The Children's Trust
Annual Report and Accounts 2022/2023

The Children's Trust
For children with brain injury

Contents

Message from our Chair 1

Message from our Chief Executive 2

About us
- Our core services 3
  - Residential rehabilitation 4
  - Community Rehabilitation Service 6
  - Remote support 6
  - The Children's Trust School 10
- How we generate income 12
- How we work 14

Trustees' duty to promote the success of the charity – section 172 statement 16

Our strategy and objectives – a year of recovery and transition 18

2022/23 performance 20

Financial performance
- Overview 24
- Key financial performance indicators 25
- Reserves 25
- Going concern 26
- Investment policy 27

Principal risks and uncertainties 28

Environmental, social and governance
- Structure and management 31
- Equity, diversity and inclusion 33
- Fundraising practices 33
- Our environmental impact 34
- Statement of Trustees' responsibilities 37

Independent auditor's report 38

Financial statements 39
- Statement of financial activities 42
- Balance sheet 43
- Cashflow statement 44
- Notes 45

Further information 64

Message from our Chair

Through one of the toughest years in the organisation's history, we remained 100 % committed to supporting the children and families who need us.

Like many charities we have experienced very real financial pressures in the last 12 months that have threatened the future viability of the organisation. However, we know that what we do for the children and young people we support is unique and we are committed to doing everything in our power to ensure we continue to be here for them now and in the future.

In the Trustees' report for 2021/22 we provided an update on our financial review, completed in July 2022, which had forecast a significant deficit for 2022/23 and the requirement for a multi-million-pound cash injection to support working capital. We shared the key objectives of our recovery plan and the successful outcome of our application to Charity Bank and Big Society Capital for a £5m loan facility. We were also fortunate to have received interest free loans totalling £1.25m from two of our philanthropists, which provided some welcome headroom whilst we developed our recovery plan and awaited the outcome of the bank loan application. On behalf of the board and senior leadership team, I would like to extend my thanks to our donors and to the team at Charity Bank and Big Society Capital for their support in helping us navigate this very difficult period in the Charity's history.

I would like to take the opportunity to thank my fellow trustees and the senior leadership team for their relentless focus on, and commitment to, delivering the Charity's recovery plan. I am also extremely grateful to all our staff who have demonstrated the utmost professionalism and resilience as we have worked through this period of significant uncertainty. They have continued to deliver the compassionate and high-quality service for which the Charity is renowned and that the children and young people who we support deserve.

In this report we provide further detail about the progress of our recovery plan, our key achievements in the last year and our future plans. In summary, there is still a lot to do but we are making good progress and the board is beginning to feel more positive about the future.

Personally, I retired at the meeting of the board on 28 September 2023, the date of signing of this Trustees' Report and statutory accounts. It has been an honour to lead the board over the last 11 years and to be part of such an incredible organisation. The passion and dedication of our staff never ceases to amaze me, and it has been a privilege to have been able to witness first-hand the difference the Charity continues to make to improving the lives of vulnerable children and young people and their families. Strong and effective leadership is of course fundamental to our recovery and to developing and executing a new five-year strategy. I am pleased to report that as I and a number of other trustees step down from the board, the Charity will go forward in safe hands, under new leadership. I would like to extend a warm welcome to our new trustees and, in particular, to Steve Flanagan who succeeds me as the Charity's new Chair. I wish Steve and the other trustees every success as they take the Charity through the next stage of its evolution. I'm sure that these appointments will introduce new talent, diversity and fresh thinking into the organisation which will be vital as it embarks on developing its new strategy.

Duncan Ingram
Chair of Trustees

Message from our Chief Executive

As we have ended 2022/23 and begin to look ahead, we know there will be challenges along the way, but we have growing belief in our recovery plan. Ensuring we continue to be here for the children, young people and their families remains our number one priority.

In the Strategy section on page 18, we set out the aims and objectives of our recovery plan and in the Finance Review on page 24-28 you can read in more detail about the progress we have made so far. In summary we have made significant headway during the year on two of our key objectives – reducing expenditure and increasing income. Regrettably, with staff costs representing 80% of total expenditure we had to undertake an organisational restructure which was completed in May 2023. We entered a staff consultation period in early December 2022 and invited input from employees, many of whom submitted ideas and counter proposals for how we could work more efficiently going forward without compromising on the high-quality education, health, therapy and care that our children and young people require and indeed, deserve. Whilst this process proved extremely valuable, redundancies were unavoidable. We have been sad to see so many valued colleagues leaving us, often after many years of loyal service. Whilst these changes were necessary for the Charity's survival, it is very difficult when we reflect on the talent and contribution of the colleagues we have lost.

On the income side, we completed a costing and pricing review during the year, focused on ensuring we are being paid fairly for our services. We have since updated our standard tariffs and are pleased to report significant progress in our commercial negotiations with commissioners and local authorities.

The decisions to pause our planned development of a new state-of-the-art centre of excellence at our site in Tadworth ('Project Butterfly') as well as the launch of a new community neurorehabilitation team in Birmingham were difficult and regrettable but necessary. However, we know we must remain focused on the Charity's longer-term financial viability and this means prioritising delivery of our core work in the short-term. We will continue to look at strategies for improving our facilities and expanding our services, once the organisation has successfully completed its financial recovery.

To ensure we stay on track with the recovery, we have introduced new financial policies and procedures, tightened our internal controls and made improvements to management reporting. The changes we have implemented are working and although there is more change to work through, we believe things are moving in the right direction.

I would like to thank our outgoing Chair and other trustees who have left us in the last year for their time, enthusiasm, commitment and valuable contributions. It is easy to forget that our trustees, who are unpaid volunteers, bear significant legal responsibility for the running of the Charity. They give their time and expertise freely and for that we are extremely grateful. I would also like to echo Duncan in extending a warm welcome to our new Chair and trustees.

Finally, thank you to the many donors, sponsors, supporters and volunteers who have stood by The Children's Trust through this challenging period. Your continued loyalty is recognition of your belief in us and serves as public acknowledgement for the vital work we do.

Mike Maddick
Chief Executive

About us

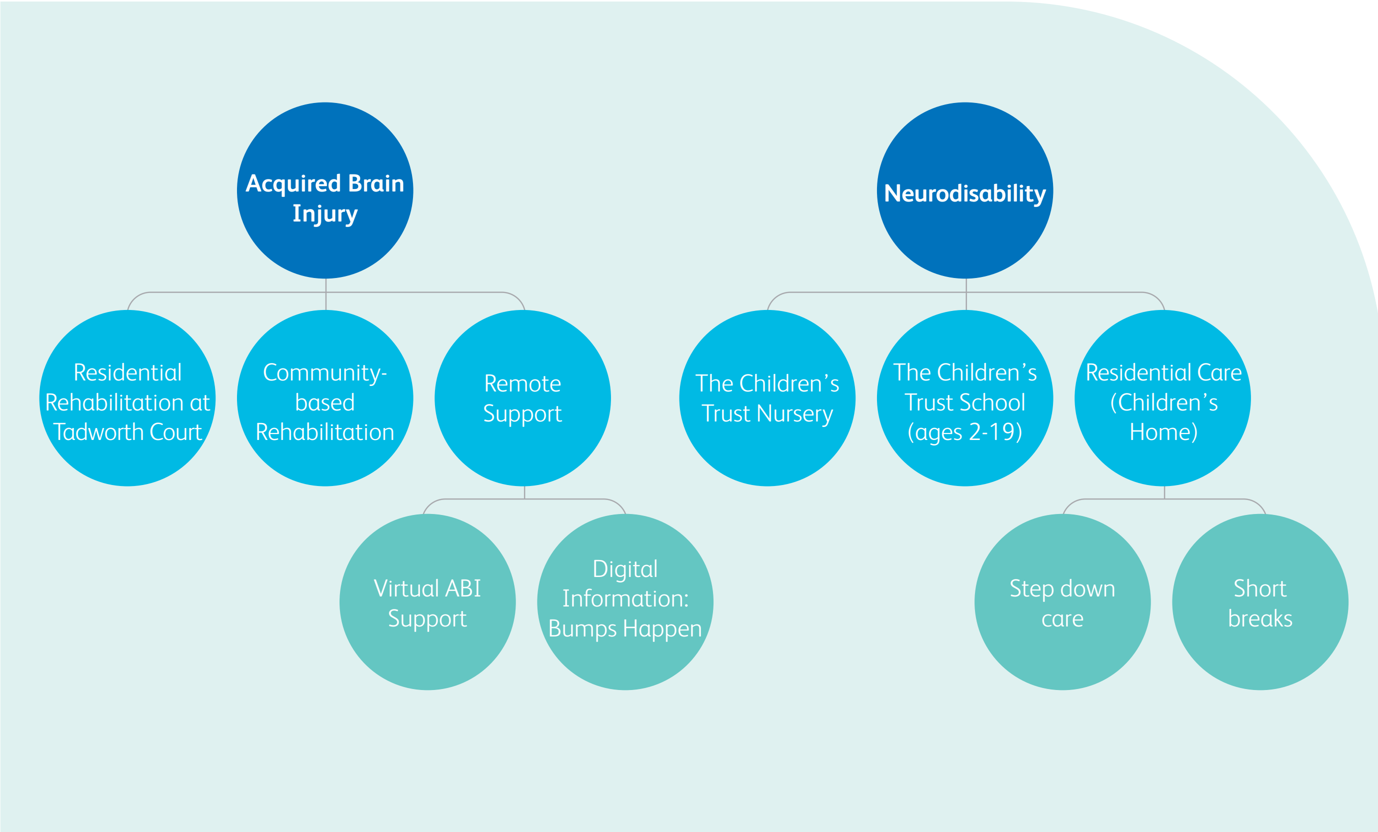
We are the UK's leading charity for children with acquired brain injury and neurodisability. We deliver neurorehabilitation, step down care, short breaks, education and community rehabilitation services through skilled teams who work with children and young people, and their families.

The Charity's activities are determined by its objects:

- 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.
- 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 buildings, walls, parks, gardens, woodlands and appurtenances within its curtilage.

We continue to work towards a time when all children with acquired brain injury and neurodisability have the opportunity to live the best life possible.

Our core services



Residential neurorehabilitation

The residential neurorehabilitation we provide to children with brain injury at our national specialist centre in Tadworth, Surrey, is the largest service of its kind in the UK. We help children restore lost skills or develop new ways of doing things, all the time supporting the family with their child's newly acquired disability, facilitating the transition home and building a plan for the future.

The multi-disciplinary team of doctors, nurses, carers and allied health professionals support a holistic neurorehabilitation offer, assessing and setting meaningful goals for children, young people and families to work on for the duration of their placement. Goals may focus on re-learning or regaining skills or adapting to a new disability, with a focus on home, school and community settings. Families may be supported in learning care competencies such as tracheostomy management or suctioning before returning home. The medical team provide onsite specialism in neurodisability care, offering specialist treatments such as botulinum toxin for children with complex movement disorders.

The therapies team is made up of physiotherapists, occupational therapists, speech and language therapists, music therapists, psychologists, health play specialists and multi-disciplinary technicians who provide goal-led therapy, focusing on enhancing children's participation in everyday, meaningful activities which are important to them. The teams offer specialisms in supporting children with eating and drinking, respiratory care, complex movement disorder management, assistive technology and moving and handling. High intensity and dosage of therapy is provided to children receiving neurorehabilitation. The psychological therapies team provide emotional and mental health support to children and families, offering brain injury education and trauma informed practice.

> *I heard about how The Children's Trust was amazing before I got here, but we were praying for miracles and we got them by coming here.*

Riley's story

Twelve-year-old Riley was having a normal lazy New Year's Day when he suddenly experienced an aneurysm and had to be rushed to hospital for life-saving surgery.

As Riley approaches the end of his residential placement at The Children's Trust, Mum Emma shares his story.

We were at home and had just enjoyed a typical New Year's Eve, watching the fireworks with a Chinese takeaway. The next afternoon Riley started to complain of a headache, so he took some ibuprofen and went to bed. I woke up to the sound of him crying at 2am and he started to be sick. I was comforting him, and then from nowhere he started screaming at the top of his lungs. He couldn't tell me what was wrong he was just screaming.

I called 999 for an ambulance and they said that they were on strike that night but that they would be with me as soon as possible. As soon as I put the phone down Riley collapsed and was unable to speak. I could see he was trying to communicate with me but couldn't. He quickly became unconscious, so I called 999 again. They talked me through various procedures and tests. I cleared his airways and checked the rate of his breathing. The ambulance arrived an hour after the first call. They were brilliant when they did get there, but it was a long and terrible wait. They put him on a ventilator and injected him with medication and took us to Hillingdon Hospital.

In the hospital

When we got to hospital the doctors and nurses took him for a scan straight away, where they found out he had a major bleed on the brain. We had only been there for around half an hour when they said they had to transfer Riley to Great Ormond Street Hospital. They took Riley in an ambulance with all the doctors and nurses – I couldn't go with him as there was no room. My sister and Riley's grandparents arrived to drive us there, and on the way I got a phone call from the surgeon to say that he needed my permission to take Riley into surgery. He said it was life-saving surgery and he couldn't guarantee it was going to work but we had to try. He survived the operation, which was amazing, but the pressure on his brain was still extremely high.

Two days later they took him down for a second operation to try and find the cause of the bleed. Luckily at that point they found the aneurysm so they could treat it straight away. They fitted an aneurysm coil (a device that prevents further bleeding) and that put him on the road to recovery. We spent the next five weeks at Great Ormond Street Hospital while Riley was recovering from the surgery. He was heavily sedated, unable to speak or move much more than lifting his head. It was on a normal doctor's round when it was first mentioned that Riley should come to The Children's Trust for rehabilitation.

Arriving at The Children's Trust

When we first got here it was a bit of a culture shock – we had been stuck in a hospital room for weeks so it was scary to come out of our bubble. But after a week or two we settled in, got to know the other families, got to see the other kids progress and it just makes you feel less alone. In those first few weeks he progressed really quickly. It was such a relief to see him more awake, and his personality coming back. After his surgeries he couldn't speak for weeks, so it was really hard to communicate. Thankfully he came on leaps and bounds when he got here, and he was discharged from speech and language therapy after about eight weeks. If you've got to be somewhere in these circumstances, I'm glad it was here. The staff push to do the best for your child, and you can't ask for any more than that. Everyone is so helpful and comforting. It's lovely here, it really is.

Therapy programme

Each week Riley receives a personalised timetable which is chock-a-block with therapy and education sessions! Since we have arrived Riley has received speech and language therapy, music therapy, physiotherapy, occupational therapy, hydrotherapy and more. Alongside this he also has school sessions twice a day. As we come to the end of his placement, his goals are now mostly physically orientated. He has physiotherapy twice a day with the team, and we work on his exercises together in his residential house as well. He also uses specialist equipment which helps with his limb movement disorder and strengthens his left arm and hand. The team take the time to find out what Riley enjoys so that they can motivate him through his interests. Before his aneurysm he always loved baking with his Aunty (I'm not much of a baker!), and here he has baking group once a week, which he loves.

First steps

When Riley took his first steps with his frame me and his Dad were just a mess. Seeing him walk was just incredible, there's no feeling like it. When he got here all he could do was lift his head off the pillow for a few seconds, so every little bit of progress means so much because it was something we could only hope for.

Looking forward

The hope is that Riley will be able to walk independently for short periods of time when we leave here. He'll still be wheelchair reliant but that is work for the future. He has been cleared to return to mainstream education, so our goal is to get him back to school so that he can get back to his life and see his friends. What Riley has achieved in the last five months in remarkable. Even in the darkest days we held onto love, hope and our belief in Riley. His strength inspires us every day. The hard work is far from over, but we are so excited to see what the next five months of recovery brings.

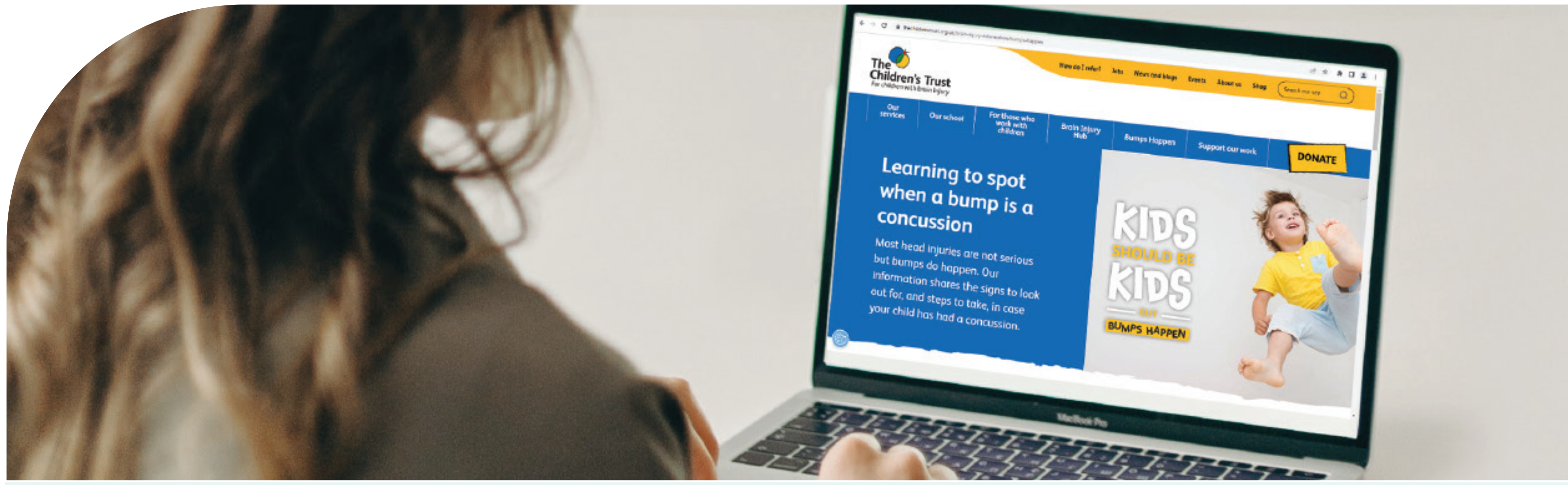
Community Rehabilitation Service

Our innovative new Community Rehabilitation Service was developed and launched in August 2022 and replaced our site-specific support within the four Major Trauma Centres that we partnered with, bringing an end to the Brain Injury Community Service (BICS).

Building on the achievements of BICS and introducing new ways of working as a result of the pandemic has allowed us to set our sights higher and we now aim to:

- reach more children and share our expertise more widely;
- build capacity to develop new and innovative services;
- continue to gain a deeper, more evidence-based understanding of the children, young people and families we support;
- ensure children and families receive support at the point of need; and
- make a tangible difference to the communities in which we operate, evidencing the impact of our interventions more effectively.

Designed in conjunction with professionals, service users and families, our new look Community Rehabilitation Service provides specialist support across a tiered model, with increasing levels of support based on the level of need.



Remote support

Tier 1: Digital Information: Bumps Happen

Our exciting new website and digital resource "Bumps Happen", with dedicated chat bot feature, provides information at different stages of the recovery journey, covering advice in the immediate aftermath of a head injury, through to the days and weeks that follow. Post-concussion support is essential to enable return to activity and school and because the website is designed to be self-service, families can access the information they require when they need it, without having to interact with a clinician. The chat bot feature is curated by a fictional head injury specialist, Zoe. She guides users to the information they require via a series of simple multiple-choice questions. If they need to speak with a member of our team they can get in touch via our "contact us" form.

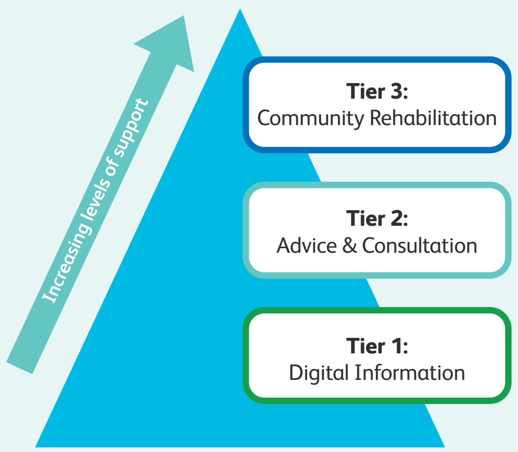
We are encouraged that with over 13,000+ unique website views at year end, we are reaching more families than we have ever reached before. We anticipate a significant increase in unique website views as we launch our marketing plan in 2023/2024.

Tier 2: Virtual Acquired Brain Injury (ABI) team

The Children's Trust's Virtual ABI Team provides a free, goal-directed digital rehabilitation support service for children, young people and families living with acquired brain injury across the UK. Support offered is directed by the needs of children and young people; families are invited to join a virtual goal setting meeting where a plan is established to set and work towards meaningful participation-based goals.

Specific advice, signposting and consultation can also be provided by one of our clinicians. The service model promotes and encourages self-management of needs in the long-term. However it is anticipated families may need a number of intervention periods in the years that follow their child's initial injury, due to the lifelong developing nature of acquired brain injury. The team offers coaching and guidance to young people, their families, and others in their network to help them work towards their goals.

The Virtual ABI team supported 148 children and families during the year. We also continue to offer our Long-Term Register for families, providing crucial support at key educational transition stages.



Tier 3: Community-based rehabilitation team

We are now offering specialist assessment and goal-directed intensive rehabilitation for children and young people living with acquired brain injury and neurodisability in the South East of England. We have expanded our service to include physiotherapy and rehabilitation technician support. We have seen a positive uptake of the service and between August 2022 and March 2023. The team successfully negotiated funding for 11 children to receive a mixture of therapy packages including:

- intensive rehabilitation (MDT and single therapy discipline);
- inpatient to community transition packages;
- outpatient rehabilitation; and
- specialist assessments (MDT and single therapy discipline).

Whilst primarily focused on children in the South East, we are also able to offer virtual therapy support packages for children further afield. We anticipate these packages will be of greatest benefit to children leaving our in-patient rehabilitation service, supporting the embedding of strategies and facilitating a successful return to community-based activity including education.

Rehabilitation is functional and context-based to address areas impacted by the child's brain injury, including (but not limited to): mobility, cognition, communication, emotional wellbeing and return to education. Intervention is holistic and focused on activities that are relevant and meaningful to the child, and delivered in the most appropriate setting which may include the child's home, in school or in the community. Outpatient therapy at The Children's Trust is also available, enabling access to onsite facilities such as aquatic therapy and robotics. Specialist assessment will be offered when there is a gap in local provision and outcomes of the assessment will support the child's ongoing rehabilitation and participation in activities within their own environments. This can include delivery in a hybrid or virtual way.

I just want her to have her independence. She's so independent in a lot of ways, but her mobility is holding her back – being able to walk, stand and do the things that other children do.

Shakeerah's story

Shakeerah had just turned one when her brain tumour was discovered. In 2016, aged three, she had a three-month residential rehabilitation placement at The Children's Trust. Now aged 10, Shakeerah is receiving support from The Children's Trust again via our Community Rehabilitation Service.

Mum Yasmeen shares her story

Since her brain tumour, Shakeerah has had complex health needs and is profoundly deaf. It's been hard to know what to focus on – her health issues, the tumour, ongoing treatment for the infection, getting her into the right school, working on her communication, etc.

Challenging times

Over the years her mobility has changed. When she was younger, she progressed from a wheelchair to a walking frame, and was even walking independently at points. Then she started school and her physiotherapy decreased, so she went back to using a walking frame. Shakeerah now attends a mainstream fully-BSL (British Sign Language) school. She has done really well in her education, but this has come at the detriment of her physical mobility. She has been under the care of the physiotherapy and occupational therapy at the school, but they only see her once every six weeks, which is not enough to get her where she needs to be. Last year I was getting frustrated that she was only able to make three or four steps and she was having to grab onto things as she was unbalanced. Six years after her rehabilitation that's all she's able to do. It wasn't enough progress and it's affecting every aspect of her life.

Communication

Shakeerah is a BSL user and uses her hands to communicate – so when she's using a walking frame or holding someone's hand, she's unable to sign. That's a big part of her day that she's unable to communicate as she can't use her hands. Socially, she's at an age where she's being invited to parties at climbing centres and trampoline parks. She can't participate and run off and play with her friends, she has to sit out with the parents, and it's really sad to see. Her friends come back to cut the cake and Shakeerah is there, but she hasn't participated in any of the activities.

Individualised therapy sessions

It has taken us a year to get the funding, but Shakeerah is now receiving 22 physiotherapy sessions with The Children's Trust Community Rehabilitation Service over six weeks. Her goals are to be able to stand and walk independently. She has been accepted for a hearing dog, but they have said she will have to wait until she can walk the dog herself.

In the first week her physiotherapist did a lot of work with her to strengthen her thighs and glutes so she could balance herself. After four days she'd gone from four shaky steps to walking the length of the gymnasium. That is proof that this kind of intensive therapy targeting specific areas does pay off. Her physiotherapist has adapted the activities during the sessions to what Shakeerah likes – she turns the therapy into a game, whether it be punching, playing basketball, picking up cones, etc. Shakeerah likes to be in charge, so her physiotherapist sets out all the activities and puts them in a list that she can choose what order she does them in and ticks them off when they are completed. This means Shakeerah feels in control of her session, but she also gets everything out of it.

Seeing the change

I have seen loads of progress since Shakeerah started her sessions. Her balance is better – she is still leaning as she has a weakness in her left side, but she's improving every day. Shakeerah had two weeks of sessions over the Easter holidays. When she went back to school, instead of using her walking frame, she walked independently into her assembly to huge applause from all of her fellow students. This has increased her confidence and motivated her to do more.

Hopes for the future

Shakeerah has missed a huge chunk of her childhood. At the age of one she fought through the tumour, and then the brain infection, which we were told she had zero per cent chance of surviving. She's had such a difficult journey and she's come through it. This year she will have a scan that will hopefully make her ten years in remission. The doctors have always put her in the category where the tumour might come back, but we're very hopeful that this time we'll get the all clear.

I have nothing but wonderful things to say about The Children's Trust. Everyone I have encountered has guided me – social workers told me about direct payments, staff as the school told me about education, a parent advocate helped me through the legal aspects of navigating 'the system'. Fighting for the right school setting and the right services has been very draining as a parent, but with the support of organisations like The Children's Trust, I will continue to do it, just for her to have her independence.

The Children's Trust School

The Children's Trust School is a non-maintained special school, in a unique setting in Tadworth, Surrey, supporting children and young people aged 2-19 with neurodisability and a wide range of complex needs across education, health, therapy and care. We welcome residential and day pupils and provide a safe, caring and happy environment where each child's individual needs can be met.

The school's mission, *"To support children to live the best life possible, with excellent education, health, therapy and care (EHTC)"*, and our updated curriculum statement, *"Where curriculum and meaningful learning meet"*, guide the school leadership team in their objective of nurturing and developing learners and helping them reach their full potential.

We adopt a 'whole system' multi-disciplinary approach to delivering high quality education, therapy and care. In partnership with parents, we enrich a child's quality of life by promoting their intellectual, physical, emotional and social development both during the school day and beyond. We achieve and evidence these evolving developments and their impact through the robust annual school development plan, aligned to budget, and reviewed through the school self-evaluation form.

> *It is so reassuring to know that we have The Children's Trust family around us. It's changed our lives as well as Indy's. We know that Indy is getting the very best care.*

Indy's story

After a difficult start in life, Indy is now living and loving every day. When Indy was born, she weighed less than a bag of sugar. She was put in an incubator and whisked away from her mum Sasha. When Sasha did see Indy, she was amazed she was still alive. Sasha said: *"Her forearm was the same circumference as one of my fingers. It was utterly devastating."*

After three weeks in a specialist unit, Indy was transferred to a hospital closer to home. But within 24 hours Indy got an infection and was diagnosed with a bowel disease that needed surgery. It went well, but just weeks later the family heard that Indy had sustained considerable brain trauma. *"We were told that she had Quadriplegic Cerebral Palsy and that it was likely to be of the most severe kind. I can honestly say I've never experienced pain like it,"* said Sasha.

Challenging times

After nearly six months in hospital Indy was able to go home. She couldn't sit up, walk or talk and it was then that reality hit. *"I loved my little girl so much but caring for her 24/7 was life-changing. There wasn't a moment for us as a family, and Indy's sister Domini took a back seat,"* said Sasha.

Like many parents caring for a profoundly disabled child, Sasha found it physically and emotionally exhausting. She told us: *"I was on my knees. When we secured a place for Indy at The Children's Trust School, it was a huge relief but also bittersweet."* Indy has a residential placement, so she lives here in Chestnut House and attends our school. She now has around a dozen of our specialist staff supporting her 24/7. The team was specially trained to look after Indy's needs – and so Sasha knows Indy is in the best place, but says home felt so empty without her.

Growing confidence

After three years at The Children's Trust, Indy is much more confident around people and is a big personality in Chestnut House. She likes waking everyone up each morning, loves going to school, using the hydrotherapy pool and enjoys music and yoga. *"Indy is now 11 and her personality has matured. We visit Indy every weekend and she had terrible separation anxiety at first, screaming for me even if I just turned my back,"* said Sasha, *"but now she feels safe by herself."* Recently Indy proved just how independent she'd become by driving herself to school in her wheelchair. Our specialist therapy and equipment means that Indy operates her wheelchair using a head-switch. The path from Chestnut House to school is fairly long and windy, so it is a huge achievement. Indy was met by claps and cheers from her teachers and classmates.

Specialist care

It was so hard for Sasha to be separated from Indy at birth but now, although they don't live under the same roof, the whole family feels at home at The Children's Trust. *"It is so reassuring to know that we have The Children's Trust family around us. It's changed our lives as well as Indy's,"* said Sasha. *"We know that Indy is getting the very best care. She can do things we'd never have imagined – moving around by herself, swimming, learning in class – thanks to specialist care and the incredible team here,"* Sasha added. Now our new Dojo app allows our team to share updates with parents like Sasha, so she's even closer to Indy. *"My phone pings, and I can see photos of Indy's achievements in 'real time'. It's amazing!"* said Sasha.

How we generate income

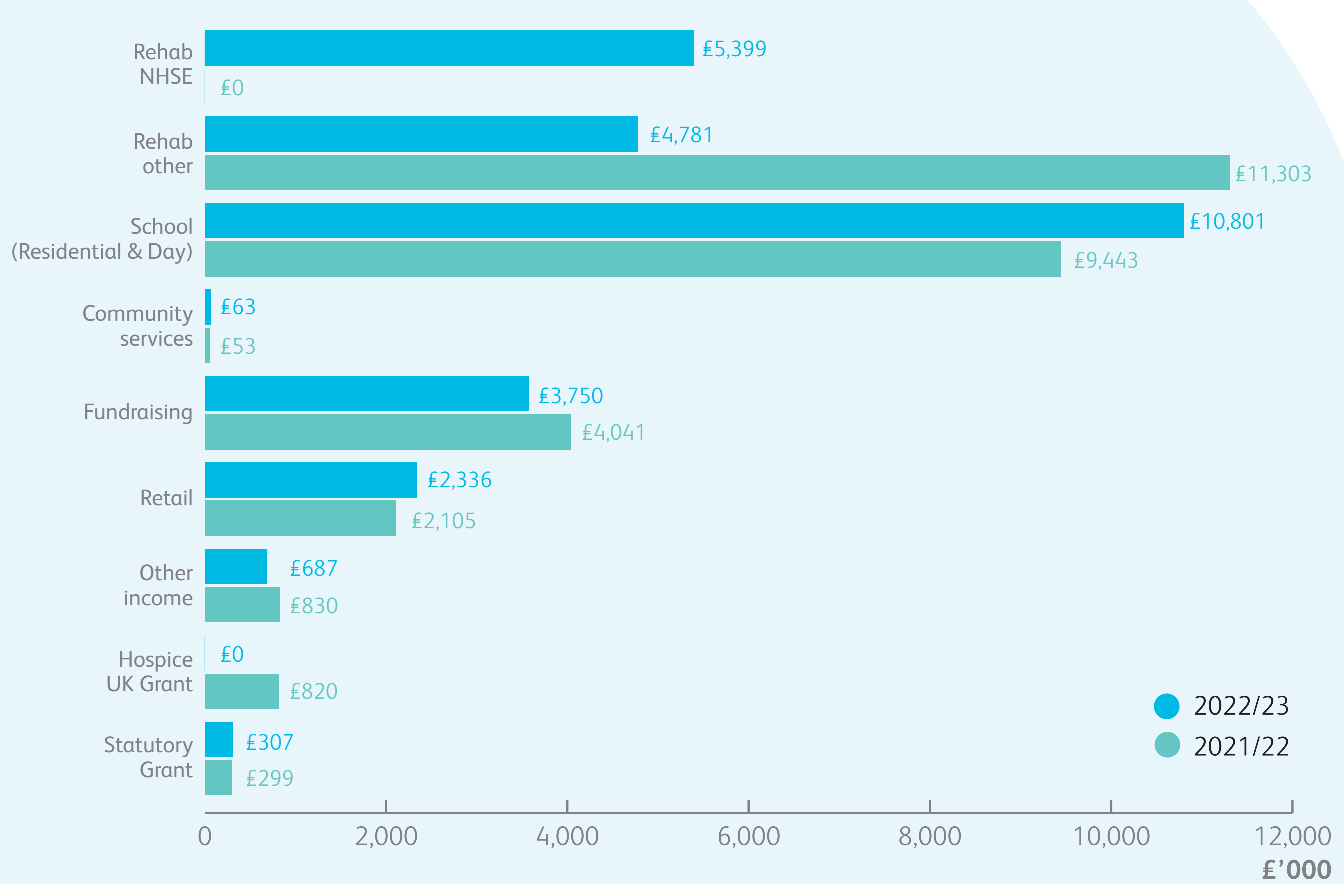
Statutory income

Approximately 58 % of the Charity's income comes from annual and multi-year contracts including:

- Rolling, multi-year contracts for our residential and day school children who can stay with us from aged 2 to 19 years.
- Our block contract with NHS England for the rehabilitation of children with the most serious forms of acquired brain injury.

The balance of our income from residential rehabilitation services comes from placements funded primarily by Integrated Care Boards (ICBs), foreign embassies or, in some cases, privately.

We also receive a grant from NHS England ('NHS England Children's Hospice Grant') in contribution to the operating costs of our residential rehabilitation service and the delivery of clinical palliative care to children and young people. In 2022/23 we received £307k (2021/22 £299k). We also received a capital grant of £21k in 2022/23 and in 2021/22 from department for Education in respect of The Children's Trust School.



Fundraising

Fundraising and our 16 Retail shops accounted for 13 % and 8 % respectively of total income generated by the Charity and are vital in enabling us to invest in new equipment, continue with essential services such as play and music therapy, maintain our transport fleet to ensure children can travel to appointments, outings and back home, and fund our information service to help give children with brain injury and neurodisability the opportunity to live the best life possible.

During 2022/23 The Children's Trust supporters raised a total of £3.570m (£4.040m in 2021/22) from fundraising activities.

Our shops raised £2.336m (£2.056m in 2021/22). During the reporting period, we closed two Charity shops and planned to exit from another in April 2023. Despite these planned closures, the overall contribution from retail is forecast to increase, with fewer more profitable and efficient sites.

We are extremely grateful for the very generous contributions from donors, organisations and volunteers who – through their gifts of money and time and by donating goods to our charity shops – help make our work possible.

Our principal fundraising activities are focused across seven areas:

1. A chain of shops and online retail selling new and donated goods;
2. Soliciting gifts from trusts, foundations, and statutory partners;
3. The solicitation and stewardship of donations from supporters or entries to a lottery being paid either by direct debit or as cash gifts;
4. Gifts in the 'last will and testament' of supporters;
5. Running our own events and entering individuals into third party events and activities;
6. Building partnerships with businesses, schools, community groups and other organisations to support them in raising money on our behalf; and
7. Supporting individual members of the public to conduct their own fundraising activities on our behalf.

We also receive Gift Aid on monetary donations, event sponsorship and donations of second-hand goods to our shops. In 2022/23, payments from these sources totalled £371k (2021/22 £333k). 59 % of donations to us qualified for Gift Aid (2021/22: 54 %).

Supporter highlights from the year

Charity of the year adoptions

Charity of the year adoptions with golf clubs generated over £100k during the year, with notable thanks going to the captains and members at Walton Heath, Surbiton, Bletchingly and Kingswood Golf Clubs.

Significant donations from Foundations

We are grateful to receive donations from public and private Foundations. During the year, the Barratt Foundation donated £50k towards our core work, supporting children with brain injury, the Peter Harrison Foundation donated £30k towards our specialist music therapy programme and the Rooney Family Foundation donated £47k to fund an Innowalk Pro, a piece of robotic equipment. The Innowalk Pro means more children with complex physical disabilities can experience movement which not only has a range of benefits for their physical health, but also supports their emotional and mental wellbeing.

The Supercar Event

After carrying out a strategic review of The Supercar Event, The Children's Trust has taken the difficult decision to cease this event. The costs associated with holding the event, for both The Children's Trust and our wonderful drivers, have significantly increased over the years. Ultimately this means the event is no longer financially viable and is unable to contribute effectively towards the work we do supporting children and young people with brain injury.

We would like to take this opportunity to thank everyone who has been involved in making The Supercar Event a success over the years and for their part in helping to raise over £865k for The Children's Trust. From our committee, our drivers and our volunteers through to the visitors who have joined us at one (or even more) Supercar Events, our sincere thanks go to you. We couldn't have achieved any of this without you.

How we work

Our staff

At the end of 2022/23, as we were part way through our organisational restructure, we employed 530 staff on a full-time equivalent basis (544 at the end of 2021/22). Doctors, nurses, carers, allied health professionals, teachers and teaching assistants represented 68.5 % of our employed workforce. We would like to thank all our staff for their hard work, patience and commitment through what has been a very challenging year.

Volunteers

There are many ways individuals can volunteer to support our work and help us make a difference to the lives of children with brain injury and neurodisability, from one-time opportunities at events throughout the year to regular opportunities in one of our charity shops. We also provide opportunities for volunteers onsite at Tadworth. We continue to recruit to our core groups of volunteers and, through our volunteering programme, we aim to provide volunteers with training and support at a level suitable to their role.

On average, our retail and event volunteers give 16 hours per month, with a total of 4,000 hours given every month.

Summary of volunteer participation:

Total number of volunteers:	1,213
Event volunteers	64.9 %
Retail volunteers	25.3 %
Onsite – child-facing	2.1 %
Onsite – non-child-facing	0.9 %
Off-site non-child-facing / Community / Remote	3.4 %
Staff volunteers	2.4 %
Trustees and governors	0.6 %

Our culture and values

Our organisational culture and values sit at the very heart of what we do. Developed in collaboration with our staff, volunteers, partners and most importantly the children, young people and families that we support, our values, referred to as 'Our Promises', reflect the type of culture and environment everybody wants to see at The Children's Trust.

Our Promises are:

Child first:
- To put children and young people first, seeking their views and sharing decision-making with them.
- To contribute to our community, making it warm, positive and fun.
- To connect meaningfully with children and young people, enriching their lives.

Aim high:
- To be curious and courageous, exploring new ideas.
- Think big, finding ways to add value and improve what we do.
- To focus on quality, act responsibly and use evidence to support our choice.

Care deeply:
- To be friendly and show genuine compassion.
- To connect and collaborate effectively inside and outside of our charity.
- To recognise and encourage each other, taking time to celebrate successes.

Be open:
- To speak up confidently and look for solutions.
- To listen to others, sharing and receiving feedback in a positive way.
- To invite different views, respecting everyone's roles and contributions.

Own it:
- To take responsibility, owning what we do and delivering on our promises.
- To set ourselves high standards and use our expertise across the charity.
- To grow from mistakes, taking every opportunity to develop and improve.

Trustees' duty to promote the success of the charity – section 172 statement

Trustees have a duty to act in good faith to promote the success of the Charity for the benefit of its stakeholders and in doing so are required by section 172 of the Companies Act 2006 to have regard for various specific factors including:

The likely consequences of any decision in the long-term

The trustees make all key decisions with reference to our central ambition for all children and young people with brain injury and neurodisability to have the opportunity to live the best life possible. Never has this ambition felt more acute than during the last 12 months. The board has had to make a number of very difficult and at times legally complex decisions, all with the aim of restoring financial stability and the longer-term viability of the organisation. In reaching these decisions, the board has taken external, legal and professional advice and has consulted with, and tried to involve, staff along the way.

The interests of the company's employees

At the heart of our strategy lies our approach to our people – how we look after, motivate and develop our employees and volunteers and create a sense of being part of something special.

We are acutely aware that this year has been truly unprecedented for our staff. We have had to take very difficult decisions which have directly impacted colleagues, some of whom have regrettably had to leave us despite their tremendous contributions. As we embarked on a cost-cutting exercise and organisational restructure, focusing on transparent and open communication was key to ensure staff were kept up to date, their views heard, and decisions shared while retaining an engaged culture across all teams.

As part of the organisational change and formal consultation with all employees a nomination and subsequent ballot took place to elect employee representatives who then formed a formal Employee Representatives Council. We would like to thank all employee representatives for the enormous task they undertook on behalf of the organisation at a critical time.

We adopted a number of different communication channels to ensure staff were regularly kept up to date as we developed our recovery plan and consulted with staff on the proposed changes. These included: virtual, all-staff 'Town Hall' meetings, all staff emails, Employee Voice, our Staying Connected weekly newsletter and further updates on our intranet, The Loop.

We know that we have a long way to go to rebuild the trust and confidence of staff as we move forward with our recovery and we thank all colleagues, past and present, for their commitment and professionalism over this very challenging and unprecedented period for the Charity.

The need to foster the company's business relationships with suppliers, customers and others

We recognise that the Charity can only succeed if our relationships with referrers, funders, donors and key suppliers continue to thrive.

We have been extremely fortunate to have benefited from the generosity of a number of philanthropists as we pulled together a business recovery plan and rescue loan application. We will be forever grateful to you for your support in ensuring the Charity can continue to be here for children and young people with brain injury and neurodisability.

Our partnerships with local authorities and other funders are extremely important to us. We are appreciative of their support and commitment as we have sought to ensure we fully recover the costs of the highly specialist services we provide for children and young people with brain injury and neurodisability. We are proud of the difference our services make to our beneficiaries and are grateful to our funders for recognising our unique proposition and the value we bring.

We are also grateful for the patience, understanding and support of our key suppliers as we had to carefully manage our cash position.

The impact of the company's operations on the community and the environment

We have committed to minimising the environmental impact of our activities. For this to happen we need to make sure our practices are sustainable, from the top of our supply chain, through to our impact on our people, the environment and the communities in which we operate. We have a Responsible Organisation Strategy, which we will look to update in the forthcoming year, which sets out how we will make progress in this area. As we begin to look ahead to developing a new business strategy, the Charity's impact on the local community and wider environment remains a important consideration.

The desirability of the company maintaining a reputation for high standards of business conduct

We believe that maintaining a reputation for high standards of service delivery and business conduct is fundamental to the longer-term success and viability of the Charity. We keep this in mind in everything we do from recruitment and resourcing, the setting of policies and procedures, the choice of suppliers and partners we work with, the level of risk we are prepared to accept and the governance and monitoring arrangements we put in place.

Despite our financial challenges, the board, senior leadership team and all staff have been focused on ensuring we deliver high-quality services to children, young people and their families.

The need to act fairly between members of the company

The organisation, being a charitable company limited by guarantee, does not have shareholders and its members are limited to the directors of the company. All directors receive the same information about the strategy, operations and finances of the Charity and have equal voices in all key decision-making.

Our strategy and objectives

It has been a year of recovery and transition for The Children's Trust. The children and young people who come to us for rehabilitation and education have few alternative options and we knew we had to do everything in our power to ensure we could continue to be here for them.

In our Trustees' Report for 2021/22 we outlined our financial recovery plan with the key objectives of reducing our cost base, ensuring we are paid fairly for the services we provide and seeking new ways to create value from our assets. The Senior Leadership Team (SLT) and trustees have made significant progress in implementing that plan, financed by a loan facility of £5m from Charity Bank and Big Society Capital (of which only £3.5m has been drawn down) and £1.25m from two philanthropists. We believe that our recovery plan now paves the way towards a financially sustainable future for the Charity, so that we can be here for children, young people and their families in the long-term.

As we updated in last year's report, given the Charity's financial position, much of our 2020-25 business strategy, Hope and Ambition, has had to be put on hold; this includes the very difficult but necessary decision to stop Project Butterfly along with our community work in Birmingham.

Over the course of the next 12 months, we will continue the work we have begun in 2022/23 on our recovery and transition, focusing on three simple but fundamental objectives:

Deliver high quality, safe and effective care

Maximise income

Reduce our cost base

1. Deliver high quality, safe and effective care

Our purpose is to support children who need our help to live the best life possible. The longer-term viability of the Charity which allows us to do that, can only be assured if we continue our relentless focus on delivering services which are not only safe and meet regulatory standards, but which demonstrably improve the outcomes for children and young people with brain injury and neurodisability. Our recovery plan incorporates some changes to our service delivery model with these key objectives in mind, which allow us to deliver our services in a unique and effective way. We will:

- Offer an integrated service model across education, health, therapy and care which is aligned with regulatory frameworks, safeguarding requirements and contractual and statutory obligations.
- Co-design and co-produce our services with children, young people and families.
- Integrate with – and provide access for – the children and young people (CYP) to local healthcare systems as far as possible.
- Reduce our overall reliance on registered nurses employed across our site by creating more senior Care Support Assistant posts and recruiting a new team to provide 24/7 site-wide nursing cover and support.
- Expand the role of clinical education to include advice, clinical support and education across the multi-disciplinary team.
- Improve staff engagement, wellbeing and morale by consulting on organisational change, providing channels for people to speak up and listening to and being seen to act on feedback.

2. Maximise income

We need to:

- Ensure that all our services cover their costs by setting the right prices from the outset and through contract negotiations and annual reviews.
- Develop and foster strong relationships across our professional networks in the UK and abroad to increase awareness of, and demand for, our unique services. We will do this by focusing more resources on marketing and business development and by demonstrating more effectively the impact our services make in enabling children and young people with acquired brain injury and neurodisability to live the best life possible.
- Ensure that we can meet demand for our services by maintaining the required establishment of nurses, carers, doctors and allied health professionals.
- Leverage and grow our supporter base, invest in relationships and develop new fundraising events and other opportunities to grow voluntary income.
- Respond to the needs of many families in the UK during the current cost of living crisis and increase Retail contribution with our portfolio of well-located and appointed charity shops and online channel.

3. Reduce our cost base

We completed a significant organisational restructure early in the first quarter of 2023/24 and it will be important to remain focused on minimising staff costs (including temporary agency workers and recruitment fees) and maintaining a leaner workforce going forward. We will:

- Keep recruitment and agency fees down by ensuring The Children's Trust is not only a place that people want to come and work but somewhere they want to stay. Alongside competitive pay and benefits, benchmarked to the NHS (and Department for Education for teachers), we know from staff feedback that a commitment to investment in training, apprenticeships and broader career development are also key in reducing attrition.
- Continue to rationalise and consolidate our non-staff operating expenditure dispensing with non-essential goods and services and partnering with fewer, preferred suppliers who are better aligned with our purpose and objectives.
- Seek ways to use our site at Tadworth Court more efficiently. This includes taking advantage of new, hybrid working practices post-pandemic and decommissioning some of our administrative office spaces. We have also been looking at opportunities to reduce the footprint of our residential children's accommodation so that we can realise energy savings and deploy our nursing, care and therapy staff more efficiently. Looking beyond the next 12 months, we know we need to develop a long-term property strategy which supports the delivery of a safe, effective and efficient service delivery model, reduces central overheads and enables our School to operate from more modern facilities.
- Exercise robust financial governance and controls to ensure our recovery stays on track and that we meet the terms and conditions of our £5m commercial loan facility.

In the second half of 2023/24, under new leadership, we will begin the development of a new, longer-term vision, mission and strategy for the organisation. The key aims and objectives of our financial recovery plan of maximising income, reducing costs and leveraging our assets will remain central to this new strategy.

2022/23 performance

Neurorehabilitation

82 children and young people received intensive rehabilitation for brain injury or other support from our child and family services at our national specialist centre. 82 children and young people were also supported in 2021/22, and 72 supported in 2020/21.

During 2022/23, a total of 197 goals were set by children and their families using the Goal Attainment Scale (GAS). Upon discharge home from The Children's Trust, 83.2% of the goals were achieved 'as expected', 'more than expected' or 'much more than expected'. This is a slight increase from the previous year's total of 80.1% of goals achieved at this level.

Quality visit

Following the unexpected death of a child in June 2023 (as referenced in the Serious Incidents section of this report, page 30), the Charity was subject to an NHS Quality Visit.
This visit was carried out by a review team comprising stakeholders from Surrey County Council, NHS Surrey Heartlands, Evelina, Guy's and St Thomas' NHS Foundation Trust and South Thames Paediatric Network. The principal purpose of this visit was to gain assurance that all children being supported by The Children's Trust were being cared for in a safe environment.

Outcome of the visit

Following the NHS Quality Visit we received this positive feedback from the review team.

> *I was inspired by the wonderful work that takes place at The Children's Trust. The staff have an excellent knowledge of the children and young people receiving care – both residential and community. All staff showed dedication to the Trust and care and compassion to the children and young people. It was apparent that the voice of the child is heard by all and is central to all decisions made.*

> *The facilities are fantastic – there are age-appropriate facilities, common rooms, leisure equipment and activities. The children's bedrooms are personalised and are clean and well cared for. Understanding of the individuals and the importance of their autonomy was evident everywhere.*

> *I was honoured to be able to have a tour of the Trust and to meet so many members of the fabulous teams.*

Residential services – Ofsted visit

The Children's Trust residential services had an unannounced assurance visit by Ofsted Care on 14 June 2023.

At this inspection of our residential Houses, the inspectors evaluated:

- The care of children
- The safety of children
- The effectiveness of leaders and managers

> **The headline finding was:**
> *We did not identify any serious or widespread concerns in relation to the care or protection of children at this assurance inspection.*

> **The report goes on to state:**
> *Staff work with considerable skill and patience in order to provide individualised care that, as far as possible, gives children choices and allows them to spend time doing things that they enjoy.*

> **The Ofsted inspector noted that:**
> *The care the children receive was thoughtful and attentive, and that their capacity and views/feelings were taken into consideration.*

> **In terms of safety, it was noted that:**
> *There are rigorous systems and care plans in place to ensure that the quality of care is effective, and that issues are dealt with promptly and staff are encouraged to view them as learning experiences.*

> **The report also noted that:**
> *Management demonstrate a commitment to continuous improvement and were assured on the progress on the requirements made since their last visit and were able to close those.*

Read the full report

Neurorehabilitation – continued

To measure family centred and personalised care we gain feedback using the Measures of Processes of Care (MPOC) and the Friends and Family Survey (used within NHS settings). In 2022/23, all families (100%) would be likely or very likely to recommend The Children's Trust services to friends, family and other parents if they needed similar care or treatment. This is an improvement on The Children's Trust results from last year and is above the NHS's overall positive response score (91.6%) for February 2023.

Some areas of development for the last year include:

Neurotechnology

With thanks to our supporters, the recent investment in neurotechnology has enabled us to accelerate children's rehabilitation outcomes and offer greater quality of life to children attending The Children's Trust School. The introduction of Gripable has allowed us to focus on different aspects of grip, wrist and hand movement. The grip device is synced with virtual games on a tablet, increasing children's motivation to complete repetitive movements whilst giving the opportunity for a child to train movements outside of traditional therapy sessions. We have also been using two other robotic upper limb devices, the Pablo and Diego. These de-weighted devices are used with virtual reality gaming and functional tasks such as stirring cake mixture or re-learning skills such as dressing. Robotic technology has improved children's progress with a range of rehabilitation goals.

Last year we also reported on the introduction of the Innowalk Pro, a lower limb robotic device supporting children who have limited active lower limb movement. This is mainly used for children with complex medical needs residing with us residentially and attending the Children's Trust School. With a gift from a Foundation, we have been able to invest in a second Innowalk Pro device, increasing the number of children who can access this technology. In practice we have seen some amazing results, with some children standing for the first time and for others we have observed reduction in muscle tone, increase in oxygen saturations and increased levels of alertness and enjoyment. Over the next 12 months we hope to further develop our neurotechnology offer, scoping new and innovative devices which can offer support for children who are learning to walk again.

Acquired Brain Injury National Strategy and All-Party Parliamentary Group (APPG)

The Department for Health and Social Care has set out the key ambition to prevent brain injuries wherever possible and to achieve a step change in the care and support available to people living with an acquired brain injury (ABI), so that they have the chance to regain the fullest possible quality of life. The Children's Trust has been recognised as a key stakeholder and we submitted a 10-year overview report of our research in paediatric ABI practice as part of the government's call for evidence. We have hosted members from the Department of Health and Social Care at The Children's Trust to showcase the work we carry out with children, young people and families, whilst also contributing information on our work in neurotechnology. Members of our clinical team have represented as professionals at parliamentary round tables, working closely with Chris Bryant, MP for Rhondda and chair of the All-Party Parliamentary Group for ABI.

School and nursery

The Children's Trust School utilises the Goal Attainment Scale-Light model. This is a more developmental goal-scaling approach for use across disciplines with any students where individual goals are set as part of the therapy process. Throughout the academic year the students and their families are asked to set goals that they want to achieve. These goals are integrated into sessions in the students' individual house and class sessions. During the 2022/23 school year, students had achieved (or better) 74% of goals set within the autumn term, and 85% of goals set by the end of the summer term.

46 children attended The Children's Trust School and nursery (50 in 2021/22). The decrease reflects fewer young people able to transition to external adult provision due to lack of available places. The knock-on effect of this was a reduction in capacity for new admissions in 2022/23.

On average there were 29 residential school pupils in 2022/23 (27 in the prior two years) and seven day pupils, down from nine in 2021/22 and 12 in 2020/21. The overall number of pupils attending The Children's Trust School has remained stable since last year.

A School Evaluation Journey captures progress of the School since 2016. For the year 2022/23 specific strong School developments have continued the School growth and supported our aim to broaden the work of the School and develop as a Centre of Excellence.

In the year we are pleased to report the following achievements:

- Accredited with national ARTSMARK Platinum award, recognised to be offering a quality creative education as part of our curriculum.
- Accredited with MUSIC MARK, recognised to be offering a quality music education as part of our curriculum.
- Accredited with the Challenge Partner Area of Excellence, recognising cultural capital through our extensive accessible art offer.
- Nominated and shortlisted for NASS Breaking Barriers Award 2022
- Feedback from an ungraded Ofsted inspection from 15-16 November 2022, that: "The school remains 'good' but there is sufficient evidence to suggest that it may have been judged 'outstanding' in a graded inspection."

The final Ofsted report can be found here:
https://reports.ofsted.gov.uk/provider/25/134902

Financial performance

Overview

As we highlighted in our 2021/22 Annual Report and Accounts, the quarter one (Q1) financial review conducted in July 2022 indicated that a number of key assumptions and income targets would not be met. Despite our best efforts, we were not able to staff all of our beds until the end of the third quarter and the private and international work which we had anticipated failed to materialise. With income significantly down against budget we were operating at a material and unsustainable deficit. Furthermore, the financial review revealed a difficult working capital position, including significant trade creditors (£1.79m), HMRC payment arrears (£1.5m) and overdue pension contributions (£250k) which had not been made clear to trustees when the budget for 2022/23 was approved.

As we reported in our annual report for 2021/22, the trustees concluded at an extraordinary meeting of the Finance, Fundraising & General Purposes Committee on 5 July 2022 that the financial position was untenable and posed a serious threat to the future solvency of the Charity. A financial review group was immediately established to develop a response plan and a serious incident notification was filed with the Charity Commission on 9 August.

During the year, a total of £4.2m was withdrawn from the investment portfolio to support working capital, resulting in a balance of just £1.9m by the year-end. However, with a forecast full-year deficit of circa £5m and significant aged creditors, we knew that our cash requirements far exceeded our unrestricted reserves. We quickly sought external sources of finance, convening meetings with some of our philanthropic donors and a number of commercial lenders. It was apparent that an application for a commercial loan was going to take some time and that successfully navigating the bank's due diligence processes would be challenging. We are extremely fortunate to have received £1.25m of interest-free loans, from two of our philanthropists, to support working capital at a critical time whilst we developed our recovery plan. Post year-end, an agreement was signed with one philanthropist to convert £250k of one of the loans into a donation, for which we are extremely grateful.

Ultimately, we were successful in our application for a £5m loan facility from Charity Bank and Big Society Capital, secured against the land and buildings at Tadworth Court. The loan was approved and signed by the trustees on 7th February 2023 with the first drawdown against the facility of £3.5m in late February 2023. At the time of writing no further drawdowns had been made but there remains the option to drawdown the full balance up until the anniversary of the date of signing (17 February 2023). In March 2023, we were able to clear all overdue creditor balances including HMRC. Our final financial position at the end of the year was an operating deficit, before investment losses and gains on the revaluation of fixed assets, of £7.13m (2021/22 deficit of £4.20m). Taking into account revaluation gains and investment losses, we reported net expenditure of £3.73m (2021/22 net expenditure of £3.82m).

Progress with our recovery plan

Our short-term recovery plan and objectives are set out in more detail on page 18, Strategy and Objectives. In summary we have made good progress with our key financial objectives of reducing costs and growing income.

The recovery plan identified 2023/24 as a transition year whilst we worked through the impact of the restructure. The plan was to break even on a cash basis (operating surplus plus capital expenditure) and we are on track to achieve this. We have secured fee increases from most commissioning bodies that ensure we are covering the costs of the residential placements and we should achieve our budgeted income in 2023/24 provided we can continue to sustain and meet demand for our services.

Our overall staff numbers have been reduced by 15% as planned, which reduces the total staff budget by £3.7m. This will not translate exactly to an equal staff cost saving in future years as we previously capitalised some salaries related to capital projects which are now complete. In addition, we entered 2023/24 with a significant level of vacancies after the restructure and therefore staff costs are forecast to be under budget in 2023/24, even after accounting for the NHS Agenda for Change pay award which came in higher than budget. Non-staff operating costs remain a challenge as there are significant fixed overheads related to our site and the facilities we offer our children. It is a key area of focus for the future.

The recovery plan identified 2024/25 as the year in which we would achieve an accounting surplus (operating surplus plus depreciation) and start to replenish our reserves, after covering the costs of servicing the loans. At the time of writing, our latest forecast indicates we are on track to deliver a modest surplus.

Key financial performance indicators

	31/03/23	31/03/22
Turnover (£'000)	27,944	28,893
Year end trade debtors (£'000)	1,187	1,501
Year end debtors (days)	21	26
Year end trade creditors (£'000)	425	1,607
Total expenditure (£'000)	35,071	33,094
Year end creditors (days)	16	66
Inventory (months) (total non-pay actual less insurance and depreciation over inventory)	0.57	0.77
Completion of capital programme (%)	24	66
Agency spend (£'000)	475	636
Payroll (% of agency spend)	2	3
Bank staff spend (£'000)	659	475
Payroll (%)	2.59	1.96
Fundraising margin (%)	40	33
Retail margin (%)	34	30
Average yield on investments (%) (dividend income plus change in portfolio value over average amount invested over the year)	-8	-11

Reserves

As at March 2023, reserves totalled £19.9m (2022: £23.6m), of which £0.3m (2022: £1.4m) relates to expendable Restricted Funds and £1.76m (2022: £1.8m) is the Fixed Asset Restricted Fund which reflects the reducing balance on the Department of Health grant made in 1995 in relation to the Grade 1 listed property known as Tadworth Court.

£57k (2022: £736k) relates to Endowment Funds following the Charity Commission's approval to reallocate the Gardiner Endowment Fund as general unrestricted. Of the remaining balance of £17.7m, £19.4m (2022: £17.1m) has been Designated to represent that element of the reserves which is represented by fixed assets (excluding the amount in the Fixed Asset Restricted Fund) and is therefore not available as working capital. The balance of £1.7m is negative Unrestricted Funds which trustees believe is a more transparent presentation of the Charity's reserves rather than suspending the policy of holding a Designated Fixed Asset Fund.

The financial challenges referred to above have reduced the reserves to an unacceptably low level with no 'free reserves' (2022: £2.6m). In previous years the trustees reviewed reserves at year end and allocated amounts to reflect the strategic requirements of the Charity. This policy was suspended in the 21/22 Trustees Report and Accounts when the financial crisis emerged in summer 2022. The current focus is on maintaining the unrestricted funds and minimum cash balance required in the Charity Bank and Big Society Capital loan agreement.

In 2023/24 the trustees will be developing a new reserves policy which takes account of the financial risks facing the Charity, the level of reserves deemed prudent as a contingency and the period over which this can be achieved. Current forecasts show the organisation achieving an accounting surplus for 2024/25 after a transition year 2023/24. The new reserves policy will balance the need to build up funds for stability and future developments against the plan to pay down the recovery loan as soon as possible.

Going concern

In accordance with the Charities Statement of Recommended Practice (FRS 102), the trustees have assessed the Charity's ability to continue as a going concern to assure themselves in preparing the annual accounts on this basis. The assessment has taken into account all available information about the future for at least, but not limited to, 12 months from the date of signing of the accounts.

Two fundamental objectives of our recovery plan were to significantly reduce costs and to increase income. The trustees have reflected on the progress we have made here in the year under review as well as the risks and uncertainties that lie ahead.

Costs

As we reported in the Financial Overview, we have undertaken a significant organisational restructure and are committed to operating as a leaner organisation going forward. Cost savings have been achieved through a combination of redundancies, reshaping of certain roles and teams and natural attrition. One element of the organisational restructure is a change to the frontline staff mix which will result in an increase in the proportion of Care Support Assistants (CSAs) to nurses in future. We had planned to achieve this organically in the transition year of 2023/24 but now expect the process to complete in the first half of 2024/25. This more gradual transition will reduce the risk for the children and young people in our care and for our staff, without exceeding the financial envelope budgeted.

Operating and capital expenditure

Some challenges remain in reducing our operational expenditure and working within a much more limited capital expenditure budget than the organisation has been used to in recent years. However, there have been significant changes in financial controls, including a move to far more stringent budget management. These changes are beginning to yield tangible improvements in financial performance and stability as we enter the second quarter of 2023/24.

Income

On the income side, our recovery plan focused on ensuring we were being paid fairly for our services. We targeted inflationary fee increases across all of our services, as well as more significant uplifts for our school residential placements where a number of contracts had not been subject to a pricing review for some years. We completed our costing and pricing work in the first half of the year and updated our standard tariffs. The contract negotiations with commissioners concluded successfully sooner than we had anticipated in our budget planning. This will bring our income closer in line with the cost of delivering our services and has enabled us to award salary increases in line with the Agenda for Change pay scale announced for the NHS in March 2023.

Risk factors

The Charity is expected to return to an operating surplus in 2023/24 and a full accounting surplus in 2024/25. At the time of writing, the overall budget for 2023/24 is being exceeded and we believe we are on track for 2024/25. To date only £3.5m of the Charity Bank and Big Society Capital loan has been drawn down. Subject to continuing to meet the financial covenants under the loan facility agreement, trustees will have until February 2024 to decide whether there is a requirement to draw down the remaining £1.5m.

The two key risk factors on income are demand and capacity. Although overall occupancy is forecast to be in line with budget for 2023/24, we are developing plans to address some challenges we are beginning to see with school referrals (both residential and day). We also anticipate some changes to referral pathways as a result of the planned delegation of NHS specialist commissioning at the end of March 2024. There is uncertainty at the time of writing about how exactly the changes in the NHS will impact us. However, we know our service offering for those children with the most acute brain injuries is truly unrivalled and unique in the UK and are therefore not forecasting any material reduction in income at this time.

In terms of capacity as a risk factor, being able to staff all our beds (across nursing and care, medical and therapy) and maintaining referral to admission conversion rates is critical. At the time of writing, the pressures with nurse recruitment have eased, although some challenges remain for allied health professionals. We have all of our budgeted beds open and the changes to the staff mix in our new operating model will help to reduce our overall reliance on registered nurses going forward.

Despite the more positive outlook on income and with a leaner organisation and lower cost base, the Charity's low level of reserves and reliance on the £5m loan facility, does leave the Charity vulnerable to further, unforeseen financial shocks and creates a material uncertainty. As we enter the second half of 2023/24 we will begin preliminary work on a new strategy which will incorporate a plan for delivering sustainable accounting surpluses and for replenishing the Charity's reserves to a more acceptable level.

Investment policy

The investment policy sees our reserves invested with the aim of at least maintaining the value or purchasing power in real terms. A total return target has been set at CPI + 3.5% p.a. net of fees. There is no specific income target but we seek to achieve a balanced return between income and capital growth. The time horizon is seen as long-term, more than five years. This policy will be reviewed in 2023/4 given the change in the Charity's financial circumstances and the significant reduction in funds invested.

The £101k 5.2% dividend yield on investment income remained low but was an improvement on the 2.4% yield of £169k in 2021/22 due to the reduced portfolio value. The Total Return on the portfolio to 31 March 2023 was a loss of 5% (2022 a gain of 7.4%). Over the last three years the Total Return has been 27.7% compared to the benchmark set of 28.67%. The benchmark for 2023 saw a loss of 3.37% driven by a negative year for bonds and higher interest rates in the UK and US.

The Charity had to withdraw £4.7m from the investment portfolios for working capital during the year and that, taking into account the investment loss in the year of £459k, means that the total invested had reduced from the £7m held at 31 March 2022 to £1.9m as at 31 March 2023.

The Investment Committee did not meet whilst the organisation worked through the Recovery Plan and loan application process. The Chair of the Investment Committee has monitored performance and maintained regular contact with representatives from Investec.

Principal risks and uncertainties

Although we have emerged from this financial year in a more financially stable position than we began the year, we are left with unacceptably low levels of reserves and £6m of medium-to long-term debt (assuming full utilisation of the £5m Charity Bank loan facility by February 2024). Our recovery plan, which factors in loan repayments, targets operating surpluses for 2023/24 and 2024/25. However, we know we need to develop a radical, new strategy capable of delivering more significant surpluses so that we can rebuild our reserves. Seeking further ways to grow our services and income and to reduce our cost base will be key to our future success. There will be challenges to how we can achieve this, including high inflation, record levels of public sector debt putting pressure on the budgets of our funders and changes in the commissioning of health services in the UK with a preference for more local provision. The changes in commissioning present both risks and opportunities. On the one hand there is a potential threat to our one-site, national centre of excellence business model. On the other, we see opportunities to expand our Community Rehabilitation Services and forge partnerships with the new Integrated Care Boards to meet increasing demand for more local service provision.

The following table sets out the board's assessment of the Charity's principal risks at the time of writing, alongside the control measures and mitigations in place to manage them to within an acceptable level.

Principal risk	Control measures and mitigations
Financial Stability	
The senior leadership team and trustees have developed and begun the implementation of a comprehensive financial recovery plan to dramatically cut operating costs, address loss-making contracts and increase efficiency through a new frontline service delivery model. We have belief in our recovery plan but our transition is not without risk. In particular, we will need to comply with a number of financial covenants attached to the bank loan we have recently secured. Key external risks which prevail include global inflation and the cost of living crisis; financially stressed local authorities (our funders); public sector pay pressure (in particular, Agenda for Change in the NHS); and the potential for health and social care staff shortages which could impact our ability to staff beds and simultaneously increase our recruitment and retention costs. The squeeze on public sector finances may make it more challenging for our funders to meet the costs of providing our services. In the longer-term, changes in the national commissioning landscape (in particular a preference for more local healthcare provision) may impact the volume of referrals we receive from the newly formed Integrated Care Boards (ICBs) and we await further clarification and guidance from NHS England in December 2023 as to how the delegation of specialist commissioning may impact our block contract next year. Finally, the recent financial crisis has weakened the Charity's balance sheet in terms of the depletion of its investment portfolio and free reserves, as well as the addition of £6m of long-term loan liabilities. This leaves the Charity more vulnerable to financial shocks in future.	A key element of our financial recovery plan has been a material reduction in operational expenditure, through an organisational restructure. This was completed successfully at the end of May 2023. With the injection of £6.25m of loans and donations (£1.5m of which we have opted not to draw down at this time) to support working capital, we have been able to clear all overdue creditors, including HMRC. We are meeting all the requirements of our loan and our current forecast do not indicate any risk of not being able to continue to do so for the foreseeable future. At the time of writing we are achieving our bed occupancy and income targets but we know we need to stay focused on building and maintaining a healthy referrals pipeline, particularly for the school where we are beginning to see some challenges. We also need to prepare for potential changes to referral pathways for our rehabilitation service, given the direction of travel in terms of NHS commissioning. In terms of capacity, we have stabilised our nursing and CSA staff establishment and remain focused on retention and development. In the longer-term our current plans envisage the expansion of our community services, positioning the Charity strategically to support national changes to specialist commissioning and to deliver rehabilitation in the community, closer to home, through funded packages of care. As we enter the second half of 2023/24, we will begin to develop our thinking on a new strategy which will seek new ways to grow services and income and operate even more efficiently with a lower overall cost base.

Safe and effective services	
We provide services to some of the most medically complex and vulnerable children and young people in the UK and operate in a highly regulated environment, overseen by three key regulators (CQC, Ofsted Care and Ofsted Education). Delivering high quality and safe services is our primary objective. A failure to comply with statutory requirements could compromise the health and safety of our children and young people and colleagues and/or lead to significant fines, negative publicity and a decline in referrals to our services.	We have robust policies, procedures and controls in place to ensure compliance with applicable regulations. Our most recent full inspections by CQC and Ofsted Children's Homes were in January 2020 and May 2022 respectively. CQC rated our service as "Outstanding" and Ofsted found our service to be "Good". However at the time of signing of the accounts a joint full inspection by Ofsted Education and Ofsted Care had just been completed and we await the findings. CQC undertook a targeted inspection in May 2021 and reported that the overall rating for the service had not changed and remained "Outstanding". We also received a supportive letter from CQC in June 2022 in response to the Coroner's Prevention of Future Deaths report. In January 2023, Ofsted Education published its report following a section 8 monitoring visit in November 2022. The Outcome section of the report stated: *"The Children's Trust school continues to be a good school. There is enough evidence of improved performance to suggest that the school could be judged as outstanding if we were to carry out a graded (section 5) inspection now."*
Cyber security	
The level of cyber threat facing organisations globally is increasing including the threat of politically-motivated and state-sponsored attacks. The Department for Digital, Culture, Media and Sport's Cyber Security Breaches Survey in 2022 reported that 30% of charities had identified a cyber attack in the past 12 months, with 87% reporting phishing attempts and 23% sustaining a more sophisticated attack such a denial of service, malware or ransomware. There is therefore a risk of a major cyber attack impacting the Charity either directly or indirectly, leading to loss of confidentiality, integrity or availability of critical personal, financial and business data and subsequently major business disruption.	We have a number of information security and data protection policies in place, overseen by our Information Governance Committee. We have also invested in robust information security measures and cyber defences, proportionate to the level of risk we face. Such measures include anti-virus and malware detection software, multi-factor authentication across our corporate network and systems, regular vulnerability scanning and penetration testing, system back-ups and disaster recovery plans, due diligence on IT suppliers and data processors. We also have an outsource arrangement in place with a specialist firm for 24/7 security incident and event management services. Mandatory, annual information governance training which covers cyber security and social engineering is in place for all staff and trustees. This is supplemented by monthly bite-sized, online training and simulated phishing emails to test awareness and understanding across the workforce. Looking ahead to 2023/24 we are intending to seek accreditation to Cyber Essentials Plus.
Major incidents and business continuity	
The financial crisis forced us to examine the organisation's preparedness for a sudden, forced closure of the Charity which has identified some gaps in our planning. Furthermore, we deprioritised our rolling programme of work on major incident and business continuity planning over the last 12 months as we focused on our financial recovery. We have also lost key people and corporate knowledge in this regard as we have undertaken an organisational restructure. In the short-term, whilst we refocus our attention on strengthening operational resilience and updating our plans, there is a risk of disruption to our services from major incidents.	In 2023/24 we will be reviewing, updating and testing our major incident and business continuity plans and ensuring that we maintain a rolling programme of work to keep these up to date. We will also be working in partnership with Surrey County Council and other local authorities to put in place joint contingency planning should there ever be a need to close or evacuate our site completely, temporarily or otherwise.

Serious incidents

Financial sustainability

In the Trustees' Report for 2021-22 we reported that we had notified the Charity Commission of a serious incident in relation to the Charity's financial position. We also outlined the findings of our internal audit, completed in November 2022, which examined the root causes of the crisis. The full internal audit report, including management action plan, was shared with the Charity Commission in November 2022.
The recommendations from the internal audit have been incorporated into our business recovery plan for 2023-24 and are being closely monitored by our Finance, Fundraising and General Purposes Committee and Audit and Risk Committee.

We have remained in close contact with the Charity Commission throughout the year as we have developed and begun to implement our financial recovery plan. In June 2023, the Charity Commission wrote to us to confirm they were closing their active case for the time being but also clarified their policy to monitor compliance with the regulatory advice and guidance they had issued to trustees under section 15(2) of the Charity's Act 2011. The letter in June 2023 included an action plan setting out the Charity Commission's regulatory advice in more detail and requires trustees to provide an update on progress with the action plan in early December 2023.

Sudden unexpected death in 2017

In our Trustees' Report for 2021-22 we provided an update on the conclusion, in April 2022, of the Coroner's inquest into the tragic and unexpected death of a child in our care in May 2017. At the time of writing, two civil claims were in progress in relation to the child's death. We are working with the claimant's solicitors via our insurer towards the final settlement of these claims. These claims are fully covered under the terms of our insurance policy and are therefore not separately disclosed in the financial statements.

Sudden unexpected death in June 2023

On 29th May 2023, one of our residential school children suffered an unexpected rapid deterioration whilst in our care. The national 'Sudden Unexpected death in Childhood' protocol was activated by the ambulance service who responded to the emergency call. Sadly, the child died in hospital on 1st June, without a diagnosis. At the time of reporting we have been notified that the Coroner will be opening an investigation to establish the cause of death.
We would like to extend our deepest condolences to the child's family at this very difficult time.

All of our key regulators including the Charity Commission were notified of this incident at the time it occurred. Quality assurance visits from Ofsted Care and NHS England which were triggered concurrently (looking at the quality of our service overall, rather than the specifics of this incident), did not identify any concerns and made a number of positive observations about the facilities and quality of care at The Children's Trust. There was no impact on the financial statements as at the date of signing but there is the possibility of a legal claim being brought against the Charity, pending the outcome of the inquest, at a future date.

Sudden unexpected death in September 2023

On 11th September 2023, we very sadly and unexpectedly lost another one of our residential school children. At the time of reporting we are awaiting further information about the cause of death. We offer our heartfelt sympathy and condolences to the family and continue to support our staff who worked so closely with the child.

The trustees confirm that in approving the Trustees' Report they are also confirming the strategic report in their capacity as Directors of the charitable company.

On behalf of the board

Duncan Ingram
Chair of Trustees

Environmental, social and governance

Structure and management

The Children's Trust is a charitable company limited by guarantee, incorporated and registered in the UK and governed in accordance with its Articles of Association.

The Charity's organisational and governance structure is designed to support the effective management and oversight of its three key income generating activities, being:

- Residential neurorehabilitation and disability services at Tadworth Court, including a children's home for pupils at The Children's Trust School;
- The Children's Trust School; and
- Fundraising and Retail.

The Children's Trust Board of Trustees						
Remuneration Committee	Clinical Governance and Safeguarding Committee	Educational Governance Committee	Finance, Fundraising and General Purposes Committee	Audit and Risk Committee	Investment Committee	Appointments Committee
Senior Leadership Team						
Directorates						
Director of Finance	Medical Director & Consultant in Paediatric Neurodisability	Director of Fundraising & Communications	Director of Resources	Chief Executive	Director of Nursing & Quality	Director of Therapies & Education

Board of Trustees

The Children's Trust is governed by the Board of Trustees ("the board") who are also the Charity's directors under company law.

The board ordinarily meets six times a year, with the Chief Executive and other members of the senior leadership team in attendance. Each meeting follows a core set of agenda items, allowing trustees to hear from and challenge management on business performance and to have oversight of governance, risk and compliance matters. In addition, a rolling board agenda builds in strategic check-points, governance reviews, risk deep dives and operational spotlights at key points throughout the year. 2022/23 has been an exceptional year and due to the financial crisis, extraordinary board meetings have been convened on a much more frequent basis.

Our trustees may serve in total for a period of nine years with the option to stand for re-election annually thereafter, for a maximum of three further 12-month terms. When recruiting and appointing trustees, we look for individuals who can provide leadership and expertise across our key services and disciplines of nursing, care, education, therapy and fundraising and who can support and bring effective challenge to the senior leadership team on business strategy, finance, operations, governance, risk and regulatory compliance. Each trustee is assigned as a lead for a particular business area or professional discipline.

Like many charities we recognise the importance of board diversity and are committed more broadly to the principles of equity, diversity and inclusion from 'board to floor'. Aside from ensuring the board collectively has the necessary professional skills and sector-specific experience to govern the Charity effectively, we are actively reviewing our approach to recruitment to ensure that our board and wider workforce are more representative of the beneficiaries and communities we serve.

All trustees follow a dedicated induction programme and complete mandatory refresher training across key areas of risk and compliance, such as safeguarding, health and safety, infection prevention control and information governance annually. We set high standards of professional conduct and integrity for our trustees and conflicts of interest are regularly reviewed.

As part of board succession planning, the board has recently conducted an exercise to define the skills and experiences most important to the future success of The Children's Trust and performed a gap analysis against existing skills and experiences. This identified areas of strength and some gaps. The output of this has informed the candidate profiles for trustee recruitment.

The trustees have the benefit of a qualifying third party indemnity provision as defined by section 234 Companies Act 2006. The Charity purchased and maintained throughout the year directors' and officers' liability insurance in respect of itself and its trustees.

Board committees

Given the breadth of sectors we operate across, the board delegates some of its key functions and responsibilities to a number of specialist committees as follows.

Clinical Governance and Safeguarding Committee

This committee provides structured and systematic oversight of the organisation's clinical governance, risk management and safeguarding policies and procedures. It holds management to account for compliance with key regulations and statutory guidance, including the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014; Care Quality Commission (Registration) Regulations 2009; and The Care Standards Act 2000, and provides assurance to the board over the same. The committee meets at least five times per annum.

Educational Governance Committee

This committee has delegated authority to act as the de facto 'governing body' of The Children's Trust School. The scope and objectives of the committee are informed by UK legislation and statutory guidance from Department for Education. The committee's role is to hold the school leadership team to account for the educational performance, internal organisation and management and control of the school, including the performance management of staff. The committee meets four times per annum.

Finance, Fundraising and General Purposes Committee

The primary purpose of this committee is to support the board in ensuring the Charity manages its finances, income, human resources, estates, facilities and IT responsibly and ethically in pursuit of its charitable purposes, and that its fundraising practices are compliant, efficient and effective. The committee normally meets five times per annum however the frequency has been increased in 2022/23 in response to the need for additional scrutiny and review of the financial position and plans.

Audit and Risk Committee

The primary purpose of the committee is to provide assurance to the board on the adequacy of risk management, internal control and governance arrangements and that public and charitable funds are used efficiently and effectively. The Audit and Risk Committee is responsible for the appointment of the external auditor, for the ongoing relationship and liaison with the auditor and for monitoring management's responsiveness to both internal and external audit findings and recommendations. The committee meets five times per annum.

Investment Committee

The primary purpose of the committee is to establish and monitor the Charity's investment and reserves policies. The committee ordinarily meets four times per annum, however, it has met less frequently in 2022/23 given the level of funds withdrawn from the portfolio over the last 12 months and hence the lower risk exposure to investment gains and losses. The frequency of future meetings will be reviewed with the new Chair of Trustees.

Appointments Committee

The committee's primary purpose is to review board composition and approve trustee, honorary officer and senior leadership team appointments. The committee meets once per annum or as and when necessary for new appointments.

Remuneration Committee

The primary purpose of the remuneration committee is to determine employment and remuneration policies and to approve the annual pay review. The committee meets once per annum and as required. In 2022/23, the committee met on 22 March.

Equity, diversity and inclusion

At The Children's Trust we recognise how important it is to have leadership that reflects the children, young people and families who we support. We also recognise that staff, comprised of a range of backgrounds and experiences will help us to better understand the needs of those we support, and how we can best represent their interests.

We particularly welcome applications from people living with disabilities, individuals from diverse ethnic backgrounds and those from other under-represented groups. We adopt an inclusive approach to training and career development and make workplace adjustments where staff acquire or develop disabilities during their employment with us.

The Children's Trust is committed to achieving equity, diversity and inclusion (EDI) across all levels of the organisation. Our EDI strategy agreed in 2022 says:

> *We will be an organisation that has a diverse mix of people and perspectives, and we will celebrate diverse lived experience. Diversity is powerful. We want to both increase the diversity within our workforce at all levels, and showcase the current diversity we have. We know this will both enhance the culture of the organisation and improve the services we provide. To do this we need to strengthen our data set and adapt how we recruit.*

We made a commitment to:

- strengthen our data set by using new methods to facilitate staff to share their information;
- gain accreditations, so we are recognised as an inclusive employer by diverse groups;
- review our recruitment strategies and processes;
- provide EDI training for hiring managers;
- create more apprenticeships and work experience to increase diversity at entry levels;
- review and develop our external and internal communications;
- make our application and interview process more accessible;
- increase the number of agencies we work with to include protected characteristics specialists; and
- ask questions in exit interviews relating to EDI, and analyse and act on feedback.

Fundraising practices

As a member of the Fundraising Regulator scheme, The Children's Trust operates in accordance with the Code of Fundraising Practice and is an organisation member of the Chartered Institute of Fundraising. We participate in consultations regarding any changes to the Code, as appropriate.

Fundraising programmes are compliant with the Institute and our own Vulnerable Person's Policy, and the key tenets of the policy are incorporated in our training programmes. The Charity also operates a whistleblowing policy and a complaints policy and process. It is also registered with the Gambling Commission for the purposes of running a lottery, conducting a supporter raffle and to hold draws at local events.

The Charity continues to review its Supporter Promise, which is available on our website. This confirms our commitment to abiding by the Fundraising Preference Service and the Mail and Telephone Preference Services.

During 2022/23, we engaged one commercial participator; Sterling, who are the external lottery manager for The Children's Trust lottery. We monitor their compliance and there were no incidents to report in 2022/23.

We take a robust approach to handling donor complaints and welcome feedback from supporters and the public. During the financial year 2022/2023, 100% of complaints were investigated.

Fundraising complaints

Complaints in relation to fundraising activity (those in relation to retail operations):

- 2022/23: 22 (retail 14)
- 2021/22: 19 (retail 18)
- 2020/21: 16 (retail 14)
- 2019/20: 42 (retail 29)
- 2018/19: 56 (retail 30)

There were no instances where a complaint was required to be referred to the Fundraising Regulator, Ofcom, the Information Commissioner's Office, or any other regulatory body.

Our environmental impact

Streamlined energy and carbon reporting (SECR)

Start date for SECR period: 1 April 2022
End date for SECR period: 31 March 2023

Methodology

All the SECR data requirements for unquoted 'large' companies have been met and the energy consumption and emissions are reported below. This includes UK consumption of electricity, gas and transport fuels where the organisation is responsible for the fuels.

The methodology used to calculate emissions is the GHG Reporting Protocol Corporate Accounting and Reporting Standard (2022). UK Government greenhouse gas emissions conversion factors for 2022 have been applied.

Scope 2 emissions from purchased electricity have been calculated using the location-based approach only.

Base year recalculation

We are following advice given in the government's guidance on how to measure and report greenhouse gas emissions. Should we discover errors in the energy and fuel consumption data that we used to calculate our year emissions, we will recalculate our base year emissions using revised/amended data in order to correct the errors. This is the case for the baseline year 2019/20 in this report.

Third party verification				
No third party data verification of the emissions data has been carried out				
Reported emissions (and carbon offsets)				**tonnes CO2e**
	2022/23	**2021/22**	**2020/21**	**2019/20**
Total gross emissions (scope 1, 2 and 3)	422.3	429.4	396.8	612.0
Total direct and indirect emissions (scope 1 and 2)	413.3	422.1	389.0	595.8
Total direct (scope 1) emissions	193.2	172.7	139.1	289.7
Direct emissions (scope 1) stationary combustion	137.6	149.6	119.8	238.4
Direct emissions (scope 1) mobile combustion	55.6	23.1	19.3	51.4
Direct emissions (scope 1) from transport mobile combustion	55.6	23.1	19.3	51.4
Direct emissions (scope 1) from other mobile combustion	0.0	0.0	0.0	0.0
Direct emissions (scope 1) from agricultural sources	0.0	0.0	0.0	0.0
Total indirect emissions (scope 2)	220.1	249.4	250.0	306.0
Indirect emissions (scope 2) from electricity	220.1	249.4	250.0	306.0
Total other indirect emissions (scope 3)	9.0	7.3	7.7	16.3
Other indirect (scope 3) emissions from business travel	9.0	7.3	7.7	16.3
Other indirect (scope 3) emissions from business travel where company is responsible for purchasing fuel	9.0	7.3	7.7	16.3
Energy consumption				**kWh**
Total energy consumption used to calculate emissions	2,091,267	2,034,841	1,831,198	2,767,184
Energy consumption, combustion of gas	668,162	736,910	651,561	1,296,512
Energy consumption, electricity	1,132,085	1,168,418	1,065,586	1,190,750
Energy consumption, combustion of transport fuel	271,020	129,513	114,051	279,922
Energy consumption, other	0	0	0	0
Intensity ratio	**tCO2e/sqm**	**tCO2e/sqm**	**tCO2e/FTE**	**tCO2e/FTE**
Intensity ratio	0.029	0.030	0.6	0.6
The reported emissions intensity ratio is the total gross emissions (scope 1, 2 and 3) per Square Meter of Total floor area.				
Intensity ratio based solely on mandatory data	True			

Energy efficiency action report

1. A return to a business-as-usual state, following the Covid-19 pandemic, along with the update to GHG calculations for 2022, has had a negative impact on scope 1 and 3 emissions, specifically mobile combustion and transport mobile combustion, as predicted and previously reported in 2021/22. However, some initiatives (both planned and unplanned) have delivered a positive impact, namely estate rationalisation and reduced operational hours, specifically within our retail portfolio, as detailed further in the proceeding points.

2. The Estates Strategy Programme (ESP) was developed to include energy and sustainability initiatives, which has delivered some positive impacts during 2022/23. The ESP and below initiatives will continue to be refined, alongside implementation of new innovations, as approved.

3. Continued adoption of digital, hybrid and flexible ways of working: Initially implemented during Covid-19, this agile way of working has positively contributed to the reduction of electricity consumption compared with the previous year.

4. Tadworth Court: Site rationalisation and a smarter approach to space utilisation commenced during 2022/23, with the planned closure of one of our residential houses, Willow. Some nominal benefits have been observed during 2022/23, due to this project, although, the full impact of this programme is expected to be fully realised during 2023/24, once the building is mothballed.

5. All new projects and developments undertake a sustainability impact assessment (SIA), by use of an Environmental Impact Assessment tool, which requests contractors and the project manager to consider environmental impacts of their project and whether the organisation can redesign, mitigate or accept this impact.

6. As part of the delivery of the ESP, a more sustainable means of operating has been developed, including reducing reliance on gas systems, which commenced with the decommission of the boiler at Nork retail store, delivering a reduction of 19,881kWh annually during 2022/23. This initiative totals 41% of the total savings made on the consumption of gas, throughout the entire estate. An additional initiative that contributed to the reduction in gas consumption was the upgrade to a more energy efficient boiler installed in The Mansion.

7. It was predicted that the organisation would see an increase in electricity usage during 2022/23. However, a decrease has been reported due to two retail outlet closures and reduced opening hours (see subsequent points). Therefore, an overall annual electrical energy saving of 36,333kWh has been recorded during 2022/23.

8. Retail estate rationalisation (planned): Crawley retail outlet closed in August 2022 and North Cheam ceased trading in February 2023, which contributed to the positive reduction in energy consumption during 2022/23. As the latter store was closed in February 2023, the full benefit of this disposal is expected to rollover into 2023/24.

9. Reduction in retail trading hours (unplanned): North Cheam was short-staffed prior to closure, due to long-term sickness, leading to reduced trading of two days per week on average from July 2022 until the shop closed in February 2023. Canterbury operated without an Assistant Shop Manager, so this store closed two to three days each week from May 2022 to March 2023, which further contributed to the saving on electrical consumption.

10 Retail lamp replacements: Faulty strip lighting at Nork store were replaced with LED lamps, a more energy efficient fitting, along with ad hoc LED re-lamping (upon failure) were also delivered at Redhill, Reigate and Tadworth Corner, along with staff contributing to energy saving by turning off lights in areas when not occupied. These simple, cost-effective initiatives all positively contributed to a reduction in electricity consumption.

11 The intensity ratio is reflective of the total floor area of our estate. This will be reviewed for the 2023/24 reporting year, to reflect the closure of retail units to ensure an accurate picture of our infrastructure continues to be conveyed.

12 As predicted and reported in 2021/22, an increase in vehicle usage (both owned fleet and grey fleet), alongside the updated 2022 GHG calculations, has increased the total energy consumption. Thus, impacting on scope 1 and 3 emissions, during 2022/23, as we transitioned to a business-as-usual state, following the previously reduced mileage by our fleet vehicles during the unpresented Covid-19 pandemic. However, we have rationalised our pool cars by 50%, and removed two hire vehicles during 2022/23 in a bid to contribute to reduce vehicle emissions. Conversely, this may have simply added pressure on demand of the remaining fleet usage, which will need to be reported on and verified at the end of 2023/24. It is acknowledged that we will need to consider and explore additional green, carbon reducing initiatives in this area, which may require additional investment.

13 Grey fleet mileage has increased by 5,771 miles since 2021/22, this was expected as we transition out of the unprecedented epoch of Covid-19. However, green initiatives such as carshare for business travel and public transport will be continually reviewed, explored and reported upon.

14 Despite the overall increase in scope 3 emissions, compared to 2021/22, it is imperative to highlight the fact an overall 55% reduction in scope 3 emissions since pre-pandemic 2019/20 reporting year, which we should take as a positive result and be considered as a new baseline.

15 The data from this report is understood to be accurate at the time of writing.

SECR total energy consumption 2022/23

Energy consumption	kWh
Total energy consumption used to calculate emissions	2,091,267
Energy consumption, combustion of gas	688,162
Energy consumption, electricity	1,132,085
Energy consumption, combustion of transport fuel	271,020
Energy consumption, other	0

Statement of trustees' responsibilities

The trustees (who are also directors of The Children's Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. 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 also confirm that, in the case of each of the persons who were directors at the time of reporting and as far as each trustee was aware, there is no relevant audit information of which the Charity's auditor is unaware, and that they have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

In accordance with Sch 7.1A of Companies Act 2006, the directors point out that they have chosen to disclose information required under Sch 7.11(3) of Companies Act 2006, within Section 172 statement in the Strategic Report (page16).

On behalf of the board

Duncan Ingram
Chair of Trustees
Date: 28 September 2023

Independent auditor's report to the members of The Children's Trust
For the year ended 31 March 2023

Opinion
We have audited the financial statements of The Children's Trust (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities incorporating the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Material uncertainty relating to going concern
We draw your attention to the disclosures made in the accounting policies in note 1.2 of these financial statements, concerning the Charity's ability to continue as a going concern.

Following the deterioration of the financial position during the previous financial year and its continuation into the current year, this saw the development and implementation of a recovery plan from November 2022, and is supported by ongoing annual forecasts.

The trustees have a reasonable expectation that the Charity has adequate resources to continue operating for the foreseeable future, thus, the Charity continues to adopt the going concern basis in preparing the financial statements. However, there exist material uncertainties over the ability to deliver the recovery plan and any underperformance could lead to a breach in their funding agreements.

This indicates that material uncertainty exists that may cast significant doubt over the Charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' 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 and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' responsibilities set out on page 37, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Safeguarding Vulnerable Groups Act 2006, Keeping Children Safe in Education 2019, the Code of Fundraising Practice, the Children and Families Act 2014, the UK General Data Protection Regulations, the Care Act 2014 and the Care Quality Commission regulations. We performed audit procedures to inquire of management [and those charged with governance] whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of our report
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

HCatchpool

Hannah Catchpool
(Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP,
Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

13 November 2023

Statement of financial activities (incorporating an income and expenditure account)
For the year ended 31 March 2023

	Note	Unrestricted General Funds	Restricted Funds	Endowment Funds	2023 Total Funds	2022 Total Funds
Income and endowments from:						
Charitable activities	**2**	21,023	-	-	21,023	20,778
Donations and legacies	**3**	2,886	231	-	3,117	3,652
Government grants	**3a**	-	328	-	328	1,207
Other trading activities						
– Events		328	-	-	328	257
– Charity shops		2,336	-	-	2,336	2,056
– Lottery		125	-	-	125	131
	4	2,789	-	-	2,789	2,444
Investment income	**5**	98	-	3	101	169
Other income	**6**	586	-	-	586	643
Total income		**27,382**	**559**	**3**	**27,944**	**28,893**
Expenditure on:						
Raising funds						
– Costs of donations and legacies		1,630	-	-	1,630	1,793
– Investment in future income		-	-	-	-	64
– Events		522	-	-	522	340
– Charity shops		2,354	-	-	2,354	2,096
– Lottery		52	-	-	52	130
Total cost of raising funds	**8**	4,558	-	-	4,558	4,423
Charitable activities	**7**	28,673	1,668	-	30,341	27,579
Impairment		172	-	-	172	1,092
Total expenditure		**33,403**	**1,668**	**-**	**35,071**	**33,094**
Net (expenditure) before gains / (losses)		(6,021)	(1,109)	3	(7,127)	(4,201)
Net unrealised (loss) / gain on investments	**15**	(444)	-	(15)	(459)	382
Net (expenditure)		(6,465)	(1,109)	(12)	(7,586)	(3,819)
Transfers between funds	**21**	668	-	(668)	-	-
Gain on the revaluation of fixed assets	**14**	3,854	-	-	3,854	
Net movement in funds		**(1,943)**	**(1,109)**	**(680)**	**(3,732)**	**(3,819)**
Reconciliation of funds:						
Total funds brought forward		19,675	3,191	736	23,602	27,421
Total funds carried forward		**17,732**	**2,082**	**56**	**19,870**	**23,602**

The statement of financial activities includes all gains and losses recognised in the year.

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

Balance sheet
As at 31 March 2023

	Note	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Fixed assets					
Intangible fixed assets	**14a**	1,925		2,124	
Tangible fixed assets	**14**	15,504		14,520	
Tadworth Court	**14**	3,756		2,250	
			21,185		18,894
Investments	**15**		1,924		6,999
			23,109		25,893
Current assets					
Stocks		278		308	
Debtors	**16**	1,883		3,473	
Cash at bank and in hand		1,865		549	
		4,026		4,330	
Current liabilities					
Creditors: amounts falling due within one year					
Creditors	**17**	(2,890)		(6,621)	
		(2,890)		(6,621)	
Net current assets / (liabilities)			1,136		(2,291)
Creditors: amounts falling due after more than one year					
Loans			(4,375)		-
Net assets			**19,870**		**23,602**
The funds of the Charity					
Unrestricted funds					
General funds			(1,695)		2,582
Revaluation reserve			3,842		-
Designated			15,585		17,093
			17,732		19,675
Restricted funds			324		1,391
Fixed Asset Restricted Fund			1,758		1,800
Endowment funds			56		736
Total funds	**21**		**19,870**		**23,602**

The financial statements were approved by the trustees and authorised for issue on 28 September 2023.

Company Number: 1757875

Duncan Ingram
Chair of Trustees

Fiona Sheridan
Chair of Fundraising, Finance and General Purposes

Cash flow statement
For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Net expenditure for the reporting period before gains/(losses)		(7,586)	(3,819)
Cash flows from operating activities			
Interest and investment income	15	(101)	(169)
Depreciation and impairment	14	2,164	2,883
Loss in investment in market value	15	476	(345)
Increase / (decrease) in stocks		30	(113)
Decrease / (increase) in debtors		1,590	(392)
(Decrease) / increase in creditors		(4,106)	3,305
Net cash used in operating activities		**(7,533)**	**1,350**
Cash flows from investing activities			
Investment income received		101	169
Investment income reinvested	15	(101)	(169)
Capital expenditure	14	(601)	(3,074)
Sale of investments	15	4,700	1,500
Net cash (used in)/provided by investing activities		**4,099**	**(1,574)**
Cash flows from financing activities			
Inflow from Loan		4,750	
Net cash flow from financing activities		**4,750**	**-**
Change in cash and cash equivalents in the reporting period		1,316	(224)
Cash and cash equivalents at the beginning of the year		549	773
Cash and cash equivalents at the end of the year		**1,865**	**549**
Analysis of cash and cash equivalents			
Cash at bank and in hand		1,865	549
Total cash and cash equivalents		**1,865**	**549**

i. Reconciliation of net debt	At start of year	Cash Flows	At end of year
Cash	549	1,316	1,865
Overdraft facility repayable on demand	-	-	-
	-	1,316	1,865
Loans falling due within one year	-	-	375
Loans falling due after more than one year	-	-	4,500
Total	**549**	**1,316**	**(2,885)**

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 2023

1. Accounting policies

The Children's Trust is a Charitable Company limited by guarantee. The address of the Trust's principal place of business is given on page 37 of this report. The nature of the Charity's operations is set out in the Trustees' Report.

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 unless otherwise stated in the relevant accounting policy note. In December 22 Savills carried out an independent revaluation of the Land, Tadworth Court and Freehold & Land asset catagories, with the accounting policy moving to a revaluation from the historical cost model.

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. 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 effective 1 January 2019) and the Companies Act 2006.

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 Charity meets the definition of a public benefit entity.

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 Children's Trust is still working through implementing the recovery plan approved in November 2022. This is expected to continue in the transition year of 2023/24. The position trustees are adopting in relation to Going Concern is that, while progress is being made but on a more gradual basis, they are confident the plan will be achieved. The Children's Trust is a Going Concern but there remains a material uncertainty. Further consideration of the progress against the plan is included in the Trustees Report on page 26.

In the event the cost savings and income levels reflecting changes to the operating model in the recovery plan are not achieved or economic changes and demand and capacity factors are not as reflected in the plan, there is a risk the Charity will breach the terms of their loan funding agreements. This represents a material uncertainty that may cast significant doubt over the going concern position of the Charity.

Until we can demonstrate delivery of the Recovery Plan and develop a robust strategic plan for the next five years showing how the organisation can achieve income growth and generate sufficient surpluses to build reserves back up to an agreed minimum level the material uncertainty will remain.

1.3 Income

All income is accounted for in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Collections made by third parties on behalf of the charity are accounted for when received.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacy income, entitlement is taken as the earlier of the date on which either probate has been granted or when 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.

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 income, 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 Fixed assets

Tangible fixed assets

Tangible fixed assets costing more than £1,000 are capitalised and stated at cost or valuation less depreciation.

During 22-23 the accounting policy for Tadworth Court, Freehold Land and Freehold and leasehold buildings valuation moved from a cost to a revaluation model. The revaluation model has been adopted to ensure the non-current assets are shown at their true market value in financial statements presenting a more accurate financial picture than the cost model.

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%
Tadworth Court	2%
Plant and office furniture and equipment	20%
Residential houses furniture and equipment	20%
Computer Equipment	33%
Motor vehicles	25%
Motor vehicles – vans	14%
Motor vehicles – minibuses	13%

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. An asset is considered impaired when its fair market value is less than its carrying value (historical cost minus accumulated depreciation). This may occur due to physical damage to the asset, a change in consumer demand, or legal changes surrounding the asset.

Intangible fixed assets

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated to write off the cost of intangible fixed assets by equal annual instalments over the expected useful lives as follows:

Computer software	16.6%

1.7 Tadworth Court
This balance represents the freehold of Tadworth Court, it houses our pharmacy, catering, meeting and administrative facilities. The asset is stated at cost and is depreciated over 50 years (2%). The trustees ensure that the building is carefully maintained and is fit for purpose. Any significant expenditure which enhances the asset is capitalised as it is incurred, i.e. extends its UEL or increases its value.

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

1.9 Stock
Stock is stated at the lower of cost and net realisable value. Shop stocks are held for resale whilst medical stock refers to items that are purchased in advance of use and are carried forward in stock at the year end, prior to use the following year.

1.10 Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Income is accrued in relation to fees due but not invoiced as at year end. Other Debtors includes funds due from Gift Aid, the lottery and legacies where no invoice will be raised. Bad Debt Provision is provided for by applying a percentage based on the Finance Director's assessment of the likelihood of recovery to any debt over 60 days.

1.11 Pension costs
The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the Charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of valuations using a projected unit method. The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charged to the statement of comprehensive income being the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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

1.13 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 charity's results. Thus the information within these financial statements is presented as an individual undertaking. 2022 was not consolidated on the grounds of immateriality.

1.14 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. The Tadworth Court valuation is an estimate because the valuation report was dated December 2022 and it has been applied as at 31 March 2023 so the trustees have had to estimate that this valuation was fit for purpose for the year end accounts. The other material judgement in the accounts is the preparation on the basis that the organisation is a Going Concern which is covered in the Going Concern section on page 26.

1.15 Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.16 Creditors
Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Creditors are recognised at their settlement amount. Accruals are made for late invoices and any others we are aware of incurring that relate to the period. Other creditor balances include March payroll pension liabilities due in the following month and Children's Funds (their pocket money). Deferred income is mainly Set Up fees – the amounts we hold for each child for specific equipment, etc. plus fundraising income for events in the following financial year. Social Security and other taxation is the March payroll deductions and employer contribution due to be paid in the following month. Loans includes any donor loan repayment instalments due in the next 12 months.

1.17 Financial instruments
The charity has applied the provisions of Section 11 'Basic Financial Instruments' 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, deferred income, social security and other taxation liabilities, 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.

The long-term loan received from Charity Bank and Big Society Capital bearing a market rate of interest which meets the qualifying criteria set out in section 11 of FRS 102. It is recognised at its transaction value, being the principal amount advanced.

1.18 Employee benefits
Termination payment and the cost of short-term benefits, such as accrued holiday are recognised as a liability and an expense.

1.19 Taxation
The Company is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

2. Income from Charitable activities

	Unrestricted £'000	Restricted £'000	Endowment £'000	2023 Total £'000
Care and rehabilitation services	10,180	-	-	10,180
The Children's Trust School	10,780	-	-	10,780
Community services	63	-	-	63
Total charitable activities	**21,023**	**-**	**-**	**21,023**

	Unrestricted £'000	Restricted £'000	Endowment £'000	2022 Total £'000
Care and rehabilitation services	11,303	-	-	11,303
The Children's Trust School	9,422	-	-	9,422
Community services	53	-	-	53
Total charitable activities	**20,778**	**-**	**-**	**20,778**

3. Donations and legacies

	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Donations and covenants	2,462	231	2,693	1,900	1,652	3,552
Legacies	424	-	424	100	-	100
Total donations and legacies	**2,886**	**231**	**3,117**	**2,000**	**1,652**	**3,652**

Support was received from The Peter Harrison Foundation donating £30,000 to music therapy.

3a. Income from Government grants

	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
NHS England Palliative Care	-	307	307	-	299	299
DFE Capital Grant		21	21	-	21	21
Hospice UK Grant	-	-	-	820	-	820
UK Government Furlough Scheme	-	-	-	18	-	18
Retail Grant	-	-	-	49	-	49
Total Government grants	**-**	**328**	**328**	**886**	**320**	**1,206**

Charity shop gift aid is included in donations.

4. Other trading activities

	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Events	328	-	328	257	-	257
Charity shops	2,336	-	2,336	2,056	-	2,056
Lottery	125	-	125	131	-	131
Total other trading activities	**2,789**	**-**	**2,789**	**2,444**	**-**	**2,444**

5. Investment income

	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Dividends and interest: UK	76	3	79	100	25	125
Dividends and interest: foreign	22	-	22	44	-	44
Bank interest	-	-	-	-	-	-
Total investment income	**98**	**3**	**101**	**144**	**25**	**169**

6. Other income

	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Lettings	126	-	126	119	-	119
Catering	106	-	106	96	-	96
Nursery	186	-	186	145	-	145
Other income	168	-	168	283	-	283
Total other income	**586**	**-**	**586**	**643**	**-**	**643**

7. Expenditure on charitable activities

	Unrestricted £'000	Restricted £'000	Endowment £'000	2023 Total £'000
Charitable activities	28,673	1,668	-	30,341
Total expenditure	**28,673**	**1,668**	**-**	**30,341**

	Unrestricted £'000	Restricted £'000	Endowment £'000	2022 Total £'000
Charitable activities	25,939	1,558	82	27,579
Total expenditure	**25,939**	**1,558**	**82**	**27,579**

8. Expenditure on:

2023

	Direct costs £'000	Support costs £'000 (Note 9)	Governance costs £'000 (Note 9a)	2023 Total £'000
Charitable activities				
Care and rehabilitation services	9,163	5,071	276	14,510
The Children's Trust School	9,516	5,269	225	15,010
Community services	513	290	18	821
	19,192	10,630	519	30,341
Raising funds				
Costs of generating donations and legacies	1,033	574	23	1,630
Investment in future income	-	-	-	-
Events	327	182	13	522
Charity shops	1,536	777	41	2,354
Lottery	25	14	13	52
	2,921	1,547	90	4,558
Total expenditure	**22,113**	**12,177**	**609**	**34,899**

2022

	Direct costs £'000	Support costs £'000 (Note 9)	Governance costs £'000 (Note 9a)	2022 Total £'000
Charitable activities				
Care and rehabilitation services	9,104	4,696	195	13,994
The Children's Trust School	8,639	3,840	159	12,638
Community services	622	311	13	946
	18,365	8,847	367	27,579
Raising funds				
Costs of generating donations and legacies	1,120	648	24	1,793
Investment in future income	40	23	1	64
Events	212	123	5	340
Charity shops	1,442	622	32	2,096
Lottery	81	47	2	130
	2,895	1,464	64	4,423
Total expenditure	**21,260**	**10,311**	**431**	**32,002**

Expenditure on raising funds is unrestricted in both years.

9. Allocation of support costs

2023

	Care and rehabilitation services £'000	School £'000	Fundraising £'000	Retail £'000	Community £'000	2023 Total £'000
Marketing	115	119	17	19	6	276
Communications	158	164	24	26	9	381
Facilities	1,313	1,364	200	220	74	3,171
Human resources	798	828	121	134	45	1,926
Finance	492	511	74	82	28	1,187
IT	665	691	101	112	37	1,606
Chief Executive's Office	107	111	16	18	6	258
Strategy Team	175	182	26	29	10	422
Risk (insurance)	168	175	25	28	9	405
Depreciation: Tadworth	428	447	68	-	29	972
Depreciation: Other	420	436	63	70	24	1,013
Costs of Recovery Plan – professional fees and redundancies	232	241	35	39	13	560
Total support costs allocated (note 8)	**5,071**	**5,269**	**770**	**777**	**290**	**12,177**

The costs of 22-23 recovery plan included £170k legal and £270k redundancy costs as one off costs incurred in 22-23.

2022

	Care and rehabilitation services £'000	School £'000	Fundraising £'000	Retail £'000	Community £'000	2022 Total £'000
Marketing	130	106	23	19	9	287
Communications	243	199	44	36	16	538
Facilities	1,192	975	213	176	79	2,635
Human resources	719	588	129	107	48	1,591
Finance	413	338	74	61	27	913
IT	502	411	90	74	33	1,110
Chief Executive's Office	93	76	17	14	6	206
Strategy Team	291	238	52	43	19	643
Risk (insurance)	120	98	22	18	8	266
Depreciation: Tadworth	495	403	89	-	33	1,020
Depreciation: Other	353	289	63	52	23	780
Salary sacrifice	145	119	26	22	10	322
Total support costs allocated (note 8)	**4,696**	**3,840**	**842**	**622**	**311**	**10,311**

Basis of allocation
Support costs are recharged relative to the proportions of direct costs.

Risk (insurance) costs relate to insurance. All other Risk and Governance costs are shown in Note 9 (a).

9a. Allocation of governance costs

	2023 £'000	2022 £'000
Risk and governance	465	361
External audit	144	70
Total	**609**	**431**

10. Net income/(expenditure) for the year

	2023 £'000	2022 £'000
This is stated after charging:		
Depreciation	1,987	1,791
Impairment	172	1,092
Payments under operating leases:		
Retail properties	375	422
Equipment	54	9
Auditor remuneration:		
Audit of the financial statements 21-22	78	70
Audit of the financial statements 22-23	66	-

11. Gift Aid
For the year ended 31 March 2023, the charity received Gift Aid payments of £371k (2022: £333k).

12. Staff remuneration and pensions

	2023 £'000	2022 £'000
Salaries	21,018	19,616
Social security costs	2,099	1,815
Pension costs	1,401	1,373
Temporary staff costs	463	762
Agency staff costs	475	636
Total	**25,456**	**24,202**

The year end head count was 651 staff (2022: 707 staff). This figure includes permanent, fixed term and active bank workers and the average monthly number of full-time employees during the year were as follows:

12a. Average monthly number of full-time employees during the year

	2023 FTEs	Restated 2022 FTEs
Charitable activities	345	380
Fundraising	25	25
Charity shops	27	29
Support	129	123
Governance	4	5
Total	**530**	**544**

Key management personnel include the trustees, Chief Executive, Interim Chief Executive and the senior leadership team. The total employee benefits of the charity's key management personnel were £1,076k (2022: £1,073k). This comprises gross pay, employer pension contributions and Employer's National Insurance.

The 2022 FTE figures have been restated to reflect the catagorisation more accurately.

No trustee has received any remuneration during the year (2022: £nil). No trustee expenses were reimbursed during the year (2022: £nil).

The total number of employees whose emoluments for the year (not including national insurance or pension contributions) exceeded £60,000 was as follows:

	clinical	executive	2023 total	clinical	executive	2022 total
£60,001-£70,000	-	8	8	1	2	3
£70,001-£80,000	5	3	8	6	4	10
£80,001-£90,000	1	1	2	2	2	4
£90,001-£100,000	1	1	2	-	-	-
£100,001-£110,000	-	-	-	1	1	2
£110,001-£120,000	-	-	-	-	1	1
£120,001-£130,000	-	1	1	-	-	-
£130,001-£140,000	-	-	-	-	1	1
£180,001-£190,000	1	-	1	1	-	1
Total	**8**	**14**	**22**	**11**	**11**	**22**

The Chief Executive changed in December 2022 and the post is currently held on an Interim basis.

The Interim Chief Executive's emoluments (including NI and pension) fell into the £130,001 - £140,000 category on a full year basis.

During the year the charity made payments to 8 staff (2022: 5 staff) in respect of redundancy and termination totalling £90k (2022: £37k).

21 staff totalling £54k (2022: nil) received redundancy payments as part of the recovery plan organisational restructure. Included within creditors at the year end are a further £216k in relation to redundancy payments.

Pensions

The charity has contributed to both defined benefit and defined contribution schemes during the year. Defined benefit schemes are accounted for as if they were defined contribution schemes if required by FRS 102 Section 28 ("Employee Benefits"). The total cost to the charity for the year ended 31 March in respect of pension contributions, which have been allocated between resources expended categories in proportion to staff costs and charged to the Statement of Financial Activities as appropriate, is as follows:

	2023 £'000	2022 £'000	2023 £'000	2022 £'000
TCT Group Pension Plan	861	858	517	531
Teachers' Pension Scheme	129	129	11	13
NHS Pension Scheme	411	376	74	79
	1,401	1,363	602	623

The Children's Trust Group Pension Plan

The charity's Group Pension Plan is a defined contribution scheme, administered by Aviva, as personal pension plans for the benefit of employees. The scheme is also used to comply with auto-enrolment requirements, which came into effect from 1 November 2013.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to Access.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published on 5 March 2019. The key results elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including 0.8% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation was carried out in April 23 and will be reflected in the 23-24 account

The pension costs paid to TPS in the year amounted to £129k (2022: £129k).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan so it is accounted for as a defined contribution plan.

There were no outstanding teacher's pension contributions at year end for either year.

National Health Service Pension Scheme

The NHS operates an unfunded defined benefit scheme for the nursing sector, in which the charity participates. The charity is granted permission by the Secretary of State to be able to contribute to the cost of the scheme as a "Directed Employer" (an employer that can continue to have non NHS employed staff as members of the NHS pension scheme).

The cost represents the contributions advised by the NHS Pensions Agency. The charity is not liable for past service costs beyond these contributions. Contributions remained at 14.38% in 2023 and in 2022.

13. Trustee emoluments and reimbursed expenses

	2023 £'000	2022 £'000
Trustees' expenses	-	-

Trustees are encouraged to claim expenses to avoid this being a barrier to new trustees. If trustees don't wish to claim expenses, then they can make a donation of a similar amount. Gift Aid can then be claimed on such a donation.

The charity purchased insurance costing £6,652 (2022: £6,652) 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. Fixed assets

	Tadworth Court £'000	Freehold land £'000	Freehold & leasehold buildings £'000	Plant, furniture & equipment £'000	Motor vehicles £'000	Assets under construction £'000	Total £'000
Cost							
At 1 April 2022	3,544	753	24,913	5,579	433	1,874	37,096
Revaluation	1,549	2,197	108	-	-	-	3,854
Additions	-	-	30	229	-	251	510
Transfers	43	-	511	151	-	(705)	-
At 31 March 2023	5,136	2,950	25,562	5,959	433	1,420	41,460
Depreciation and Impairment							
At 1 April 2022	1,294	-	13,463	4,139	338	1,092	20,326
Impairment	-	-	-	-	-	172	172
Charge for the year	86	-	973	603	40	-	1,702
At 31 March 2023	1,380	-	14,436	4,742	378	1,264	22,200
Net book value at 31 March 2023	**3,756**	**2,950**	**11,126**	**1,217**	**55**	**156**	**19,260**
Net book value at 31 March 2022	**2,250**	**753**	**11,450**	**1,440**	**95**	**782**	**16,770**

Tadworth Court is a Grade 1 listed mansion building. It houses our pharmacy, 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 charge over the freehold property. (See Note 21 in respect of restricted funds).

During 2022-23 an independent professional revaluation of the land and buildings at Tadworth Court was carried out by Savills. The valuations were as follows; Land £2,950,000, Tadworth Court £3,750,000 and Freehold Land & Buildings £11,150,000 on the basis of open market valuation as at December 2022. Under the historical cost model the carry amounts would have been Land £753,000, Tadworth Court £2,197,000 and Freehold Land & Buildings £11,017,000.

14a. Intangible fixed assets

	Computer software £'000	Assets under construction £'000	Total £'000
Cost			
At 1 April 2022	2,342	741	3,083
Additions	15	76	91
Transfers	811	(811)	-
	3,168	6	3,174
Amortisation			
At 1 April 2022	959	-	959
Charge for the year	290	-	290
	1,249	-	1,249
Net book value at 31 March 2023	**1,919**	**6**	**1,925**
Net book value at 31 March 2022	**1,383**	**741**	**2,124**

15. Investments

	2023 £'000	2022 £'000
Market value at 1 April 2022	6,999	7,986
Cash transferred	(4,700)	(1,500)
Increase in market value	(459)	383
Investec Wealth and Investment dividends re-invested	101	169
Fees/charges	(17)	(39)
Market value at 31 March 2023	**1,924**	**6,999**
Historical cost as at 31 March 2022	**1,814**	**6,058**

	2023 £'000	2022 £'000
Fixed investments	313	944
Listed equities	1,260	4,977
Property	113	444
Alternatives	187	524
Cash	51	110
Total	**1,924**	**6,999**

£75k received originally from the Victoria Convalescent Fund is currently invested through Investec. The market value at 31 March 2023 was £57k (2022: £68k).

At 31 March 2023 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 (2022: £2). The registered office of the subsidiary is Tadworth Court, Tadworth, Surrey, KT20 5RU. The Childrens Trust Trading Company has been dormant as of April 2022.

16. Debtors

	2023 £'000	2022 £'000
Trade debtors	1,187	1,501
Other debtors	404	1,250
Prepayments and accrued income	292	722
Total	**1,883**	**3,473**

17a. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	424	1,607
Accruals	1,076	1,190
Other creditors	294	70
Deferred income	242	743
Social security and other taxation	479	3,011
Loans	375	-
Total	**2,890**	**6,621**

Analysis of deferred income

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 £743k was released to income and £242k was deferred.

17b. Creditors: amounts falling due after more than one year

	2023 £'000	2022 £'000
Loan	4,375	-
Amount payable:		
in more than one but not more than two years	625	-
in more than 2 years but less than five years	320	-
in five years or more	3,430	-
Total	**4,375**	**-**

During 22-23 The Childrens Trust entered into an agreement with Charity Bank (£4m) and Big Society Capital (£1m) to have access to a loan facility totalling £5m. Under the terms of the loan agreement the loan facility should be fully drawn down within 1 year of the signature date. As at the date of signing these accounts £3.5m has been drawn down.

During 22-23 The Childrens Trust also received loans from longstanding donors via Nednil Limited and Ashill Land Limited, and from a donor who wishes to remain anonymous.

Lender	Amount £'000	Drawn down £'000	Interest rate	Agreement date	Drawdown date	Term
Charity Bank	4,000	2,800	base plus 3.25%	17/02/2023	27/02/2023	25 years, first 3 years interest only
Big Society Capital	1,000	700	base plus 3.25%	17/02/2023	27/02/2023	25 years, first 3 years interest only
Major Donor 1 a	500	500	interest free	05/09/2022	07/09/2022	to 1 June 2025 repayments commencing Sept 23
Major Donor 1 b	500	500	interest free	24/11/2022	25/11/2022	to 1 June 2025 repayments commencing Sept 23
Nednil Limited	100	100	interest free	30/08/2022	30/08/2022	to 1 September 2024
Ashill Land Limited	150	150	interest free	12/12/2022	12/12/2022	to 21 December 2024

Post year-end, an agreement was signed with major donor 1 to convert £250k of one of the loans into a donation.

18. Financial and capital commitments and contingent liabilities

At 31 March 2023 the Trust had total commitments under non cancellable leases/agreements as follows:

	2023 £'000	2022 £'000
Leasehold buildings – up to one year	167	268
Leasehold buildings – between one and five years	346	78
Leasehold buildings – more than five years	-	101
Other – up to one year	51	29
Other – between one and five years	131	-
Total	**695**	**476**

At 31 March 2023, capital commitments authorised and contracted for (net of payments to date on account) amounted to £98k (2022: £98k) . No other capital expenditure was authorised but not contracted for.

19. Government grants

The following government grants were received:

	2023 £'000	2022 £'000
NHS England Children's Palliative Care grant	307	299
DFE Capital Grant	21	21
Hospice UK Grant	-	820
UK Government Furlough Scheme	-	18
Retail Grant	-	49
Total	**328**	**1,207**

There are no unfulfilled conditions which would require the repayments of any grants.

20. Related party transactions

There were no related party transctions during the year (2022: nil).

21. Capital and reserves

As at 31 March 2023:

a. Movement on funds	At 1 April 2022 £'000	Income £'000	Expenditure £'000	(Losses)/gains £'000	Transfers £'000	At 31 March 2023 £'000
Unrestricted general funds:						
Unrestricted funds:						
Undesignated	2,582	27,382	(33,403)	(444)	2,188	(1,695)
	2,582	27,382	(33,403)	(444)	2,188	(1,695)
Designated funds:						
Tangible fixed assets reserve	17,093	-	-	3,854	(1,520)	19,427
	17,093	-	-	3,854	(1,520)	19,427
Total unrestricted	**19,675**	**27,382**	**(33,403)**	**3,410**	**668**	**17,732**
Restricted funds:						
Development and operational	1,370	538	(1,584)	-	-	324
Grants	21	21	(42)	-	-	-
	1,391	559	(1,626)	-	-	324
Fixed Asset Restricted fund						
Department of Health	1,800	-	(42)	-	-	1,758
	1,800	-	(42)	-	-	1,758
Endowment funds:						
Gardiner Fund	668	-	-	-	(668)	-
Victoria Convalescent Fund	68	3	-	(15)	-	56
	736	3	-	(15)	(668)	56
Total funds	**23,602**	**27,944**	**(35,071)**	**3,395**	**-**	**19,870**

Transfers include £668k Gardiner fund moving to unrestricted and the remaining balance reducing the value of the fixed assets at the end of the year.

Previous year (31 March 2022):

	At 1 April 2021 £'000	Income £'000	Expenditure £'000	Gains/(losses) £'000	Transfers £'000	At 31 March 2022 £'000
Unrestricted general funds:						
Undesignated funds:						
Undesignated	6,966	26,896	(30,362)	369	(1,287)	2,582
	6,966	26,896	(30,362)	369	(1,287)	2,582
Designated funds:						
Tangible fixed assets reserve	17,231	-	(1,092)	-	954	17,093
	17,231	-	(1,092)	-	954	17,093
Total unrestricted	**24,197**	**26,896**	**(31,454)**	**369**	**(333)**	**19,675**
Restricted funds:						
Development and operational	659	1,652	(941)	-	-	1,370
Grants	318	320	(617)	-	-	21
	977	1,972	(1,558)	-	-	1,391
Fixed Asset Restricted fund						
Department of Health	1,467	-	-	-	333	1,800
Endowment funds:						
Gardiner Fund	708	23	(75)	12	-	668
Victoria Convalescent Fund	72	2	(7)	1	-	68
	780	25	(82)	13	-	736
Total funds	**27,421**	**28,893**	**(33,094)**	**382**	**-**	**23,602**

Designated funds

The fixed asset reserve, but not including the Department of Health (DoH) restricted fund represents the charity's investment in fixed assets.

Restricted funds

These are set out subsequently.

Endowment funds

The Gardiner Fund is an endowed special trust, established as an appeal fund in 1983. During the year the Gardiner fund was transferred from endowment with Charity Commission approval in November 2022.

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

As at 31 March 2023:

b. Analysis of restricted funds	At 31 March 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 March 2023 £'000
Operational:					
Project Butterfly	256	(255)	(9)	(10)	-
Aim 2	433	(50)	269	(114)	-
DFE Capital grant	-	-	-	-	-
Palliative Care	-	307	307	-	-
Sub total	**689**	**2**	**567**	**(124)**	**-**
Development:					
Community	64	3	65	(2)	-
Walkway	-	-	-	-	-
School	47	-	-	(47)	-
Cheyne Centre	2	76	27	(51)	-
Sub total	**113**	**79**	**92**	**(100)**	**-**
Houses					
Camelia/ Mulberry House	53	19	46	(26)	-
Maple House	27	-	25	(2)	-
Oak House	40	-	40	-	-
Chestnut House	43	15	55	(3)	-
Hawthorn House	25	-	12	(13)	-
Jasmine House	48	-	48	-	-
Sub total	**236**	**34**	**226**	**(44)**	**-**
Other					
Other	332	423	699	(56)	-
Sub total	**332**	**423**	**699**	**(56)**	**-**
Project Funds					
Community	-	-	-	169	169
Maple House non-staff budget relief	-	-	-	2	2
Mulberry / Camelia House non-staff budget relief	-	-	-	25	25
Chestnut House non-staff budget relief	-	-	-	3	3
Hawthorn House non-staff budget relief	-	-	-	13	13
General Equipment for CYP's	-	-	-	38	38
Play Services	-	-	-	69	69
Opthalmology equipment	-	-	-	4	4
Rose Garden	-	-	-	1	1
Sub total	**-**	**-**	**-**	**324**	**324**
Grants:					
School Standards Fund	21	21	42	-	-
	21	21	42	-	-
Restricted total	**1,391**	**559**	**1,626**	**-**	**324**
Fixed Asset restricted					
Department of Health	1,800	-	42	-	1,758
Total	**3,191**	**559**	**1,668**	**-**	**2,082**

Restricted funds have been transferred to regroup lines with the same restricted purpose.

Operational and Development funds represent 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 bequest granted by the donor.

Houses represents funds that are restricted donations for each individual house within the organisation and are used for outings for children, leisure activities and other items, depending on the bequest granted by the donor.

Other is a combination of a lot of small restricted funds, each with their own dedicated cost centre and specific restricted funding.

Project funds represent 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 bequest granted by the donor.

The Department of Health made grants in 1995 to the charity in relation to the Grade 1 listed property known as Tadworth Court. These grants, totalling £2.85m, are only repayable under certain circumstances which, in the opinion of the Trustees, are unlikely to arise. Of the total grants, £750,000 was applied to the transfer of the freehold of the site and £2.1m was applied to repairs to the building. The grants are secured by a legal charge over the freehold property.

c. Analysis of net assets between funds

2023

	Unrestricted £'000	Restricted £'000	Endowment £'000	March 2023 £'000
Fund balances at 31 March 2023 are represented by:				
Fixed assets	19,427	1,758	-	21,185
Investments	1,868	-	56	1,924
Current assets	3,705	321	-	4,026
Current liabilities	(2,765)	-	-	(2,765)
Long term liabilities	(4,500)	-	-	(4,500)
Total funds	**17,735**	**2,079**	**56**	**19,870**

2022

	Unrestricted £'000	Restricted £'000	Endowment £'000	March 2022 £'000
Fund balances at 31 March 2021 are represented by:				
Fixed assets	17,094	1,800	-	18,894
Investments	6,263	-	736	6,999
Current assets	2,939	1,391	-	4,330
Current liabilities	(6,621)	-	-	(6,621)
Total funds	**19,6754**	**3,191**	**736**	**23,602**

22. Financial instruments

	2023 £'000	2022 £'000
Financial instruments measured at fair value are as follows:		
Financial assets		
Investec Investment	**1,924**	**6,999**

23. Post Balance Sheet Events

On 25 August 2023 one of the donors who gave the charity an interest free loan (itemised in note 17b as Major Donor 1) signalled his intention to convert the first 2 loan repayments (due 1 September and 1 December 2023 totalling £250k) into a donation and to add the remaining £125k instalment due on 1 March 2024 to the end of the existing loan period, extending it to 1 September 2025. The Children's Trust accepted this generous offer on 30 August 2023.

On 1st June 2023, one of our residential school children sadly passed away in hospital. Please refer to the serious incident section under principal risks and uncertainties.

Further information

Reference and administrative details

Trustees

The following individuals were directors of the company during the reporting period:

Duncan Ingram
Chair of Trustees
Remuneration Committee (Chair)
Appointments Committee (Chair)
Resigned 28 September 2023

Fiona Sheridan
Vice Chair of Trustees
Finance, Fundraising and General Purposes (Chair)
Audit and Risk Committee
Investment and Remuneration Committees

Sarah Baker
Clinical Governance and Safeguarding Committee
Whistleblowing and Safeguarding Lead
Resigned 22 December 2022

Viv Berkeley
Educational Governance Committee (Chair)
Resigned 29 July 2022

Timothy Davies
Finance, Fundraising and General Purposes Committee
Audit and Risk Committee
Investment Committee
Educational Governance Committee

Denise Matthams
Clinical Governance and Safeguarding Committee (Chair)
Educational Governance Remuneration Committee

Toby Mullins
Educational Governance Committee (Chair from 29 July 2023)
Research Governance Committee

Nigel Scott
Finance, Fundraising and General Purposes Committee
Audit and Risk Committee (Chair)
Investment Committee (Chair)

Sam Thomson
Finance, Fundraising and General Purposes Committee
Resigned 28 September 2023

Anne Walker
Clinical Governance and Safeguarding Committee
Finance, Fundraising and General Purposes Committee
Audit and Risk Committee
Resigned 14 July 2023

Trustee appointments post year-end

Marian Ridley
Clinical Governance and Safeguarding Committee
Appointed 16 June 2023

Rory Litherland
Finance, Fundraising and General Purposes Committee
Remuneration Committee
Appointed 14 July 2023

Christine Brookes
Whistleblowing Champion and EDI Steering Group
Appointed 14 July 2023

Stephen Flanagan
Chair of Trustees
Appointed 14 July and as Chair *28 September 2023*

Senior Leadership Team

The following individuals were members of the Senior Leadership Team during the reporting period:

Dalton Leong
Chief Executive
Resigned 2 December 2022

Michael Maddick
Director of People and Culture (until 31st November 2022)
Interim Chief Executive and acting Director of Resources (from 1 December 2022)

Jayne Cooper
Director of Clinical Services (Chief Nurse)
Resigned 15 April 2022

Claire Champion
Interim Director of Nursing and Quality
Appointed 6 June 2022

Liz George
Director of Income Generation and Communications
Resigned 5 April 2023

Colin Kerr
Director of Finance and Business Performance
Resigned 8 July 2022

Elizabeth Sell
Interim Director of Finance
Appointed 8 September 2022

Samantha Newton
Director of Education
Resigned 2 January 2023

Dr Vijay Palanivel
Medical Director and Senior Consultant in Paediatric Neurodisability

Nicola Smith
Director of Strategy and Transformation
Resigned 30 April 2023

Melanie Burrough
Director of Therapies and Interim Director of Education
Appointed 15 August 2022 and 2 January 2023

SLT appointments post year-end

Katie Roberts and Sheila Lutchanah
Interim Director of Fundraising and Communications
Appointed 3 April 2023

Company Secretary

Olivia Rowntree

Medical Advisor

Dr Sarah Aylett
Resigned 6 September 2022

Registered Office

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

Advisors

Bankers
Lloyds Bank, 4th Floor, 125 London, Wall London, EC2Y 5AS
Charity Bank Limited, 82 High Street, Tonbridge, Kent, TN9 1BE

Auditor
RSM UK Audit LLP, 25 Farringdon, Street London, EC4A 4AB

Solicitors
Mills & Reeve, Botanic House, 100 Hills Road, Cambridge,
CB2 1PH

Investment Managers
Investec Wealth & Investment, 30 Gresham Street, London
EC2V 7QP

Ambassadors

Amanda Burton

Jenni Falconer

Richard Hammond

Adam Hills MBE

Harry Judd

Izzy Judd

Nicholas Owen

Elaine Paige OBE

Joely Richardson

Phil Tufnell

Holly Valance

David Walliams OBE

Sophia Warner BEM

The Children's Trust
For children with brain injury

The Children's Trust
Tadworth Court
Tadworth
Surrey
KT20 5RU

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thechildrenstrust.org.uk

Charity registration number: 288018
Company registration number: 1757875

Registered with
FUNDRAISING REGULATOR

Ofsted
Good Provider