisability have the opportunity to live the best life possible.**

We play our part in achieving this ambition by delivering rehabilitation, education and community services through skilled teams who work with children and young people, and their families.

### Our impact 2016/17



**49,204**

The number of times we supported children this year.



**72**

children received intensive rehabilitation and care at our national specialist centre.



**44,982**

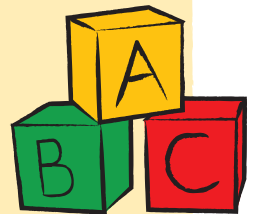
people visited our Brain Injury Hub to find reliable and comprehensive information about brain injury and its effects and consequences.

**1,430**

children received support from our community teams around the country so that they could return home and to school following a brain injury.

**55**

children and young people with a profound and multiple learning disability attended The Children's Trust School and Taddies.



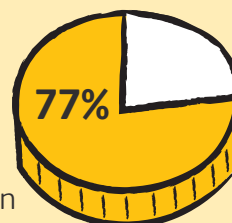
**2,665**

families received a free copy of one of our publications about brain injury.



We generate **£2.38** for every **£1** spent on fundraising\*.

\* excluding investment in donor acquisition



For every **£1** we received, we spent **77p** on the children and young people that we support\*.

## Introduction from our Chair of Trustees and Chief Executive



Duncan

Dalton

**We would like to start by saying a heartfelt ‘Thank You’ to everyone that has offered their encouragement, practical help and financial support to The Children’s Trust.**

To our staff, volunteers, supporters and campaigners: by giving so generously of your time, skills and money, you have directly impacted the lives of children living with brain injury or neurodisability, helping them to achieve the best life possible. Without you, it simply wouldn’t have happened.

2017 is a pivotal year for The Children’s Trust as we launch a new strategy with an even greater ambition to reach more children and young people, develop flexible new models of care and involve children and families in all areas of our work. As we reflect on how far our charity has come, we also recognise what we have learnt and what we need in order to continue to aspire to the highest standards and respond directly to the needs of the families we serve.

You will read in this report a summary from all areas of our Charity – how our national specialist brain injury rehabilitation centre in Surrey is providing leading clinical and medical care to some of the most vulnerable children in the UK; how our community services are delivering clinical and practical help to hundreds of children with a mild to moderate brain injury from hospitals across the UK; how The Children’s Trust School is changing to deliver high quality and flexible education to children with a range of profound and multiple learning difficulties.

**“The Children’s Trust is an incredible organisation and there is so much that we are proud to have been part of.”**

We hope you are uplifted by the progress that we report, particularly in the outcomes for the children we have been able to support.

The year has also had its challenges. We incurred a financial deficit which, whilst budgeted for, was made worse by a lower number of international children being admitted (partly due to funding difficulties and austerity measures caused by falling oil prices). We are also redoubling our efforts to improve admissions from all areas and focus on longer term financial sustainability. We continue our investment in fundraising and have sought ways of increasing revenue from new sources. We have also reviewed our pricing structure to give more choice. In addition, we continue our focus on reducing costs.

We have had to delay our plans for our School capital appeal while we create a new development plan, slow down the expansion of our hospital-based Brain Injury Community Services while we complete an evaluation review, and reduce fundraising investment while we consider the implications of the new Fundraising Code of Practice. While these developments have caused us to change course a little or pause our plans, we strongly believe that the interruption will lead us to a better – and firmer – foundation for the future. We need to embed our School development plan before we invest further, and to evaluate our services before we decide which areas to expand, and to have a robust system of fundraising regulation in place to ensure we have our supporters’ trust before we ask for their money.

We have both been at The Children’s Trust for over four years now. In that time, we have seen great change, both internally and externally. In addition to the achievements we highlight throughout this report, we have learnt a great deal during our tenure, not least that if we are to do the best job we can for the children we support, we need to work collaboratively. We are excited to tell you about our new ambition and strategy, and we invite you to be part of it and work in partnership with us towards a world where all children with brain injury and neurodisability have the opportunity to live the best life possible. Whatever you can do to help, on behalf of the children and young people, thank you.

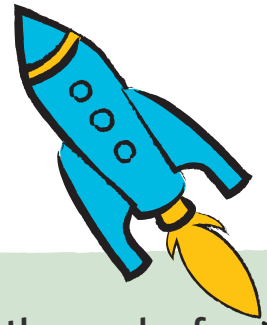
**Duncan Ingram**  
Chair of Trustees

**Dalton Leong**  
Chief Executive

## Our Strategy 2017-2020

**We are proud to launch our new Strategy for 2017-2020, which will help us to reach many more children and young people affected by brain injury and neurodisability, helping them to fulfil their potential and live the best life possible.**

Our strategy focuses on four key objectives:



### 1. Be the best at what we do

In order to ensure we are the organisation of choice for families, referrers and funders, we will work to consistently deliver, and continually improve outcomes for children and young people. This will also ensure that we meet our regulatory requirements and provide the best service possible.

### 2. Respond to the needs of children and young people

We will involve children and families at the centre of our work to deliver the best care and specialist support to the optimum number of beneficiaries in a seamless and collaborative manner. In short, we will innovate to deliver more flexible and adaptive service.

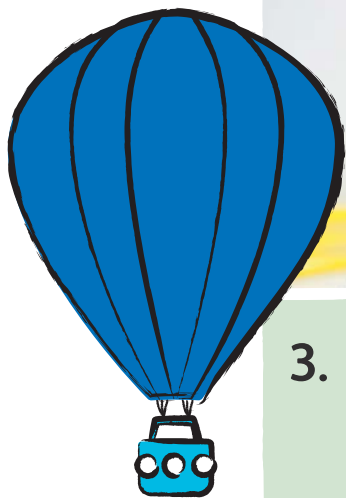
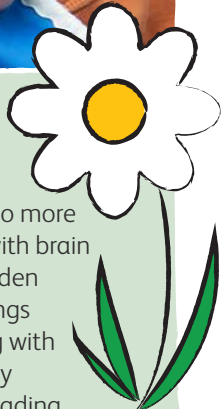


### 3. Ensure our services are there for children for the long term

We are committed to supporting children with brain injury both now and in the long term. In order to make that commitment we will make our organisation robust, efficient and effective to ensure it is sustainable. Children and families can rely on us to provide the support they need in the future.

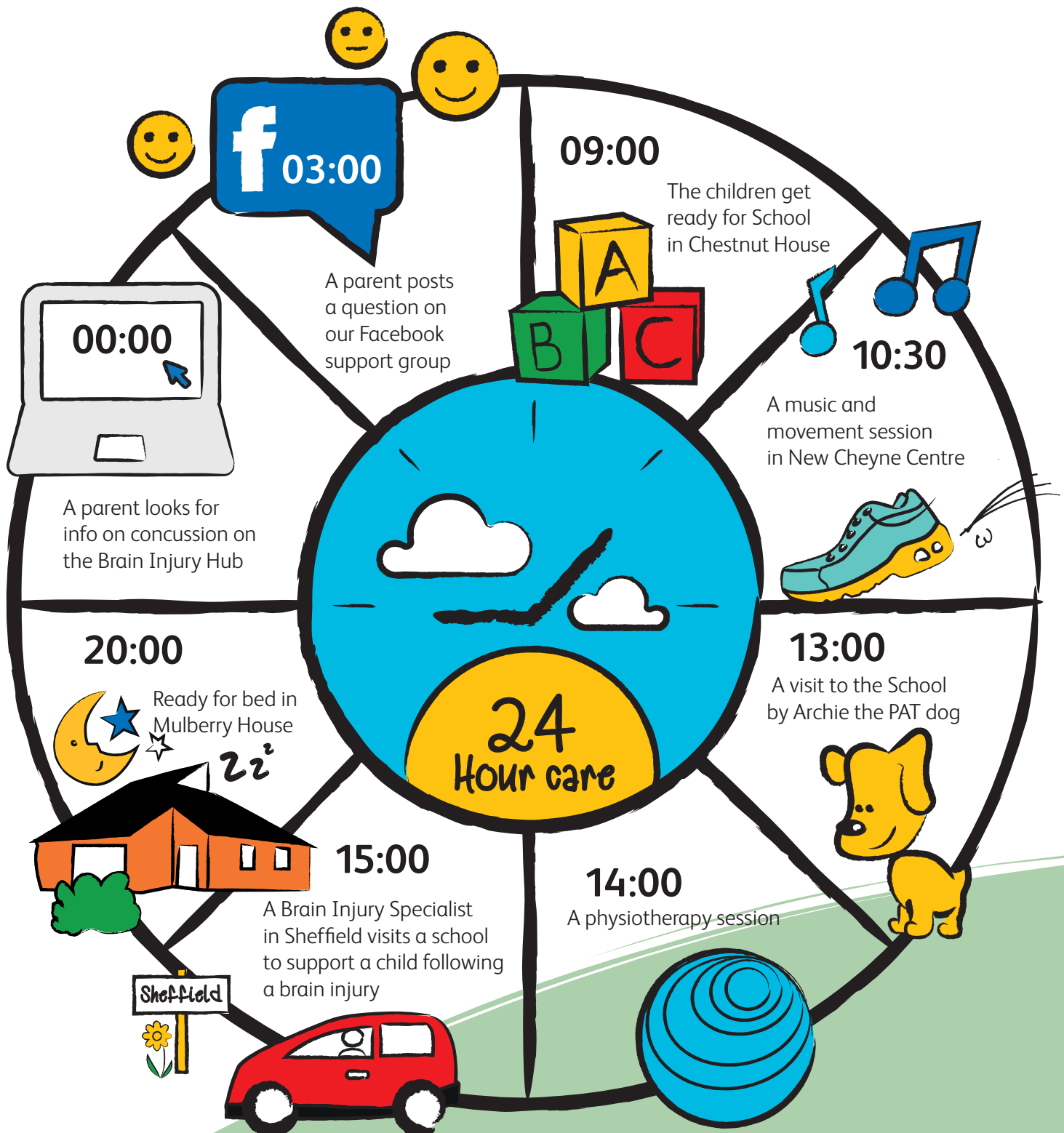
### 4. Scale up

We are ambitious; we want to do more to meet the needs of children with brain injury. We will deepen and broaden our expertise and service offerings by partnering and collaborating with like-minded and complementary organisations in order to be a leading organisation for research, service delivery and advocacy in childhood brain injury and neurodisability.



# Round the clock care and support

Here are just a few ways we deliver 24 hour care and support at our National Specialist Centre, The Children's Trust School, our community services around the country and through our online resources.





# Trustees' strategic report

This section includes overviews of each of our core areas, 2016/17 achievements and aims for the next year.

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## Brain injury rehabilitation and care for children with complex needs

**In 2016/17, we were able to provide rehabilitation to 72 children at our national specialist centre in Tadworth, Surrey.**

The **neurorehabilitation service** at Tadworth provides level 1 rehabilitation for children and young people. We were very pleased to have our specialist contract with NHS England once again renewed, which allows for a smooth admissions process for children because the funding is already in place. For those children who do not meet the NHS England specialised level 1 criteria we will work with the child's local Clinical Commissioning Group (CCG) to secure funding.

Our average length of stay for level 1 neuro-rehabilitation is four months with the majority of children being discharged on the expected date. 30% of children remain on step-down places awaiting discharge which are delayed due to housing or care package issues.

Those children who are CCG funded stay with us an average of two months for rehabilitation packages with out-patient options available for those who meet the criteria and live locally.

The very nature of our inpatient rehabilitation service means that the children who are referred to us have the most complex needs. Our outcomes show that children who leave our service reduce in complexity and increase in independence making the most gains in mobility, toileting, bathing/showering, feeding and communication which can significantly reduce the level of care required in the community once they return home.

Alongside our neurorehabilitation service we offer placements for children who have **complex health needs** who may have had to stay in hospital for long periods. We will work closely with their local community teams and other organisations to plan a seamless discharge which in general for very complex long term ventilated children, can take up to 9-12 months.

"At The Children's Trust Samuel made such amazing progress relearning the things we thought he'd never do again, we couldn't be more proud of him".

**Samuel**



Our **three year quality improvement plan** which commenced in 2016 will ensure that we meet our regulatory requirements for the Care Quality Commission and Ofsted in order to achieve a rating of Good and will help us towards our aim of achieving 'Outstanding'. We will also be assessed by CHKS in 2017 for ISO 9001:2008 for Quality Management Systems for Healthcare Organisations.

As with all charitable organisations and those particularly that receive funding from NHS and Local Authorities we are aware of the financial challenges. We are reviewing our fee structure and will be developing a menu of services which will offer more choice for commissioners.

We are expanding our **training offer** and in 2016 ran successful study days on topics such as research and disorders of consciousness with 69 delegates attending, together with two very successful Professional Showcases for 40 delegates.

We continue to be grateful for the **partnerships** we have formed with our specialist consultant colleagues from a number of hospitals including Great Ormond Street, Stanmore, Epsom, Maudsley, Guys and St Thomas' and St George's. We continue to build partnerships with trauma centres, paediatric and neonatal units and our local community colleagues in order to admit and discharge children in the most effective way possible.

In 2017, we will host our **first National Paediatric Brain Injury Conference** at BMA House – the event is already sold out with over 200 professional delegates attending.



## Brain injury support in the community

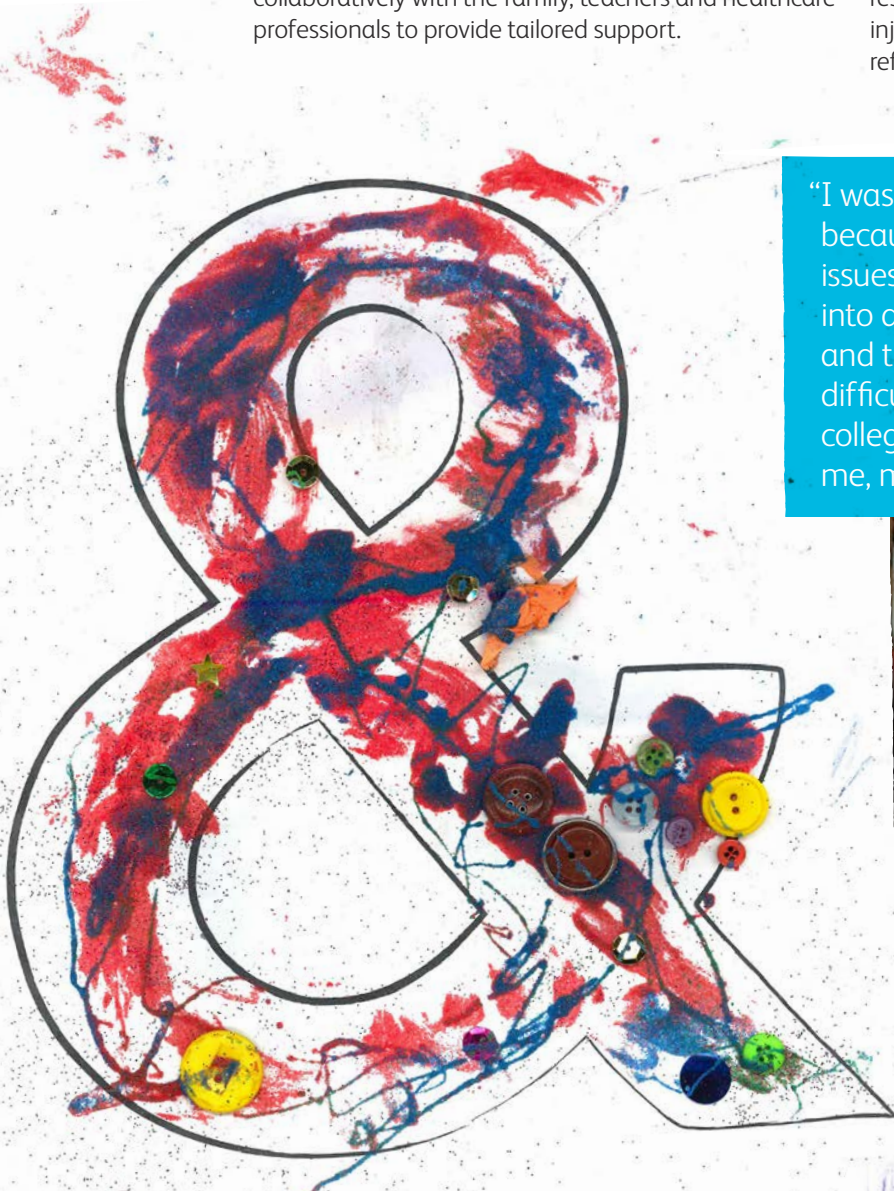
**Our Brain Injury Community Services provided support to 1,430 children with acquired brain injury in the year ended March 2017, an increase of 98% on the previous year. We were delighted to be able to help so many more children this year.**

One of the ways in which we have managed to achieve this growth is by working in partnership with NHS hospitals, who helped us to establish **Brain Injury Specialists** in trauma centres in five locations across the UK.

Brain Injury Specialist posts are entirely voluntary funded and, although based in NHS hospitals and working as part of the hospital team, are employed by The Children's Trust. Our partnership with the NHS means that children's needs are identified at an early stage after their injury and an early referral is made to appropriate services. Crucially, our Brain Injury Specialists provide information and advice and work collaboratively with the family, teachers and healthcare professionals to provide tailored support.

This innovative service was first developed in 2011 when we opened our first Brain Injury Specialist service in Sheffield Children's Hospital, followed by a service at Nottingham Children's Hospital in 2013. In the last 18 months, we developed partnerships and opened services in St George's Hospital, London, University Hospital Southampton and Leeds Children's Hospital, although the Southampton service was only operational from August 2015 to May 2016.

In addition to our Brain Injury Specialists, we also have the **Brain Injury Community Team**, which is based at our national specialist centre in Surrey. Within this team we have therapists and clinical neuropsychology resource specialising in paediatric acquired brain injury. Children with an acquired brain injury can be referred to this service at any time after their injury.



"I was only at school for an hour a day because I was considered to have behaviour issues. The Children's Trust helped me get into a school which was suited for my needs and they helped people to understand my difficulties. Now I am in my second year at college. If The Children's Trust hadn't helped me, my life would've been so different".



Leighton

The team will then undertake an assessment and will work with the child, their family, health and educational professionals to put a support plan in place. This service is part voluntary and part statutory funded; at present, we require a professional referral in order to support funding applications.

We have had very positive feedback in relation to our Brain Injury Community Services from families and healthcare professionals, with 86% of users saying that they would recommend the service. However, we want to ensure that our community-based services are outcome-driven, evidence-based and sustainable. For this reason, we have paused expansion of the service while we undertake a comprehensive evaluation. We have now completed our early analysis and are developing a new vision, strategy and operational plan for our community services, which we will launch in 2017. In the meantime, our Brain Injury Community Team and services in Sheffield, Nottingham, London and Leeds continue to provide vital support to hundreds of children across the country. In addition to the face-to-face community services outlined above, we are very proud of our online resources and publications.

Our **Brain Injury Hub** ([www.braininjuryhub.org.uk](http://www.braininjuryhub.org.uk)) is now well established as a reliable source of information for families and carers – we had nearly 45,000 unique visitors to the site in the year ended March 2017. In addition to the Forum on the Brain Injury Hub, we also established a Facebook Support Group which has also proved popular as a place for anyone affected by childhood brain injury to talk about their experience or ask questions.

Finally, we have a full complement of **books and publications**, including Tim Tron for younger children with a brain injury and our Parent's Handbook, which was highly commended by the BMA Patient Information Awards in 2015 and our latest publication, Our Journey which was awarded runner up in 2016. In 2016/17, we distributed 2,665 books, free of charge, to those that needed them. We will shortly publish our latest book, a Guide for Young People, which is designed around the very specific needs of teenagers.



### Working together

Here is our Brain Injury Community Services team. Our Brain Injury Specialists work in partnership with NHS hospitals as part of the hospital team.

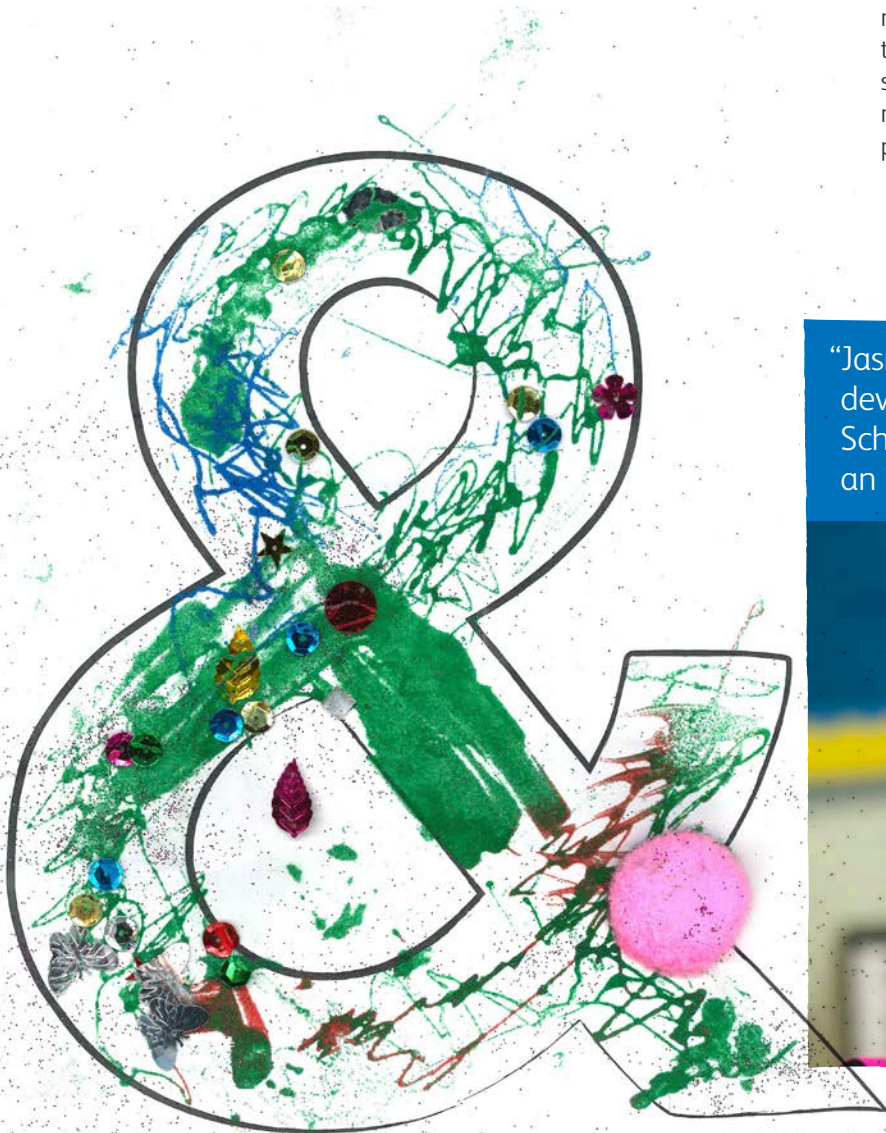
## The Children's Trust School

**The Children's Trust School is a non-maintained day special school dedicated to the education, health, therapy and care of up to 44 children and young people aged 3-19.**

We support children with a wide range of special educational needs including neurodisability, complex learning difficulties and medical needs. We have co-located residential houses for 26 children, in three houses set in beautiful woodland on our 24 acre site. 2016 has been a pivotal year for The Children's Trust School. Under **new leadership** of Executive Headteacher Samantha Newton and Deputy Headteacher Launa Randles a new **School Development Plan** was put into place, which has resulted in far-reaching improvements across the School and improved provision and outcomes for the children and young people that we support.

The teaching teams have been restructured with a focus on the highest standards of professionalism and academic provision; a new curriculum has been implemented with a robust assessment framework; the physical environment has been overhauled, with multi-sensory areas in all classrooms and a bespoke classroom for early years provision; specialist teaching skills have been strengthened, particularly in relation to visual and multi-sensory impairment and the School day has been restructured to maximise learning opportunities for the children.

We have strived to create an approach and ethos that is holistic and integrated, based around the individual needs of each child and delivered by a multidisciplinary team. Our therapists now support play, leisure and social activities before, during and after School, and new activities such as our daily Sensory Wake Up Group provides children with a stimulating start to each day.



“Jasmine takes part in our own specially-developed curriculum at The Children's Trust School. She loves to dress up and has an infectious giggle!”

**Jasmine**



We have also had much success with our pre-school support group, **Taddies**, which is now weekly (rather than fortnightly) and is providing many more disabled children under 5 and their families with a unique, caring and supportive service.

All of these changes have had a profound effect on the School, as evidenced by external assessors. Surrey Local Authority inspected us for a monitoring visit in February 2017 and commented: 'There has been **a robust transformation** ... to a vibrant multidisciplinary team who know their roles, expectation and the highest standards that are required for supporting the very vulnerable pupils. These developments have been of the highest quality with outstanding leadership and management behind them'.

The many developments in the School were recognised by Ofsted in May 2017. The overall effectiveness of the School is now **Good with Outstanding Leadership and Management**.

Our focus for the coming year will be to fully embed these changes, to extend our provision to accept children from 2 years of age (currently 3), increase our range of School extra-curricular activities, continue to improve our School accommodation and offer increasingly flexible placements.



### Working together

The Children's Trust School and our residential houses operate a joint parent/carer forum to ensure that the children and young people remain at the centre of what we do.

## How we raise our money

**This has been an exciting year for us, with our fundraising and shops income continuing to thrive thanks to the generosity of our supporters.**

Each year we need to raise in the region of £8 million to support the children at our national specialist centre in Surrey, in communities around the UK and through our information services. Without the generosity of all of our donors, we would simply not be able to make such a difference to the lives of so many children.

The backdrop to raising funds continues to be a challenging one, and in this year we saw a new regulatory framework introduced with the advent of the Fundraising Regulator. We always strive to the highest integrity with our fundraising and welcome this new development. You can read our Supporter Promise at the end of this report, and the standards that we are committed to upholding in our fundraising both now and in the future as new legislation is introduced that will be relevant for our fundraising work.

Our fundraising takes many different forms from individuals taking on daredevil challenges or individuals making personal donations, to national companies throwing their support behind our work and grant-making trusts showing real commitment to seeing our services develop.

We are especially fortunate to have an army of unsung heroes – our shops volunteers – without whom we would not be able to run such a successful chain of shops raising funds for our work. Seven days a week they are hard at work, sorting, cleaning and selling items that have generously been donated at one of our 20 shops in Surrey, Sussex and Kent. Not only are our shops a vital form of recycling pre-loved items, but they also raise over £1.9m in income for The Children's Trust.



### Working together

“We are so pleased with the success of the launch of our partnership with The Children's Trust. We want to raise as much as we can for the children and families who are supported by this very special charity.”

**Paul Philpott, President and CEO of Kia**

**The Children's Trust**



## Communicating and campaigning

**We are making real progress with our communications and campaigning strategy which is so crucial in raising awareness of the challenges and issues facing children and young people with a brain injury.**

We have done much work to strengthen our brand and develop a **multi-channel communications strategy** to ensure we connect with all of our audiences and inspire people to support us.

Our PR activity alone had an equivalent advertising value of over £2m, and we were delighted to be selected by BBC Children in Need to showcase one of the children we supported. This was a fantastic way to raise awareness of our work as our website received 1,900 hits during the broadcast and our social media activity surrounding the programme reached over 100,000 people.

Our **digital strategy** encompasses all digital networks and social media channels and we are delighted to now have over 112,000 followers on twitter and 14,000 on Facebook. We were proud to unveil our **new website** last year which, aside from providing a much more engaging visit for people, has also attracted more users who are staying on the site for longer. Our film 'Wonder', featuring children, staff and volunteers, reached the top 10 shortlist for the Charity Film Awards.

Rachel came to The Children's Trust following a brain haemorrhage and had to work hard to re-gain skills she'd lost. "We're so proud of her. When I look back and see how far she's come now, it's amazing. At one stage, she couldn't even move her eyes."

Rachel



In 2016, we established a **new public affairs and campaigns function**, with the aim of being an active voice for children and families. We undertook research into the issues that matter most to families and professionals and will look to build a strong plan for influencing decision makers and changing policy.

Throughout our campaigns, we'll work hard to represent the views of families and young people. To help us work collaboratively, we've established a **Campaigns Advisory Group** to shape our plans and ensure we're focusing on the issues that matter most. Alongside this, we are proud to be a founder member of the **Disabled Children's Partnership**, a coalition of over 50 charities who will campaign together to ensure that disabled children and their families have access to the services they need and are entitled to. This is a very exciting initiative with the potential to achieve significant positive change and we look forward to its public launch in the summer of 2017.

We continue to be hugely grateful to our Celebrity Ambassadors who are so generous in giving their time and talents to support us. It was a pleasure to welcome Phil Tufnell to play indoor cricket with the children on Christmas Day, and thanks go to Nicholas Owen for hosting our Christmas Concert and Magical Dinner and to Amanda Burton for presenting our Surrey Schools' Concert and opening our Nature Trail. Tim Vine, Adam Hills and other comedians came together to make our second Comedy Evening a great success and many other celebrities attended our events and supported our activities, for which we are hugely grateful.

### Working together

"I am extremely proud to be an Ambassador of The Children's Trust and have seen for myself the wonderful work that they do. This year I've particularly enjoyed visiting the children on a number of occasions as well as hosting some fundraising events."

**Nicholas Owen**



## Our people

**In October 2016 Michael Maddick became our new Director of People. Michael brings many years of HR experience from his time within the commercial sector and specific expertise in talent acquisition, diversity and inclusion.**

Our work is only ever possible because of the dedicated service that our staff provide, and we would like to thank them all for their hard work and continued commitment. In 2016/2017 **the average total number of staff (full time equivalent) was 522**. Our Recruitment team has been working extremely hard this year to hire the best people into the organisation, with the key focus being to develop new and innovative ways to attract and retain nurses. We have successfully recruited a total of 147 permanent employees and will continue to prioritise the hiring of nurses as well as attracting top talent for all of our business areas.

The Children's Trust aims to pay an appropriate and competitive rate of pay to ensure we attract, recruit and retain the right level and quality of staff while recognising that our number one priority is to ensure that we have sufficient financial resources to provide

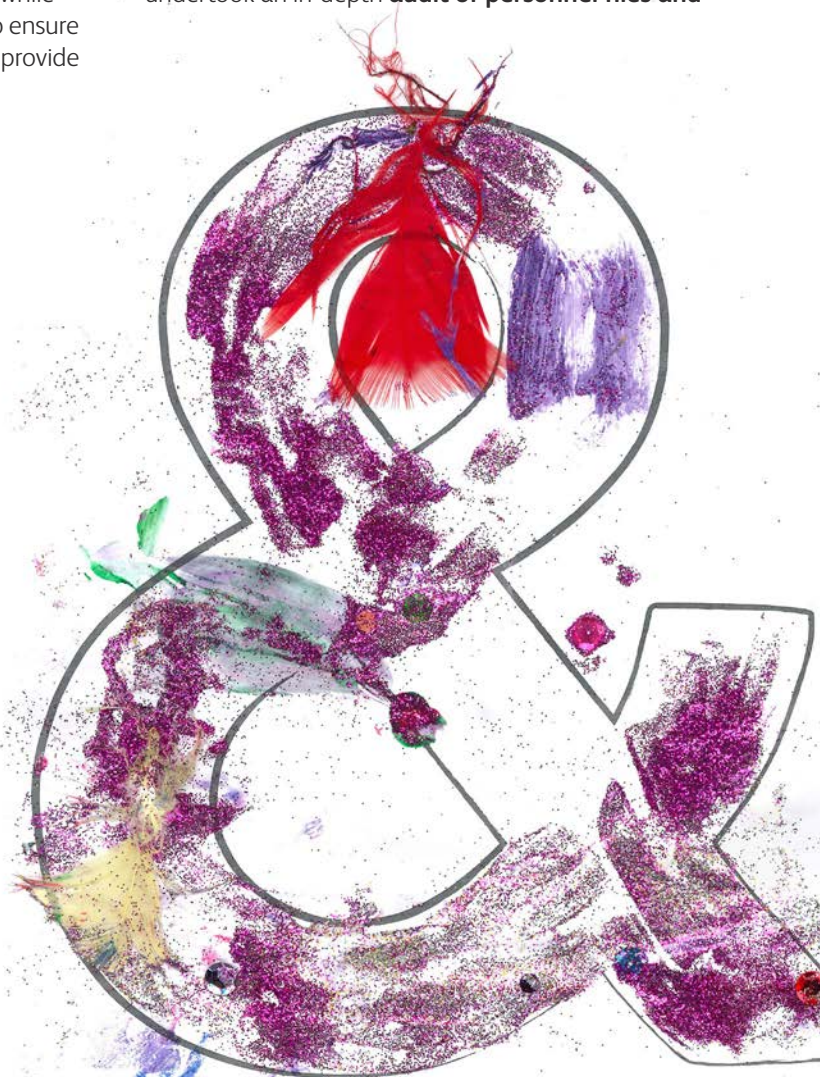
exceptional care for the children, young adults and their families we support. To ensure that our salaries continue to be set at the right level, over the last year we have undertaken a **pay and remuneration review** across the organisation taking account of the external market (e.g. The NHS Agenda for Change) with particular focus on nursing and therapy staff.

We are regulated by Ofsted Care, Ofsted Education and The Care Quality Commission (CQC) and as such The Children's Trust is subject to a complex system of regulatory requirements. In recent years, these regulations have become even more rigorous and comprehensive, and the expectations on employers has significantly increased. In October 2016 we undertook an in-depth **audit of personnel files and**

“Within six weeks of being at The Children's Trust Seb, aged nine, started to get out of his wheelchair and stand for moments at a time. His spirits lifted and his fun, cheeky personality shone through.”



Seb



**a review of processes.** Staff and volunteers from across the organisation have been involved in ensuring that they meet the necessary requirements set by our regulators and to date, we have audited 220 personnel files. We have now put in place compliance training and resources for staff and modified operational processes to promote a culture of best practice across our organisation to ensure that we are doing everything we can to keep our children, staff and volunteers as safe as possible during their time with us.

As an organisation we take very seriously our responsibility to invest in our people. Between January and December of 2016, **422 learning and development sessions were held**, with an estimated 4,340 delegates in attendance – an average of approximately 35 sessions each month. We run monthly induction training courses for all new joiners (both staff and volunteers). Attendees are particularly appreciative that members of our Senior Leadership Team facilitate many sessions – for example one delegate commented: “Great to have an induction with the CEO. Not often you get time to meet and understand their background and vision for the charity”.

In addition to our staff we are extremely fortunate to be supported by a wonderful team of volunteers who generously give their time and their commitment to The Children's Trust.

Volunteers are an essential part of our workforce giving more than **100,000** hours annually. This year we have expanded and diversified our volunteer workforce to 680 volunteers and we have engaged with more young people than ever before. Our volunteers willingly give their time in our shops, for our events, working in our offices and classrooms, driving our vans and maintaining our gardens. We would like to say a huge thank you for all their ongoing support this year. We will continue to expand and develop volunteering by developing a volunteer strategy and introducing new volunteer roles to diversify our volunteer workforce. We will help staff identify volunteering opportunities and provide them with guidance to support their volunteers. We will also continue to acknowledge and look for ways to recognise the invaluable contribution that our volunteers make.



### Geoff and Jenny

Geoff and Jenny Smith have been volunteering for The Children's Trust since 2005. They are an inspiration both in their dedication organising mascot races across the country but also for their support with the children.

The couple chose to support The Children's Trust after their daughter Jacqui passed away aged 26. Jacqui had wanted to help children with disabilities from the age of 12 and became a Health Care Assistant at The Children's Trust where she worked for three years.

## Research

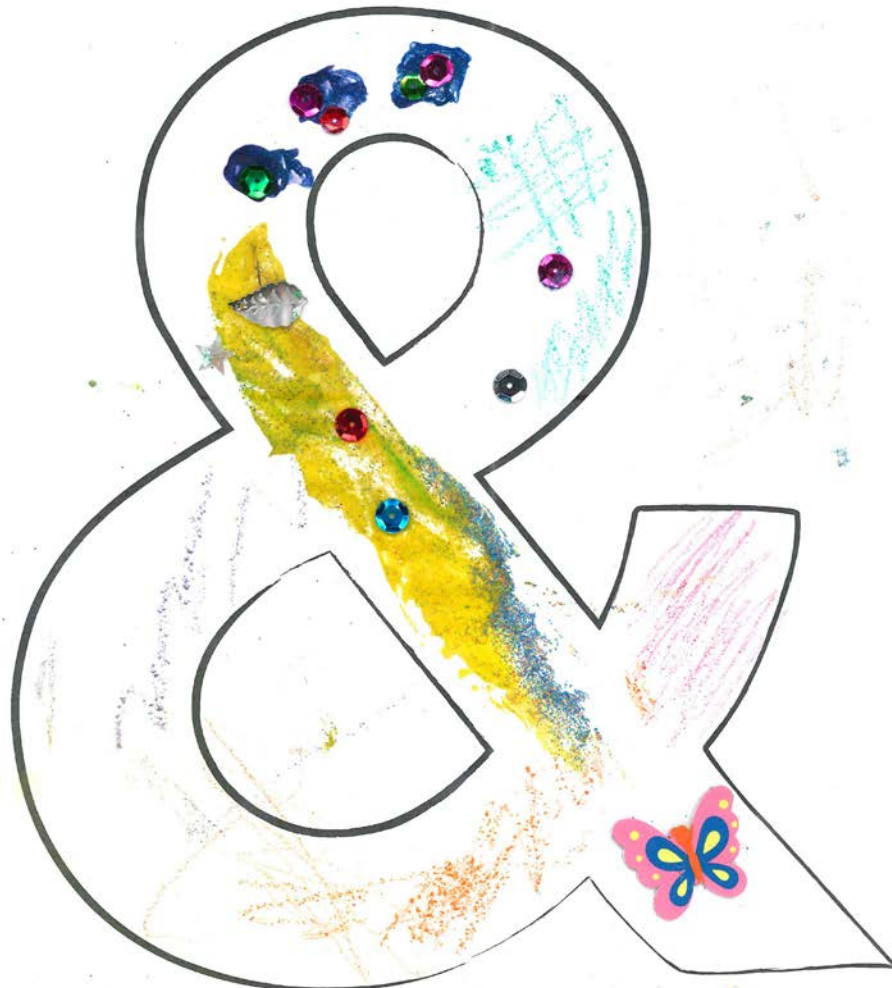
**We have invested in our research capability by expanding and strengthening our Research team this year with three new appointments: a Research Nurse, a Research Physiotherapist and a Librarian.**

We believe these new appointments will make a significant contribution to the achievement of our **research strategy**. Our clinical teams are involved in our research and helping to ensure that our services are evidence-based, and we are also grateful to our parent partner who provides valuable input to our monthly **Research Group**.

We are working hard to promote a research culture across the organisation by producing research summaries to guide our clinical input and ensure it is evidence-based. We ran a very successful **Annual Research Day** at our national specialist centre with over 40 delegates attending – the theme for 2017 will be Stroke in Childhood.


We work in **partnership** with many leading universities and research organisations and continue to add new partners each year. In 2016 we established new educational research partnerships with University College London, Cambridge University and Oxford Brookes University. We are committed to sharing our research and have presented and published our findings both in the UK and internationally.

We have a longstanding research partnership with Dr Rob Forsyth at Newcastle University. Dr Forsyth has worked with us on a number of projects bringing his extensive clinical experience of ABI and statistical expertise to our discussions. Dr Forsyth is the Chief Investigator of a team of 15 people from across the UK including our own Drs Wales and Dunford for the project “How should the NHS deliver rehabilitation services for children after acquired brain injury?” The team has just submitted a grant application to NIHR to fund this project. Drs Wales, Dunford and Davis are currently working with Dr Forsyth on a novel Paediatric Rehabilitation IngredientS Measure (PRISM) that aims to capture the content of rehabilitation interventions.



Dr Manju Kurian, Honorary Director of Research, Research Governance Committee Chair.

## Our Values



### Child & family focused

We strive to do the best for the children and young people at all times, while demonstrating a sense of responsibility to the needs of families, even in difficult circumstances; we don't lose sight of the needs of staff in doing this; we treat all those using our services with respect and dignity, and we take individual needs into account when developing our services.



### Collaborative

We work together to achieve the best outcomes for the children and young people we support; we respect individuals' roles, contributions and opinions and treat everyone equally; we celebrate successes; we co-operate with each other and share knowledge across all areas of The Children's Trust; we work positively with other organisations and we communicate well.



### Can do

We're flexible and adaptable; we are innovative, positive and courageous; we get things done by problem solving; we plan and organise our activities carefully.



### Professional

We're committed to providing the highest standards of excellence and professionalism at all times, taking personal responsibility and being accountable for all we do; we're passionate about striving for excellence and sharing best practice; we are relentless in the pursuit of safe, compassionate care for every person who uses our services and welcome feedback to drive areas in need of improvement.



### Fun

We help to create a happy, positive working environment where people want to come to work; we don't take ourselves too seriously but we take what we do seriously.

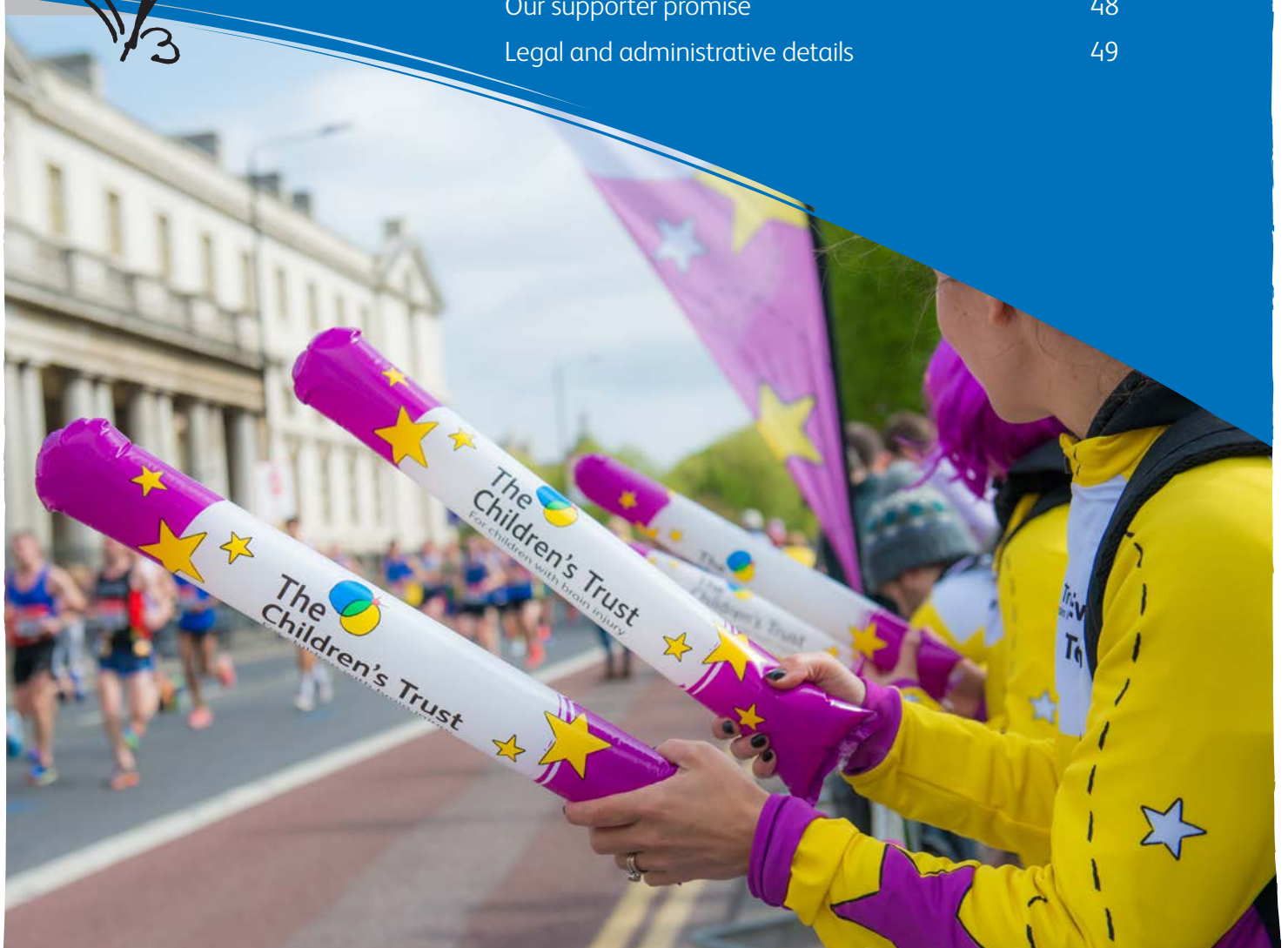


### Caring & supportive

We're warm, friendly, approachable and helpful; we care about our work, the children and their families and we treat them with sensitivity and kindness; we look out for each other.

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# Trustees' financial report

## The trustees of The Children's Trust are pleased to present their 32<sup>nd</sup> report and financial statements for the year ended 31 March 2017.

The Children's Trust is a registered charity (number 288018) incorporated under the Companies Acts, being a company limited by guarantee not having a share capital (1757875). The Children's Trust School is incorporated within The Children's Trust

This report and the accompanying financial statements are presented in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in July 2014. The report and statements also comply with the Companies Act 2006 and Charities Act 2011.

### Activities

The Children's Trust is the UK's leading charity for children with brain injury and neurodisability.

### Achievements and performance

2017 has been a pivotal year and one of considerable achievement for The Children's Trust. We continue to provide leading clinical and medical care to some of the most vulnerable children in the UK and to provide practical help to hundreds of children with mild to moderate brain injury across the UK. Our School has made far-reaching and impressive improvements and the leadership and management of the School has been recognised by Ofsted as outstanding.

We have launched a new strategy with the ambition of helping even more children and young people by scaling up our organisation and making it robust and sustainable for the long-term. Our fundraising activities continue to take many different forms and we are very grateful to all our donors and volunteers whose generosity is absolutely crucial to The Children's Trust.

The Children's Trust faces many challenges but the trustees feel positive about the steps being taken to meet those challenges. We would like to thank all of our staff and volunteers who have shown immense commitment to helping children affected by brain injury and neurodisability to fulfil their potential and live the best life possible. We would like to further recognise the bravery and resilience of the children in facing their challenges. For our part, the trustees are absolutely committed to the future of The Children's Trust and to the collaborative, professional, supportive and caring values that are at the core of its activities.

Our strategy and performance against charitable objectives is discussed in detail on pages 9 to 22 of the trustee's strategic report.

### Financial report

To bring out some of the key themes of the year, the following table summarises our financial outcomes as set out in the 'Statement of Financial Activities'.

	2017 £'000				2016 £'000			
	Income	Expenditure	Net	Ratio	Income	Expenditure	Net	Ratio
<b>Fundraising</b>								
Donations and legacies	3,931	(1,268)	2,663	3.10	4,670	(1,173)	3,497	3.98
Events	815	(688)	127	1.18	1,287	(771)	516	1.67
Charity shops	1,947	(1,859)	88	1.05	2,054	(1,864)	190	1.10
Lottery	168	(110)	58	1.53	190	(103)	87	1.84
<b>Total Fundraising</b>	<b>6,861</b>	<b>(3,925)</b>	<b>2,936</b>	<b>1.75</b>	<b>8,201</b>	<b>(3,911)</b>	<b>4,290</b>	<b>2.10</b>
<b>Total Fundraising excluding shops</b>	<b>4,914</b>	<b>(2,066)</b>	<b>2,848</b>	<b>2.38</b>	<b>6,147</b>	<b>(2,047)</b>	<b>4,100</b>	<b>3.00</b>
Charitable activities	15,881	(21,146)	(5,265)		18,120	(20,923)	(2,803)	
Investment gain	1,630	–	1,630		200	–	200	
Investments income	195	–	195		190	–	190	
Other	282	–	282		342	–	342	
Recurring Activities	24,849	(25,071)	(222)		27,053	(24,834)	2,219	
Investment in donor acquisition	–	(511)	(511)		–	(1,343)	(1,343)	
<b>Total charity</b>	<b>24,849</b>	<b>(25,582)</b>	<b>(733)</b>		<b>27,053</b>	<b>(26,177)</b>	<b>876</b>	



We are operating in an increasingly tough environment where the funding constraints in both the health and education sectors adversely impact our average residential occupancy rate. This is in part due to a consistent reduction in the average length of stay of children receiving rehabilitation over the past couple of years. In order to achieve the same average occupancy requires us to admit a higher number of children which in the current funding environment is very challenging. Charitable income was also adversely affected by a reduction in the small number of international children admitted for rehabilitation. The impact of these factors on our Charitable income was a reduction of £2.2million compared to the previous year.

Income from donations and legacies reduced by £0.75million due to receipt the previous year of a £0.37 million grant from the Department of Further Education and lower legacy income, and the £0.65million reduction arising from our other trading activities was due a one off high profile event in the previous year which had generated in excess of £0.6million.

On a more positive note these decreases in income were offset to a large extent by gains from the sale of investments of £1.40million.

Our charitable activities have shown a small increase in expenditure (2017: £21.1 million, 2016: £20.9 million), as we have continued to invest in the quality of care we provide for our children, particularly in the school houses, ensuring we are able to provide the very best care to those we look after as well as remaining compliant with regulatory requirements.

We will be undertaking a procurement review with the aim of ensuring our purchasing is as cost effective as possible. In addition, our new 3 year strategy has a specific aim of looking at other ways we can supplement our income.

Our fundraising investment in donor acquisition totalled £0.5million. This was lower than both budget and the previous year. This reduced spend is due to the limited availability of high quality agencies who will uphold the standards that we require. These agencies are in very high demand and we are in direct competition for their services, with high profile, large national charities.

However ongoing investment in donor acquisition is key to growing our fund raising income and therefore at 31 March we set aside £1.5million in our designated reserves for this purpose.

In the year under review, the return for every pound we spent on fundraising (excluding retail shops) was £2.38.

As noted above in common with others in the sector we faced a challenging year as we operate against a backdrop of reduced public expenditure and delays in public funding which increases the time-lag between our referrals and admissions. We continue to work closely with NHS and CCG colleagues who appreciate the quality and value of the care we provide.

We have faced the same challenges as others in the health sector in attracting nursing staff. To deal with this we have brought our nursing remuneration in line with that offered by the NHS for inner London staff. Staffing levels are continually monitored to ensure we can safely meet the needs of our children.

The complexity of children using our service continues to increase with over 98% of children having very heavy or heavy rehabilitation complexity including long term ventilation and challenging behaviour. Despite the challenges such complexity brings we continue to work closely with NHS England and have been able to demonstrate via our UK ROC (UK Rehabilitation Outcomes Collaborative) submissions that the outcomes for the children in our care have improved despite a reduction in a child's average length of stay by 25 days over the last two years.

### Reserves

Each year we earmark 'designated' reserves for investment in the future of The Children's Trust. In the year to 31st March 2017, we designated £2.7 million to invest in capital expenditure and donor recruitment.

In addition to designating reserves for specific projects, we also need to ensure that we have sufficient financial resources to withstand the impact of adverse trading conditions. This is linked to our view on risk and the events we consider might cause us significant financial hardship.

To this end, the trustees have maintained the previous reserves policy, which sets the target for free reserves (undesignated funds) at £8.5million, equivalent to four months' operating expenses (2016: £ 8.7million). At 31 March 2017 free reserves amounted to £9.5 million (2016: £8.7 million). The trustees believe that free reserves at this level will provide sufficient liquidity for the risks we face.

### Investment Policy

As part of managing our reserves, we place our investments in conventional products, such as cash, bonds and equities, in line with our investment ethical and environmental policies.

The total return of the portfolio for the year ended 31 March 2017, including unquoted shares and cash, but excluding disposals, was 9.2% (2016: 9.0%).

Further detail on investments and reserves is contained in notes 15 and 21 of the accounts.

### Going Concern

The charity's financial position and performance has been outlined in the financial review above.

The trustees have assessed projected future income, expenditure and cash flows and reviewed the charity's levels of reserves and available cash and their sufficiency to withstand a material decline in income. The trustees concluded that there is a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

### Remuneration policy

Delivery of our objectives is totally dependent on our staff; their remuneration accounts for approximately 70% of our expenditure. The Children's Trust is committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

Whilst we are independent from the public health and education sectors, recruitment and retention of staff is significantly influenced by national and local pay awards made by the NHS and within the education sector. In setting our pay strategy, we have been guided by the principles that:

1. remuneration is proportionate and financially prudent;
2. aim to be competitive to attract specialist skills and talent;
3. our pay motivates and retains existing staff; and
4. our approach to pay is equitable and fair.

The charity has a Remuneration Committee which meets once at least once year and is comprised of the chair and the two vice-chairs. The CEO, Director of People and Director of Finance & Operations are in attendance for the meeting (leaving for discussions regarding their own remuneration).

### The main responsibilities of the committee are to:

- determine employment and remuneration policies including pay policy, pensions and benefits;
- authorise the annual pay award; and
- determine the salaries of the senior leadership team.

### Risk management

The trustees review the charity's clinical, operational, business and financial risks. These procedures include identification of the types of risk to which the charity is exposed, estimation of the likelihood of occurrence

and potential impact, and identification of the means to manage the effects of major risks.

The Audit Committee receives reports from both internal and external auditors.

### The key controls in place for managing risk are:

- appropriate committee structures and terms of reference;
- formal agenda for committee meetings;
- strategic planning, budgeting and management reporting;
- formal written policies, including policies and procedures required by law to protect vulnerable people;
- schemes of delegation, formal financial regulation and systems of internal control, and authorisation limits; and
- internal audit function.

Processes are in place to deal with key risks identified by the charity namely:

- **Uncertainty of income**  
The charity has processes in place to monitor the future levels of referrals, admissions and fee rates and can take action as necessary.
- **Ensuring regulatory compliance**  
We are regulated by numerous regulatory bodies. We have in place governance structures which we routinely review to ensure they are effective and we invest to ensure our staff are trained to the highest standard. We promote a transparent culture and have improved our monitoring and management of incidents. Our audit programme enables us to continue to learn and improve our service. In preparation for the GDPR, we have developed a three year Information Governance Strategy which focuses on the development and implementation of a robust framework for the effective management and protection of organisational data. We undertake regular mandatory training to educate staff on the risks associated with data breaches.
- **Ensuring proper governance and leadership**  
We have a governance framework which sets out the responsibilities and duties of trustees for governance and the roles of the assurance committees.
- **Ensuring we attract talent and develop our staff**  
Finding the right talent for The Children's Trust requires significant focus. Historically we have found recruiting certain skills more difficult, particularly nursing and care staff, and shop managers. Efforts over the last couple of years to attract and retain nurses and care support assistants are starting to make a difference. Nursing numbers have increased

for the first time in two years. Attracting nursing and care staff will continue to be a challenge in a very competitive market. We continually review our staff development programmes and metrics; including staff surveys to ensure we remain an attractive place to work.

- **Ensuring adequate and efficient processes**

Our IT review is on-going; we have completed an IT staff survey and have an action plan arising from that piece of work. In addition, we have reviewed our telephony and network infrastructure and developed plans for their upgrade.

### Safeguarding

We are committed to protecting the children and young people we support. We have a dedicated team of in-house social workers and adhere to the requirements of external safeguarding children boards.

All our staff, trustees and on-site volunteers are recruited following safer recruitment guidelines and we provide staff and volunteers with thorough safeguarding training.

### We define safeguarding and promoting the welfare of children as:

- protecting children from maltreatment;
- preventing impairment of children's health or development;
- ensuring that children grow up and receive services in circumstances consistent with the provision of safe and effective care; and
- taking action to enable all children to have the best outcomes.

### We seek to protect children and young people by:

- valuing them, listening to and respecting them;
- adopting child protection guidelines through procedures and a code of conduct for staff and volunteers;
- recruiting staff and volunteers safely, ensuring all necessary checks are made;
- sharing information about safeguarding, child protection and good practice with children, parents, staff and volunteers;
- sharing information about concerns promptly with agencies who need to know, and involving parents and children appropriately;
- providing effective management for staff and volunteers through support, supervision and training.

### Legal structure and governance

The Children's Trust was established and incorporated on 30 September 1983, and assumed the management of the Tadworth Court site from 1 April 1984. As a charity we seek to benefit the public through the pursuit of our objectives and aims as set out in our articles of association

### The Children's Trust is established for the following purposes:

- To provide for the care, treatment, rehabilitation and education of children and other persons with physical disabilities, learning disabilities and complex medical needs, including life-limiting or life-threatening conditions and neurological damage acquired through accident or other causes; for the support of families and other carers involved; and for the prevention of such disabilities and disorders; and
- to hold for the benefit of the public the freehold of the heritage property known as Tadworth Court, Tadworth, Surrey and its curtilage, and to restore, conserve, improve and maintain such heritage property and all the buildings, walls, parks, gardens, woodlands and appurtenances within its curtilage.

The board of trustees meets at least six times a year to monitor the work of the charity and to review and agree major areas of policy. Responsibility for reviewing key areas of activity and policy is delegated to assurance committees that report back to the board meetings. The committees, which are listed on page 47 may include specialist co-opted members as well as trustees. The day-to-day running of the charity and the exercise of executive responsibility is delegated to the chief executive and the senior leadership team. The trustees, who are the directors of the charitable company, in office at 31 March 2017 can be found on page 47. The Children's Trust seeks to have a board with expertise in the specialist areas in which we work, in addition to broader business, financial and organisational skills.

During the year there was the following change in Trustees: Christopher Tracey (retired 07.10.16)

There were also some changes to the Senior Leadership Team, with the appointment of Valerie Lee as Director of Finance & Operations, Michael Maddick as Director of People and Nicola Smith as Director of Strategy and IT - the latter two being internal promotions.

Whilst the Articles of Association allow for the remuneration of trustees, all trustees give their time voluntarily and receive no benefits from the charity. The Children's Trust continues to work with many

clinical commissioning groups and local authorities. Our services are regularly inspected by Ofsted and the Care Quality Commission, whose reports are made public at [www.ofsted.gov.uk/reports](http://www.ofsted.gov.uk/reports) and [www.cqc.org.uk](http://www.cqc.org.uk).

### Public benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. Charities are required to demonstrate that they deliver a benefit to the public. In particular, charities which charge fees for services must demonstrate that those services are accessible to the general public and not restricted by geography or the ability of individuals to pay. It is the opinion of the trustees that, in shaping our objectives, we have complied with our duty to have due regard to the Charity Commission's guidance on public benefit.

### Statement of trustees' responsibilities

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Ireland'.

Company law requires the trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company and of its income and expenditure for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- state whether applicable UK accounting standards have been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Annual Report is approved by the trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the trustees in their capacity as directors in company law of the Charity.

### Auditors

On the recommendation of the Audit Committee, Kingston Smith LLP offer themselves for re-election as auditors in accordance with section 485 of the Companies Act 2006.

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### On behalf of the trustees

Signature:



Duncan Ingram, Chair of Trustees

Date: 25 September 2017

# Independent Auditor's report to the members of The Children's Trust

**We have audited the financial statements of The Children's Trust for the year ended 31 March 2017 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the cash flow statement and the related notes.**

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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 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 any party 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.

## Respective responsibilities of trustees and auditor

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

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the trustees' annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on the financial statements

### In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its 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.

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

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

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

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*Kingston Smith LLP*

David Montgomery. Senior Statutory Auditor for and on behalf of  
Kingston Smith LLP, Statutory Auditor, Betchworth House, 57 - 65 Station Road, Redhill, Surrey RH1 1DL  
Date: 25 September 2017

# Accounts

## Statement of financial activities (incorporating an income and expenditure account)

The Children's Trust

	Note	Unrestricted General Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total Funds £'000	2016 Total Funds £'000
<b>Income and endowments from:</b>						
Charitable activities	2	15,858	23	-	15,881	18,120
Donations and legacies	3	3,272	659	-	3,931	4,670
Other trading activities						
- Events		815	-	-	815	1,287
- Charity shops		1,947	-	-	1,947	2,054
- Lottery		168	-	-	168	190
	4	2,930	-	-	2,930	3,531
Investments and deposits	5	192	3	-	195	190
Other	6	282	-	-	282	342
<b>Total income</b>		<b>22,534</b>	<b>685</b>	<b>-</b>	<b>23,219</b>	<b>26,853</b>
<b>Expenditure on:</b>						
Charitable activities	7	20,418	724	4	21,146	20,923
Raising funds						
- Costs of generating voluntary income		1,268	-	-	1,268	1,173
- Investment in donor recruitment		511	-	-	511	1,343
- Events		688	-	-	688	771
- Charity Shops		1,859	-	-	1,859	1,864
- Lottery		110	-	-	110	103
	8	4,436	-	-	4,436	5,254
<b>Total expenditure</b>	8	<b>24,854</b>	<b>724</b>	<b>4</b>	<b>25,582</b>	<b>26,177</b>
<b>Net income/(expenditure) before gains/(losses)</b>		(2,320)	(39)	(4)	(2,363)	676
Net unrealised gains on investments		155	-	68	223	200
Net gain on disposal of investments		1,407	-	-	1,407	-
Net (expenditure)/income		(758)	(39)	64	(733)	876
Transfers		118	(118)	-	-	-
<b>Net movement in funds</b>		<b>(640)</b>	<b>(157)</b>	<b>64</b>	<b>(733)</b>	<b>876</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		26,484	2,907	743	30,134	29,258
<b>Total funds carried forward</b>		<b>25,844</b>	<b>2,750</b>	<b>807</b>	<b>29,401</b>	<b>30,134</b>

The statement of financial activities includes all gains and losses recognised in the year.  
All operations are classed as continuing.  
The accompanying accounting policies and notes form an integral part of these financial statements.

## Balance sheet

As at 31 March 2017

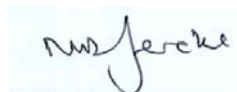
The Children's Trust

	Note	2017		2016	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	14	13,748		14,590	
Heritage assets	14	<u>1,667</u>		<u>1,721</u>	
			15,415		16,311
Investments	15		<u>3,065</u>		<u>4,045</u>
			<b>18,480</b>		<b>20,356</b>
<b>Current assets</b>					
Stocks		76		75	
Debtors	16	3,758		3,738	
Short term deposits		9,303		7,935	
Cash at bank and in hand		<u>368</u>		<u>215</u>	
		13,505		11,963	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	17	<u>(2,584)</u>		<u>(2,185)</u>	
Net current assets			10,921		<b>9,778</b>
<b>Net assets</b>			<u><b>29,401</b></u>		<u><b>30,134</b></u>
<b>The funds of the Charity</b>					
Unrestricted general funds:					
Undesignated		9,509		8,661	
Designated		<u>16,335</u>		<u>17,823</u>	
		25,844		26,484	
Restricted funds		2,750		2,907	
Endowment funds		807		743	
<b>Total Funds</b>	21		<u><b>29,401</b></u>		<u><b>30,134</b></u>

The financial statements were approved by the Board of Directors on



Duncan Ingram, Chairman  
Date: 25 September 2017



Michael Gercke, Honorary Treasurer & Vice Chairman  
Date: 25 September 2017

The accompanying accounting policies and notes form an integral part of these financial statements.  
Company Number: 1757875



## Cash flow statement

For the year ended 31 March 2017

The Children's Trust

	Note	2017		2016	
		£'000	£'000	£'000	£'000
<b>Net (expenditure)/income for the reporting period before gains/(losses)</b>		(2,363)		676	
<b>Adjustments for:</b>					
Interest and investment income		(195)		(190)	
Depreciation	14	1,157		1,205	
Loss on disposal of tangible fixed assets		13		26	
(Increase)/decrease in stocks		(1)		4	
(Increase)/decrease in debtors		(20)		72	
Increase/(decrease) in creditors		399		(121)	
<b>Net cash provided (used in)/by operating activities</b>		<b>(1,010)</b>		<b>1,672</b>	
<b>Cash flows from investing activities</b>					
Investment income received		195		190	
Capital expenditure	14	(274)		(346)	
Sale of investments		2,610		-	
<b>Net cash provided by/(used in) investing activities</b>		<b>2,531</b>		<b>(156)</b>	
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,521</b>		<b>1,516</b>	
Cash and cash equivalents at the beginning of the year		<b>8,150</b>		<b>6,634</b>	
<b>Cash and cash equivalents at the end of the year</b>		<b>9,671</b>		<b>8,150</b>	
<b>Analysis of cash and cash equivalents</b>					
Short term deposits		9,303		7,935	
Cash at bank and in hand		368		215	
		<b>9,671</b>		<b>8,150</b>	

The accompanying accounting policies and notes form an integral part of these financial statements.

## Notes to the financial statements

For the year ended 31 March 2017

The Children's Trust

### 1. Accounting Policies

#### 1.1 Basis of accounting

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest one thousand pounds.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

#### 1.2 Preparation of the accounts on a going concern basis

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the Charity's forecasts and projections and have taken into account the pressures on public expenditure. After making enquiries the Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

#### 1.3 Income

All income is accounted for in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy and the receipt is probable. Collections made by third parties on behalf of the charity are accounted for when received. Revenue grants are credited to income on the date they are received or when they are receivable unless they relate to a specific period, in which case they are deferred.

For legacy income, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors that a distribution will be made. Receipt of a legacy is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Funds received for capital projects are accounted for as restricted income. The treatment of the assets provided depends upon the restrictions imposed by the grant and if the fixed asset acquisition discharges the restriction then the asset will be held in unrestricted funds. A corresponding transfer of the associated restricted income will be made to the unrestricted fund.

Donated professional services and donated facilities are recognised as income when the charity has control over the item. On receipt, donated services/goods are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services of equivalent economic benefit on the open market.

## 1.4 Expenditure

Expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Costs of raising funds include the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Support costs, including governance costs, are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. Where support costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources. The basis of allocation has been explained in note 9 to the accounts.

Any irrecoverable VAT is included as part of the cost to which it relates. The amount incurred in the year is disclosed in note 11.

## 1.5 Fund Accounting

General unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the charity.

Designated funds are set aside by the Trustees out of unrestricted general funds for specific future purposes. Restricted funds are funds subject to specific restrictions imposed by donors or by the purpose of the appeal. Endowment funds are funds where the assets must be held by the charity, principally in the form of investments. Income from endowments is included in incoming resources, either restricted or unrestricted, in accordance with the terms of the endowment.

Any capital gains or losses arising on the investments are allocated to the related fund. Further explanation of the nature and purpose of each fund is included in note 21.

## 1.6 Tangible Fixed Assets

Tangible fixed assets costing more than £1,000 are capitalised and included at cost.

Depreciation is calculated to write off the cost of tangible fixed assets by equal annual instalments over their expected useful lives as follows:

Freehold land	Not depreciated
Freehold and leasehold property	4%, 10% and 20%
Heritage assets	2%
Plant & office furniture & equipment	10% - 20%
Residential houses furniture & equipment	20%
Computer equipment	33%
Intangible assets	33%
Motor vehicles	25%
Buildings in progress	Not depreciated

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or changes in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

## 1.7 Investments

Quoted investments are included at market value (bid/selling price). Investments in subsidiaries are stated at cost. Realised and unrealised gains and losses are combined in the appropriate section of the SOFA.

### 1.8 Stock

Stock is stated at the lower of cost and net realisable value; stocks are not normally held for resale.

### 1.9 Government Grants

Government grants of a capital expenditure nature are credited to the restricted fund - government grants; depreciation of the underlying assets is charged to the restricted fund over the life of the asset.

### 1.10 Pension Costs

Certain of the charity's clinical and teaching staff are members of the NHS Pension Scheme or Teachers' Pension Scheme respectively, both of which are defined benefit schemes. The schemes are not designed to be run in a way that would enable individual employer bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as if they are a defined contribution scheme: the cost of participating in the schemes is taken as being equal to the contributions payable to the scheme for the accounting period. Other staff are able to join the charity's defined contribution pension scheme. The employer contributions are included within resources expended and represent the amount of contribution payable to the schemes in respect of the accounting period.

### 1.11 Operating lease payments

Total payments under operating leases are charged to the SOFA on a straight line basis over the lease term.

### 1.12 Consolidation

The Children's Trust Trading Company Limited did not trade during the year. This company has not been consolidated as in the opinion of the directors it is not material to the group's results. Thus the information within these financial statements is presented as an individual undertaking.

### 1.13 Critical accounting estimates and areas of judgement

In preparing the financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

### 1.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

### 1.15 Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 16 and 17 for the debtor and creditor notes.

### 1.16 Short term employee benefits

The cost of short-term benefits, such as accrued holiday are recognised as a liability and an expense.

### 1.17 Heritage Assets

The charity's Heritage asset is the mansion building of Tadworth Court. It houses our X-ray, catering, meeting and administrative facilities. The asset is stated at cost and is depreciated over 50 years. The Trustees ensure that the building is carefully maintained and is fit for purpose. Any significant expenditure which is required to preserve or prevent deterioration is capitalised when it is incurred.

**2. Income from charitable activities**

	2017			2016		
	Unrestricted £'000	Restricted £'000	TOTAL £'000	Unrestricted £'000	Restricted £'000	TOTAL £'000
Care and rehabilitation services	9,338	-	9,338	10,377	-	10,377
The Children's Trust School	6,520	23	6,543	7,536	207	7,743
<b>Total charitable activities</b>	<b>15,858</b>	<b>23</b>	<b>15,881</b>	<b>17,913</b>	<b>207</b>	<b>18,120</b>

**3. Donations and legacies**

	2017			2016		
	Unrestricted £'000	Restricted £'000	TOTAL £'000	Unrestricted £'000	Restricted £'000	TOTAL £'000
Donations and covenants	2,948	659	3,607	3,295	622	3,917
Legacies	324	-	324	746	-	746
Gifts in kind	-	-	-	7	-	7
<b>Total donations and legacies</b>	<b>3,272</b>	<b>659</b>	<b>3,931</b>	<b>4,048</b>	<b>622</b>	<b>4,670</b>

Included in Donations and Covenants is a grant of £151,597 (2016: £151,597) received from NHS England for palliative care. Other substantial support was received from BBC Children in Need, Garfield Weston Foundation and the City of London Corporation charity, City Bridge Trust. The funds have been included in note 21 as restricted funds.

**4. Other trading activities**

	2017			2016		
	Unrestricted £'000	Restricted £'000	TOTAL £'000	Unrestricted £'000	Restricted £'000	TOTAL £'000
Events	815	-	815	1,287	-	1,287
Charity shops	1,947	-	1,947	2,054	-	2,054
Lottery	168	-	168	190	-	190
<b>Total other trading activities</b>	<b>2,930</b>	<b>-</b>	<b>2,930</b>	<b>3,531</b>	<b>-</b>	<b>3,531</b>

**5. Investment income**

	2017			2016		
	Unrestricted £'000	Restricted £'000	TOTAL £'000	Unrestricted £'000	Restricted £'000	TOTAL £'000
Dividends - UK	73	3	76	77	3	80
Dividends - overseas	76	-	76	65	-	65
Interest	43	-	43	45	-	45
<b>Total investment income</b>	<b>192</b>	<b>3</b>	<b>195</b>	<b>187</b>	<b>3</b>	<b>190</b>

**6. Other income**

	2017			2016		
	Unrestricted £'000	Restricted £'000	TOTAL £'000	Unrestricted £'000	Restricted £'000	TOTAL £'000
Lettings - both staff and parents	113	-	113	156	-	156
Catering	88	-	88	89	-	89
Nursery	51	-	51	71	-	71
Other income	30	-	30	26	-	26
<b>Total other income</b>	<b>282</b>	<b>-</b>	<b>282</b>	<b>342</b>	<b>-</b>	<b>342</b>

**7. Expenditure on charitable activities**

2017

2016

	Unrestricted £'000	Restricted £'000	Endowment £'000	TOTAL £'000	Unrestricted £'000	Restricted £'000	TOTAL £'000
Charitable activities	20,418	724	4	21,146	20,320	603	20,923
	<b>20,418</b>	<b>724</b>	<b>4</b>	<b>21,146</b>	<b>20,320</b>	<b>603</b>	<b>20,923</b>

**8. Expenditure on:**

2017

	Direct costs £'000	Support costs £'000	Governance costs £'000	2017 Total £'000
<b>Charitable activities</b>				
Care and rehabilitation services	12,067	1,562	102	13,731
The Children's Trust School	6,235	1,108	72	7,415
	<b>18,302</b>	<b>2,670</b>	<b>174</b>	<b>21,146</b>
<b>Raising funds</b>				
Costs of generating voluntary income	1,137	123	8	1,268
Investment in future income	511	-	-	511
Events	588	94	6	688
Charity Shops	1,706	148	5	1,859
Lottery	104	6	-	110
	<b>4,046</b>	<b>371</b>	<b>19</b>	<b>4,436</b>
<b>Total expenditure</b>	<b>22,348</b>	<b>3,041</b>	<b>193</b>	<b>25,582</b>

2016

	Direct costs £'000	Support costs £'000	Governance costs £'000	2016 Total £'000
<b>Charitable activities</b>				
Care and rehabilitation services	11,434	1,433	75	12,942
The Children's Trust School	6,817	1,106	58	7,981
	<b>18,251</b>	<b>2,539</b>	<b>133</b>	<b>20,923</b>
<b>Raising funds</b>				
Costs of generating voluntary income	1,050	117	6	1,173
Investment in donor recruitment	1,343	-	-	1,343
Events	700	68	3	771
Charity Shops	1,746	114	4	1,864
Lottery	99	4	-	103
	<b>4,938</b>	<b>303</b>	<b>13</b>	<b>5,254</b>
<b>Total expenditure</b>	<b>23,189</b>	<b>2,842</b>	<b>146</b>	<b>26,177</b>

**9. Allocation of support costs****2017**

	<b>Care &amp; Rehabilitation Services £'000</b>	<b>The Children's Trust School £'000</b>	<b>Raising funds £'000</b>	<b>2017 Total £'000</b>
Chief Executive's office	181	121	28	330
Marketing and communications	104	74	17	195
Finance and administration	373	264	66	703
IT	215	159	40	414
Human resources	560	399	197	1,156
Site development & facilities management	129	91	23	243
<b>Total support costs allocated (note 8)</b>	<b>1,562</b>	<b>1,108</b>	<b>371</b>	<b>3,041</b>

**2016**

	<b>Care &amp; Rehabilitation Services £'000</b>	<b>The Children's Trust School £'000</b>	<b>Raising funds £'000</b>	<b>2016 Total £'000</b>
Chief Executive's office	175	129	22	326
Marketing and communications	97	74	18	189
Finance and administration	315	244	60	619
IT	180	141	34	355
Human resources	532	414	143	1,089
Site development & facilities management	134	104	26	264
<b>Total support costs allocated (note 8)</b>	<b>1,433</b>	<b>1,106</b>	<b>303</b>	<b>2,842</b>

**Basis of allocation**

Support costs are recharged relative to the amount of resource allocated to each of the activities. For the most part, the recharge is proportionate to the full-time equivalent staff numbers involved in those activities.

**10. Net incoming resources is after charging:**

	<b>2017 £'000</b>	<b>2016 £'000</b>
Depreciation	1,157	1,205
Payments under operating leases:		
-land and buildings	480	478
-other	19	20
Auditor's remuneration:		
-external audit services	26	26
-internal audit services	7	7
Loss on disposal of fixed assets	16	26

**11. Irrecoverable VAT**

Irrecoverable VAT has been included with the relevant expenses in accordance with accounting standards. In the year to 31 March 2017 this amounted to £503,000 (2016: £610,000).

## 12. Staff remuneration and pensions

	<b>2017</b> <b>£'000</b>	<b>2016</b> <b>£'000</b>
Salaries	14,742	14,192
Social security costs	1,289	1,179
Pension costs	683	693
Temporary staff costs	629	746
Third party staff costs	1,267	1,219
	<u><b>18,610</b></u>	<u><b>18,029</b></u>

The average monthly head count was 677 staff (2016: 667 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	<b>2017</b>	<b>2016</b>
Charitable activities	440	451
Fundraising	26	25
Shops	39	40
Support	16	16
Governance	1	1
	<u><b>522</b></u>	<u><b>533</b></u>

Key management personnel include the Trustees, Chief Executive (and senior staff reporting directly to the Chief Executive) The total employee benefits of the charity's key management personnel were £626k (2016: £611k). (Trustees = £nil). The number of employees whose emoluments fell within the following ranges are set out below. Our strategy is to reduce our reliance on medical agency and locum staffing. We have split the number of current employees earning over £60,000 between clinical and executive staff. The Chief Executive's emoluments fall into the £100,001-£110,000 band.

	Clinical		Executive		Total	
	2017	2016	2017	2016	2017	2016
£60,001 - £70,000	2	1	-	-	2	1
£70,001 - £80,000	1	1	1	2	2	3
£90,001 - £100,000	-	-	-	-	-	-
£100,001 - £110,000	-	-	1	1	1	1
£180,001 - £190,000	1	1	-	-	1	1

During the year the following amounts were paid on behalf of higher paid employees:

	<b>2017</b> <b>£'000</b>	<b>2016</b> <b>£'000</b>
Pension contributions	<u>41</u>	<u>34</u>

During the year the charity made payments to 16 staff in respect of redundancy and termination totalling £231,432 (2016: 5 and £42,733 respectively).

### Pensions

The charity participates in two defined benefit pension schemes and one defined contribution pension scheme, as follows:

#### (i) Defined Contribution Pension Scheme

The charity pays a defined contribution into a personal pension plan for the benefit of employees. The scheme is also used to comply with auto-enrolment requirements which came into effect from 1 November 2013. The charity paid contributions totalling £331,000 (2016: £356,000) into this scheme in 2017.



**(ii) Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £85,000 (2016: £63,000) and at the year-end £nil (2016 - £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

**(iii) NHS Pension Scheme**

The Charity participates in the NHS Pension Scheme, an unfunded, defined benefit scheme for employees who were formerly employed in the NHS, GP practices and other bodies allowed under the direction of the Secretary of State. In the year, the charity paid to the NHS Pension Scheme the employer's contribution of 14.3% of pensionable pay, totalling £261,000 (2016: £268,000). There were 54 members of the Scheme (2016: 58).

The last full actuarial (funding) valuation for the NHS Pension Scheme was undertaken in March 2004. From an accounting perspective, a valuation of the scheme liability is carried out annually by the scheme actuary by updating the results of the full actuarial valuation based on detailed membership data. The latest assessment of the liabilities of the scheme was undertaken in March 2012 and is contained in the scheme actuary report which forms part of the annual NHS Pension (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pension website. Going forward the Charity's contributions may be varied from time to time to reflect the changes in the scheme's liabilities.

**(iv) Federated Flexiplan**

The charity has one past employee who is a member of the Federated Flexiplan No.1 pension scheme. This is a multi-employer scheme and as such, should the charity choose to exit the scheme there would be a requirement to pay the difference between the scheme's relevant assets and our proportion of the liabilities at full buy-out price. This would be more than the current deficit recovery payments but would release the charity from the scheme and the associated joint liability. The Trustees continue to monitor the performance of the scheme. In addition many of the legal uncertainties surrounding the scheme have been resolved and the overall liability is therefore more certain. During the year payments of £2,700 were made to the scheme. Future payments amount to £3,585.

**13. Trustee emoluments and reimbursed expenses**

No emoluments or expenses were paid to the Trustees in either year.

The charity purchased insurance costing £3,125 (2016: £3,125) included in support costs to protect it from loss arising from neglect or default of the Trustees and to indemnify the Trustees against the consequences of neglect or default on their part.

## 14. Tangible fixed assets

	Heritage assets £'000	Freehold land £'000	Freehold and leasehold buildings £'000	Plant, furniture & equipment £'000	Intangible assets £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>							
At 1 April 2016	2,691	755	21,327	2,630	393	332	28,128
Purchased additions	-	-	96	142	11	25	274
Disposals	-	-	(40)	(5)	(12)	(23)	(80)
At 31 March 2017	2,691	755	21,383	2,767	392	334	28,322
<b>Depreciation</b>							
At 1st April 2016	970	-	8,202	2,089	302	254	11,817
Charge for the year	54	-	840	200	34	29	1,157
Disposals	-	-	(40)	(1)	(4)	(22)	(67)
At 31 March 2017	1,024	-	9,002	2,288	332	261	12,907
<b>Net book value at 31 March 2017</b>	<b>1,667</b>	<b>755</b>	<b>12,381</b>	<b>479</b>	<b>60</b>	<b>73</b>	<b>15,415</b>
<b>Net book value at 31 March 2016</b>	<b>1,721</b>	<b>755</b>	<b>13,125</b>	<b>541</b>	<b>91</b>	<b>78</b>	<b>16,311</b>

The Charity's Heritage Asset is the Grade 1 listed mansion building of Tadworth Court. It houses our X-ray, catering, meeting and administrative facilities.

Parts of the building and grounds are open to the public on several days in the year.

Department of Health grants in respect of the Grade 1 listed building are secured by way of a legal mortgage over the freehold property. (See Note 21 in respect of restricted funds).

**15. Investments at market value**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Market value at 1 April 2016	4,045	3,845
Disposals at market value	(1,203)	-
Increase in market value	223	200
<b>Market value at 31 March 2017</b>	<b><u>3,065</u></b>	<b><u>4,045</u></b>

Historical cost as at 31 March 2017	2,555	2,627
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At the balance sheet date, the portfolio was invested as follows:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Unquoted investment	-	1,203
Newton Growth & Income Fund for Charities	607	538
Newton Global Dynamic Bond Fund	247	245
COIF Charities Fixed Interest Deposit Fund	74	73
Schroders Charity Equity Income Fund	562	472
Cazenove Equity Income Trust for Charities	523	476
M&G Corporate Bond Fund	375	361
Cash deposits	677	677
<b>Market value at 31 March 2017</b>	<b><u>3,065</u></b>	<b><u>4,045</u></b>

The net gain on investments assets, as shown on the SOFA, comprises:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Realised gain on investments during the year	1,407	-
Net increase in market value of investments	223	200
Net gain on investment assets	<b><u>1,630</u></b>	<b><u>200</u></b>

Monies endowed from the Gardiner Fund are invested within the investment portfolio of the charity. The Gardiner Fund can be analysed into the following asset classes:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
M&G Corporate Bond Fund	64	62
Schroders Charity Equity Income Fund	251	211
Cazenove Equity Income Trust for Charities	248	226
Cash deposit	177	177
	<b><u>740</u></b>	<b><u>676</u></b>

£75,000 received from the Victoria Convalescent Fund has been invested in COIF Charities Fixed Interest Deposit Fund, the market value of which was £75,343 at 31 March 2017 (2016: £72,627)

The unquoted investment in shares in FIL Limited were sold during the year resulting in a profit of £1,407,000.

At 31 March 2017 the charity held 100% of the issued share capital of The Children's Trust Trading Company Limited, an unquoted investment, the cost of which is £2 (2016: £2). This company which ceased to trade during 2002, is incorporated in England and Wales. At 31 March 2017, the aggregate capital and reserves of the Children's Trust Trading Company Limited were £2 (2016: £2).

**16. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	2,685	2,579
Other debtors & prepayments	1,073	1,159
	<b><u>3,758</u></b>	<b><u>3,738</u></b>

**17. Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	511	528
Other creditors, accruals and deferred income	2,012	1,620
Social security and other taxation	5	-
Pension contributions due	56	37
	<u>2,584</u>	<u>2,185</u>

Income is deferred where it relates to future events or services for which monies had been received prior to the year end. During the year, there was a net decrease in deferred income of £133k.

**18. Financial and capital commitments, and contingent liabilities**

At 31 March 2017 the Trust had total commitments under non cancellable leases/agreements as follows:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Leasehold buildings - up to 1 year	461	456
Leasehold buildings - between 1 and 5 years	1,038	1,241
Leasehold buildings - more than 5 years	172	206
Other - up to 1 year	19	19
Other - between 1 and 5 years	56	75
	<u>1,746</u>	<u>1,997</u>

At 31 March 2017, capital commitments authorised and contracted for (net of payments to date on account) amounted to £14,300 (2016: £15,380). Other capital expenditure of £9,950 was authorised but not contracted for (2016: £28,719).

**19. Government Grants**

The following government grants were received:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
NHS England for palliative care	152	152
School Standards grant	-	81
Devolved form capital grant	23	23
Department for Education grant	-	365

**20. Related Party Transactions**

There were no related party transactions in the year.

## 21. Capital and reserves

a) Movement on funds	At 1 April 2016 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers in £'000	Transfers out £'000	At 31 March 2017 £'000
<b>Unrestricted general funds:</b>							
<b>Undesignated funds:</b>							
- Undesignated	7,473	22,534	(23,226)	1,407	3,810	(2,702)	9,296
- Undesignated investment revaluation	1,188	-	-	155	-	(1,130)	213
	8,661	22,534	(23,336)	1,562	3,810	(3,832)	9,509
<b>Designated funds:</b>							
- Designated fund - tangible fixed assets reserve	14,476	-	(1,117)	-	274	-	13,633
- Designated fund - building & service development	3,347	-	(511)	-	2,702	(2,836)	2,702
	17,823	-	(1,628)	-	2,976	(2,836)	16,335
<b>Restricted funds:</b>							
- Restricted fund - development and operational	862	659	(637)	-	-	(118)	766
- Restricted fund - grants	207	23	(33)	-	-	-	197
- Restricted fund - Department of Health grant	1,835	-	(54)	-	-	-	1,781
- Restricted fund - Victoria Convalescent Fund	3	3	-	-	-	-	6
	2,907	685	(724)	-	-	(118)	2,750
<b>Endowment funds:</b>							
- Gardiner Fund	676	-	-	68	-	-	744
- Victoria Convalescent Fund	67	-	(4)	-	-	-	63
	743	-	(4)	68	-	-	807
<b>Total funds</b>	<b>30,134</b>	<b>23,219</b>	<b>(25,582)</b>	<b>1,630</b>	<b>6,786</b>	<b>(6,786)</b>	<b>29,401</b>

### Designated Funds:

The tangible fixed asset reserve, together with the restricted fund - Department of Health grant, represents the charity's investment in tangible fixed assets. The value of assets purchased during the year (£274,000) was transferred into this fund.

The building & service development relates to funds set aside by the Trustees for next year's fundraising investment and site development projects.

### Restricted Funds:

Development and operational fund represents restricted donations received for the development of the existing site as well as to provide funding for equipment and outings for the children, depending on the request granted by the donor.

Transfers between unrestricted general funds and restricted funds are as a result of where restricted income has been received for a capital project or asset and as such, the acquisition of the asset discharges the restriction. Consequently, a corresponding transfer of the associated restricted income has been made to unrestricted funds.

The Department of Health made grants in 1996 to the charity in relation to a Grade 1 listed property totalling £2,850,000. These grants are only repayable under certain conditions which, in the opinion of the Directors, are unlikely to arise. Of the total grants, £750,000 was applied to the purchase of freehold land and buildings and £2,100,000 was applied to the restoration of a Grade 1 listed building. The grants are secured by way of a legal mortgage over the freehold property.

The Victoria Convalescent Fund is a permanent endowment and represents a gift of capital to the charity, the income from which is restricted and used to fund care for children for whom no statutory funding is available.

**Endowment Funds:**

The Gardiner Fund is an endowed special trust of The Children's Trust, following a uniting direction from the Charity Commission in February 2005. The Fund was established in 1983 as Tadworth Court Children's Hospital Appeal Fund and the Charity Commission granted permission to change the name to The Gardiner Fund in 2005. Under the trust deed applicable to the fund, the income from the fund is available for the general purposes of The Children's Trust and the assets of the fund are an expendable endowment. Included within undesignated funds is the £19,427 income derived from the investments which make up this fund (2016: £21,296).

**b) Analysis of net assets between funds**

	<b>2017</b>					
	<b>Tangible fixed assets</b>	<b>Investments</b>	<b>Stocks &amp; debtors</b>	<b>Cash &amp; short term deposits</b>	<b>Current liabilities</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Unrestricted general funds	13,634	2,258	3,834	8,702	(2,584)	<b>25,844</b>
Restricted funds	1,781	-	-	969	-	<b>2,750</b>
Endowment funds	-	807	-	-	-	<b>807</b>
<b>Total funds</b>	<b>15,415</b>	<b>3,065</b>	<b>3,834</b>	<b>9,671</b>	<b>(2,584)</b>	<b>29,401</b>

	<b>2016</b>					
	<b>Tangible fixed assets</b>	<b>Investments</b>	<b>Stocks &amp; debtors</b>	<b>Cash &amp; short term deposits</b>	<b>Current liabilities</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Unrestricted general funds	14,476	3,302	3,813	7,078	(2,185)	<b>26,484</b>
Restricted funds	1,835	-	-	1,072	-	<b>2,907</b>
Endowment funds	-	743	-	-	-	<b>743</b>
<b>Total funds</b>	<b>16,311</b>	<b>4,045</b>	<b>3,813</b>	<b>8,150</b>	<b>(2,185)</b>	<b>30,134</b>

# Board, Management, Committees and Members

## Committees

- a) Appointments
- b) Finance, Fundraising and General Purposes
- c) Audit
- d) Remuneration
- e) Investment
- f) Research Advisory
- g) Clinical Governance and Safeguarding
- h) Educational Governance

## Trustees

Chair	Duncan Ingram (a, d)
Vice Chair	Imelda Charles-Edwards (a,d,f,g)
Honorary Treasurer/Vice Chair	Michael Gercke (a,b,c,d,e) Sarah Baker (g) Caroline Chang (c,f,g) Timothy Davies (b,e,h) Nicolas Grant (b) Roger Legate OBE (g,h) Toby Mullins (b,h) Nigel Scott (b,c,e) <sup>2</sup> Christopher Tracey (a,b,c,e) Anne Walker (b,g)

## Senior Leadership Team

Chief Executive	Dalton Leong
Director of Clinical Services	Maggie Clancy
Medical Director	Professor Gareth Morgan
Director of Education/Headteacher	Samantha Newton
Director of Finance & Operations	Valerie Lee
Director of Fundraising & Communications	Claire Wood Hill
Director of People	Michael Maddick
Director of Strategy & I.T.	Nicola Smith

## President

Sir Brian Hill

## Ambassadors

Michael Aspel OBE  
Amanda Burton  
Dame Joan Collins  
Jacqueline Gold  
Richard Hammond CBE  
Nicholas Owen  
Elaine Paige OBE  
Phil Tufnell  
Holly Valance  
Sophia Warner

## Members

(in addition to the Board of Trustees and President)

Andrew Brown  
Paul Burgess  
Philip Davies  
Andrew Dick  
Christopher Dulley  
Roy Foster  
David Hanson  
David Harrison  
<sup>2</sup>Peter Harrison KGCN CBE  
Betty Laine OBE  
Dr Margaret Mayston  
<sup>2</sup>Professor Brian Neville  
Dr Janet Nicholls  
<sup>4</sup>Dr Archibald Norman  
Timothy Pethybridge  
Lady Pickard  
Sir Roger Singleton CBE  
Dr Patricia Sonksen  
Simon Tate  
M. Wentworth-Stanley  
Sir Adrian White CBE  
Tim Yeo

## Educational Governance Committee

(School Governing Body)  
Chair: Toby Mullins  
Vice Chair: Roger Legate OBE  
Tim Davies  
Dalton Leong  
Samantha Newton  
Jacqui Vogt  
Claire Wood  
<sup>1</sup>Lisa Izatt  
<sup>3</sup>Steve Snook

- 1 Joined 21.11.16, retired 12.5.17
- 2 Retired 07.10.16
- 3 Retired 16.12.16
- 4 Died 20.12.2016

# The Children's Trust Supporter Promise

**Your support helps make what we do to support children and young people with brain injury possible. We are so incredibly grateful to everyone who donates, volunteers or runs fundraising activities on our behalf.**

Our supporters are at the heart of what we do, and your gifts of time and money really do make a difference.

At The Children's Trust we promise that our fundraising will be **Legal, Open, Honest** and **Respectful**.

We want you to know how much we value your support of children and young people with brain injury:

We **recognise** that you make our work possible

- Each and every one of our supporters is important to us.
- We are grateful for your generosity as our work would not be possible without you.
- We appreciate every gift no matter how large or small, as every penny donated to us helps children with brain injury to live the best life possible.
- We will be clear about who we are, and how your support makes a difference for children with brain injuries.

We **respect** you and your personal information

- We are **committed to best practice** in fundraising. We are registered with the Fundraising Regulator, the independent regulator for charitable giving, and adhere to their Fundraising Code of Practice as well as our own Supporter Promise.
- The Children's Trust will safeguard the security of your personal data and ensure that your transactions are secure.
- We will securely keep your details on our database to record your donations, and to keep in touch with you about our work.
- We promise never to pass on your details to third party organisations.
- **We fully comply with all relevant laws** including the Data Protection Act 1998, the Privacy and Electronic Communications Regulations 2003, the Telephone Preference Agency and HM Revenue & Customs rules.

We value our **relationship** with you, respect your wishes, and will support you through your journey

- We will make it as easy as possible for you to contact us and give you all the information for you to make an informed decision about how, or whether to, support us.

- We will work hard to build a lasting relationship with you, sharing our achievements and progress and will let you know where your money goes.
- We will listen and actively encourage your feedback to help us improve the work we do.


**We will tailor our contact so it's right for you.**


- We will only contact you about areas of our work that you have told us you're interested in and **respect your choices** when you tell us how you'd like us to get in touch, whether by post, email or phone.
- If you'd like to change the way you hear from us, or don't want to hear from us again, we'll respect your decision and won't contact you again. You can change what you receive from us by getting in touch via the details below.


We are **rigorous** and work to the highest standards

- We are sensitive when engaging with individuals who may be vulnerable and all staff, third party agencies and volunteers are expected to follow our Vulnerable Peoples Policy.
- We train and **monitor third party agencies** we work with to ensure they abide to the same codes and rigorous standards as we do. They are expected to comply with these at all times and if they do not meet these we will act quickly.
- There may be an occasion where you are unhappy with aspects of our fundraising. We promise to investigate all complaints we receive in line with our Complaints Procedure and if we have got something wrong, we will put it right.

If you have any questions about our fundraising or would like to change how you hear from us then please get in touch with our Donor Care team by:

 **01737 364 349**

 **donorcare@thechildrenstrust.org.uk**

 **Donor Care, The Children's Trust, Tadworth Court, Tadworth, Surrey, KT20 5RU**

If you write to us please remember to include an address or phone number so we can respond to your query.



# Legal and administrative details

## Legal and administrative details

Registered office:  
The Children's Trust  
Tadworth Court  
Tadworth  
Surrey  
KT20 5RU

Tel: 01737 365000  
enquiries@thechildrenstrust.org.uk  
thechildrenstrust.org.uk  
braininjuryhub.co.uk

## Registered charity

Registered charity number 288018  
The Children's Trust is a company limited by guarantee  
Registered in England and Wales 1757875

## Auditors

Kingston Smith LLP  
Registered Auditors  
Chartered Accountants  
Surrey House  
36–44 High Street  
Redhill  
Surrey  
RH1 1RH

## Bankers

Lloyds Bank  
4th Floor  
125 London Wall  
London  
EC2Y 5AS






The Children's Trust is the UK's leading charity for children with brain injury. Every year thousands of children acquire a brain injury; we have the expertise they need, but can only help them with your support.

 **01737 365000**

 **enquiries@thechildrenstrust.org.uk**

 **thechildrenstrust.org.uk**



-  [braininjuryhub.co.uk](http://braininjuryhub.co.uk)
-  [facebook.com/ChildrensTrust](https://facebook.com/ChildrensTrust)
-  [twitter.com/Childrens\\_Trust](https://twitter.com/Childrens_Trust)
-  [youtube.com/TheChildrensTrust](https://youtube.com/TheChildrensTrust)
-  [instagram.com/Childrens\\_Trust](https://instagram.com/Childrens_Trust)



Registered charity number 288018.  
TCT\_208\_V1. September 2017

