



An Outstanding Year

2017/18 Report and Accounts



We are The Children's Trust, the UK's leading charity for children with brain injury

We have an ambition that all children with brain injury and neurodisability have the opportunity to live the best life possible. We play our part in achieving this ambition by delivering rehabilitation, education and community services through skilled teams who work with children and young people, and their families.

In November 2017 we were inspected by the Care Quality Commission and were delighted to achieve an overall rating of 'Outstanding' for the quality of the services that we provide. The assessors rating us as 'Outstanding' for each of the five areas that they inspect.



Overall rating for the service: **Outstanding**

Is the service safe?	Outstanding
Is the service effective?	Outstanding
Is the service caring?	Outstanding
Is the service responsive?	Outstanding
Is the service well-led?	Outstanding



CQC inspectors commented:

'Staff and management were committed to a supportive approach to caring and found ways to make sure that every person using the service was happy and comfortable.'

'Staff involved and treated people and relatives with compassion, kindness, dignity and respect.'

'Staff felt privileged to work at the service and felt listened to, supported and valued.'



Parents told the CQC:

'People and their relatives felt that the care that was provided exceeded their expectations.'

'People and relatives felt that staff went the extra mile in relation to the care that was provided.'



2017/18 ... the year in numbers

Our National Specialist Centre

71

Children received intensive rehabilitation at our National Specialist Centre following a brain injury



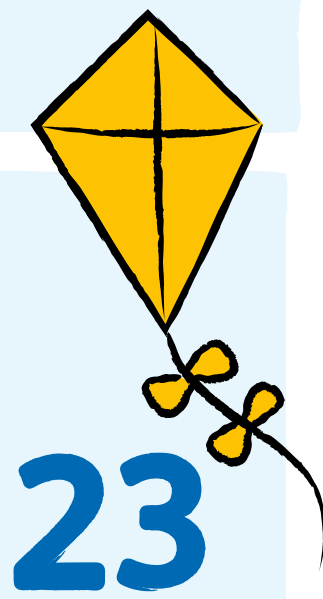
33

Children with a disability came to The Children's Trust for a short break or camp

The Children's Trust School

37

Children with complex education, health, therapy and care needs attended our School, **26** of whom were resident with us



23

Children attended Taddies, our pre-school parent and child group

Support in the community

1,197

Families supported across the UK through our Brain Injury Community Service

56,873

Visitors to the Brain Injury Hub seeking reliable, comprehensive information about brain injury and its consequences

1,050

Number of our books issued about brain injury, free of charge



Our employees

We had **553** employees as at 31 March 2018, in a huge variety of roles, spanning clinical, professional and support functions. We are committed to the highest ethical standards in our recruitment practices and make sure that all applicants and employees are treated fairly and equally. We also invest in our people so that they can develop and grow in their roles; between April 2017 and March 2018 we held **332** training sessions which were attended by **4,093** people.

92.5%

We are thrilled that in our last staff survey, 92.5% of our staff said they were proud to work at The Children's Trust.

Working in partnership



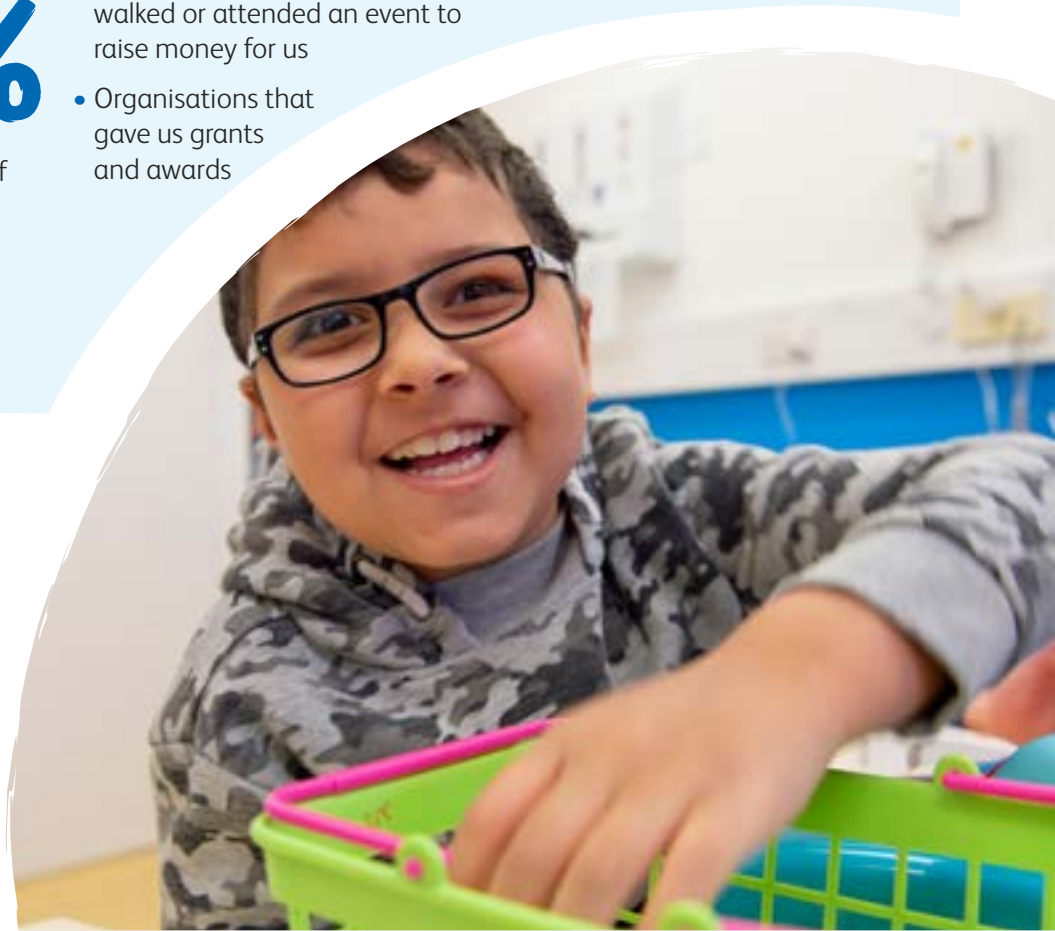
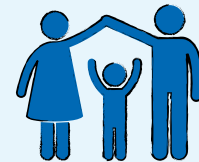
For every **£1** we receive, we spend **73p** on the children and young people that we support.

We are dependent on the support we received through partnerships, including:

- Our celebrity ambassadors, who helped to raise awareness and funds for our work
- Our supporters, who generously made donations to help us provide services and support
- Those who ran, cycled, abseiled, walked or attended an event to raise money for us
- Organisations that gave us grants and awards

Our volunteers

We are fortunate to have **1,008** volunteers who so generously give us their time and talents, many of whom have supported The Children's Trust for a number of years. We are indebted to them for their loyal service, whether it is driving the children, manning our shops, collecting boxes, helping at events or helping in so many other ways.



Foreword from our Chair

It is my pleasure and privilege to serve as Chair of The Children's Trust, where we share an ambition that all children with a brain injury or neurodisability have the opportunity to live the best life possible. During my five years as Chair I have been humbled and impressed by the dedication and commitment of our staff and volunteers, and, even more, by the determination and bravery of the young people and families that we support.

Last year, we launched our new strategy for 2017-2020, *Creating Futures Together*. We set out on an ambitious journey to be the best at what we do, to respond better to the needs of children and young people, ensure our services are there for the long term and to scale up so that even more children could benefit from our services and support.

Since the launch, we have made enormous progress. In January 2018 we were awarded an 'Outstanding' rating from the Care Quality Commission for each of the five areas assessed – an exceptional achievement. This is the highest possible rating and a rare achievement for any organisation, which reflects our relentless focus on the quality of our service.

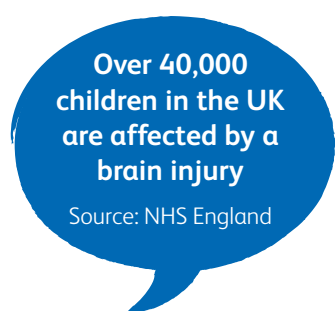
Following a re-evaluation, we relaunched our Brain Injury Community Service. The new service offers free-to-access, UK-wide support to any child or young person affected by a brain injury. A child can be referred by a doctor, healthcare professional, case manager, teacher or parent. It now includes clinical screening, advice and onward referral if needed. It is a huge step forward in reaching more children, and together with our successful Brain Injury Hub, helps us to share our knowledge and expertise so that more families can benefit.

Meanwhile, our School goes from strength to strength and was rated by Ofsted as 'Good' for both education and the care provided in the residential houses, and 'Outstanding' for leadership. Last year we extended our offer to include early years provision from 2 years of age, and our pre-school nursery 'Taddies' is flourishing.

Acquired Brain Injury rehabilitation remains at the heart of The Children's Trust. Every year, families entrust us with their children at the hardest time imaginable and, through a highly specialist and integrated programme of care, education and therapy, we help their children return home and adapt so that they can participate in everyday life.



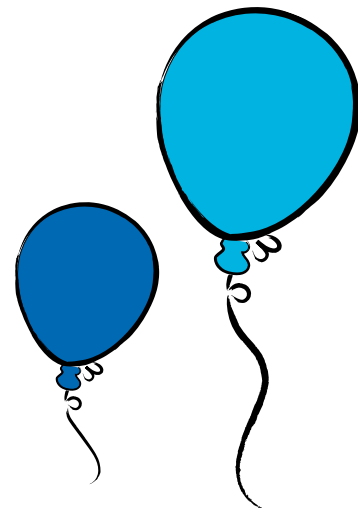
In January 2018 we were awarded an 'Outstanding' rating from the Care Quality Commission for each of the five areas assessed – an exceptional achievement.



40,000

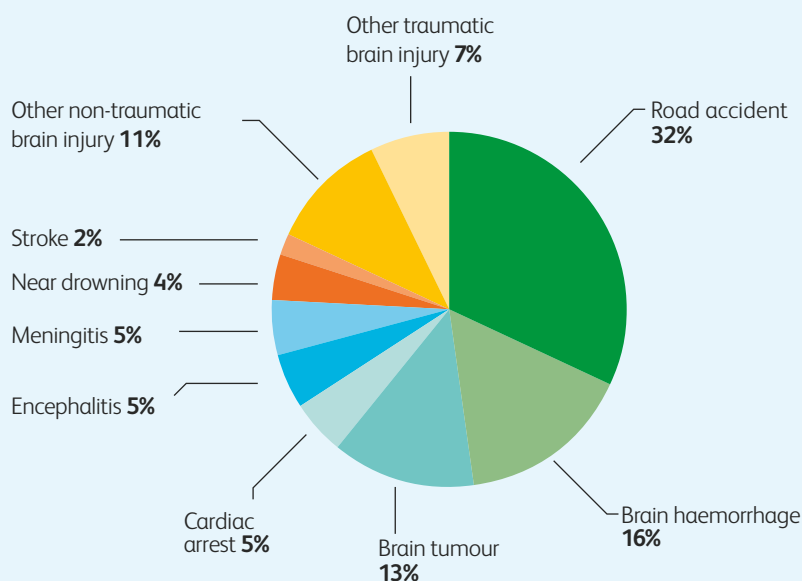
The challenges are still enormous; over 40,000 children in the UK are affected by a brain injury every year and at present, we can only help a fraction of them. We will relentlessly pursue our strategy and, with your help and support, will be uncompromising in our quest to reach and improve the lives of every child or young person affected by a brain injury or neurodisability.

We are clear in our vision and have a robust strategy to achieve our ambitions, but we operate in a challenging environment. Public trust in charities has been damaged through a lack of transparency and some poor practices have affected charities' ability to raise money. We need to demonstrate that we operate with integrity and ethically, and can be trusted to fundraise and spend the money generously donated to us with diligence and care. I, our Trustees, and staff commit to you that these will be our guiding principles above all else as we embark on the coming year.



**Chair
Duncan Ingram**

Reasons for admission for brain injury rehabilitation



Our team includes:

- ⌚ Director of clinical services
- ⌚ Medical director
- ⌚ Consultant paediatricians
- ⌚ Specialist consultant clinics
- ⌚ Registered nurses
- ⌚ GP clinic
- ⌚ Clinical psychologist
- ⌚ Educational psychologist
- ⌚ Occupational therapists
- ⌚ Physiotherapists
- ⌚ Speech and language therapists
- ⌚ Play therapists
- ⌚ Music therapists
- ⌚ Child support assistants
- ⌚ Social workers

A welcome from our Chief Executive

It has been exciting and rewarding to lead The Children's Trust over the past year. Our inspiring new strategy *Creating Futures Together* sets out a roadmap for us to improve the lives of thousands more children, young people and their families affected by brain injury and neurodisability. It is ambitious and challenging, but achievable. I am proud of how our staff, volunteers and supporters have got behind our strategy. They share our vision of a better future for the young people we support.



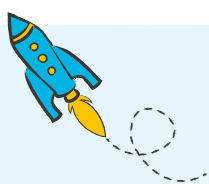
The first thing we set out to do is to be the *best at what we do*; to be the first choice organisation for children, young people, referrers and funders. We will work to deliver consistently and continually improve our work. A significant part of this is to ensure that we meet and surpass our regulatory requirements.

Our most important achievement this year was to improve our care and education ratings to be rated 'Outstanding' in every area assessed by the Care Quality Commission and 'Good' by Ofsted. This demonstrates the quality of our service and is a great testament to our dedicated staff. We have now set our sights on achieving CHKS accreditation and the ISO9001 quality mark.



92.5%

of staff say they are proud to work for The Children's Trust and **91.1%** would recommend The Children's Trust to families needing support

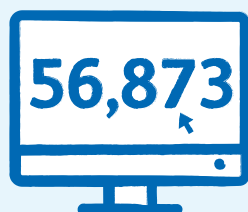


Our second aim is to *respond to the needs of children and young people*. We will involve children and families at the centre of our work to deliver the best care and specialist support to beneficiaries and find new ways in order to deliver more flexible and adaptable services.

Our new-look Brain Injury Community Service provides free access to support for any child or young person affected by an acquired brain injury across the UK.

We are seeing a significant number of referrals into the service, suggesting that we are helping families who could not access help before.

In addition to our community programme, support can be accessed via our Brain Injury Hub. Last year we had over **56,873** unique visitors to the hub website, which provides reliable information accredited by the Department of



Health's Information Standard, together with real life stories contributed by families. We also have a Facebook support group, a private place for families to connect and share experiences.

Our Brain Injury Community Service, Brain Injury Hub and our range of free books and publications help us to reach across the UK, sharing our knowledge and experience and reaching as many people as possible.

At The Children's Trust School, we have been developing a new School nursery so that we can expand our provision to younger years.



We have also been assessing the highly specialist care we provide at our National Specialist Centre in Tadworth and I am pleased to report that we are now helping more children. Following this reassessment, we have changed our admissions criteria to accept more children who require a longer stay due to their complex needs, for example long-term ventilation. We will continue to innovate and adapt around the needs of the children including widening the age range at the School.



Our third strand is to ensure our services are there for children for the long term. We need to support children now and in the long term, so we must make our organisation robust, efficient, effective and sustainable.

We ended the last financial year in a challenging position with a reported deficit. Through careful financial management, we have reduced our budgeted cost base by **8%** and repositioned and better marketed our services to generate new referrals. We end this financial year in a far stronger position, having reduced our deficit to **£469,000** by the year end.

We remain the only specialist paediatric service provider to receive block funding from

NHS England and our income from other commissioners is increasing, demonstrating our ability to offer value for money and positive outcomes for children and young people. We have also reassessed our fees to ensure they reflect the complexity of service we provide.

We aim to generate around **£7.5m** each year from fundraising, with plans to increase this through continued investment in acquiring new supporters. Last year's highlight was our Circus event at The Roundhouse, in partnership with SkillForce. Attended by HRH Prince William and hosted by David Walliams, we raised over **£260,000**. Our Supercar event, in its final year at Dunsfold, raised over **£100,000**, and in July 2018 we relaunched the event at its new home at the Rockingham Circuit in Northamptonshire.

Part of ensuring our services are there for the long term is making sure that our infrastructure is fit for purpose. As we have grown we have realised the need to modernise and improve our systems. Last year we installed a new telephony system and renewed our network infrastructure. We now turn our attention to our website, a new relationship management system, and new HR systems, as well as moving to electronic clinical records. This will make us more efficient and will save money over time.



Was raised at our Circus event at The Roundhouse.

£260,000



Finally, our fourth strategic aim is to *scale up* so that we can help more children with a brain injury or neurodisability. We intend to do this by deepening and broadening our expertise and service offering, and collaborating with like-minded organisations.

A very successful collaboration this year has been the launch of the Disabled Children's Partnership campaign 'The Secret Life of Us'. We are proud to be a founder

member of the campaign which now has the support of over 60 charities and many of these came to our Parliamentary launch in November, together with Emma and Millie Garbutt. Millie came to The Children's Trust for rehabilitation and has featured in the campaign. We are so pleased that the campaign has given Emma, Millie's mum, the opportunity to tell her story and give some insight into the challenges she and Millie face,



and what support she feels should be put in place for families in similar situations.

We have worked hard to raise awareness of our cause, appearing on Children in Need for the fourth year running. We were also delighted to welcome David Walliams and Joely Richardson as Ambassadors of The Children's Trust. Both have been highly engaged in our work, have hosted events and visited the children on multiple occasions; we are hugely grateful and honoured that they have chosen to support us.

Bringing it all together, this has been an important year for us. Our new strategy has been launched and our plans are progressing. We have strengthened our senior leadership team with two new directors. We are aiming for the highest standards in everything we do, whether it is caring for the children, education, fundraising or speaking up on behalf of families and this is evident in our regulators' assessments. We have grown in confidence as an organisation, but we are never complacent and never satisfied. There is always more we can do, and we will, with positivity, compassion and professionalism and the support of our amazing staff, volunteers and supporters.



**Chief Executive
Dalton Leong**

A Tribute: Sir Brian Hill

We were extremely saddened to hear of the death of our President and past Chair, Sir Brian Hill. Sir Brian cared passionately about the lives of disabled children and he was committed to supporting organisations that helped disabled children and their families. As an ambassador of The Children's Trust, he was dedicated to giving children with brain injury and neurodisability the opportunity to live the best life possible. He will be greatly missed.

In June 2018 The Children's Trust launched an innovative volunteer initiative, The Sir Brian Hill Volunteer Programme. This is a fitting tribute to our former Chair and President who was a dedicated volunteer throughout his life. The Programme will recruit and train more volunteers to support the work of The Children's Trust, and recognise the valuable contribution volunteers make to the organisation.



Brain Injury Rehabilitation

We provide rehabilitation for children with acquired brain injury at our National Specialist Centre in Surrey, helping them to make the best recovery possible after a serious accident or illness. Children come to us for a period of weeks or months, often with their parents. An individual 24-hour rehabilitation programme is produced for each child and is delivered by the multi-disciplinary team. The programme incorporates lots of different therapies, including physiotherapy, occupational therapy, speech and language, play and music therapy. We also aim to empower parents to continue with their rehabilitation goals when they go home.



Key achievements this year:

- ✓ We achieved an '**Outstanding**' CQC rating
- ✓ We achieved a '**Good**' Ofsted Care rating
- ✓ We **extended our services** to accommodate children with more complex needs, requiring longer stays
- ✓ We reduced the length of stay for rehabilitation so that **children can return home quicker**



Sharing our expertise – events held this year for professionals



Professional showcase at our National Specialist Centre for professionals interested in learning more about our approach to acquired brain injury rehabilitation



The Children's Trust National Paediatric Brain Injury Conference at BMA House



The Real Journey of Acquired Brain Injury study day



Research at The Children's Trust:

- ✓ Our Research Lead, Dr Lorna Wales, represented The Royal College of Occupational Therapists on the RCPCH Guideline Development Group to develop the **Stroke in Childhood Guideline 2017**
- ✓ We have **shared our research knowledge** on our website, social media and on ResearchGate
- ✓ We **published seven articles** in peer reviewed journals with four more under review
- ✓ We co-presented at **international scientific conferences** on six occasions this year
- ✓ We are carrying out a **funded research project** with the support of the private Physiotherapy Educational Foundation
- ✓ We awarded Dr Rob Forsyth an honorary contract to build on our **close collaboration with Newcastle University**



Charlotte's story



Name:

Charlotte

Brain injury cause:

Brain haemorrhage

Charlotte came to The Children's Trust for rehabilitation after an acquired brain injury.

I was on a speed boat with my friend and her dad. After going over a few waves I had a tremendously bad headache. It felt as though my head was trapped in a tight cage and it felt like my head was getting bigger and the cage was getting smaller. The last thing I remember is being sick and falling asleep in a beach chair.

I was airlifted to hospital and because my brain was swelling the medical team had to drill into my skull. I woke up five weeks later in hospital.

I had to relearn everything. I relearnt a few words and physiotherapists helped me to walk again using a special belt to help support me. They also worked on exercises to help my balance. Exactly a year after my injury I was able to walk and talk again. I had achieved so much.

While I was able to walk I was very slow and couldn't walk far. Physiotherapists helped me to improve my balance and build my stamina. I used the treadmill a lot, and to begin with I was quite scared and walked very slowly but I built up my confidence, balance and stamina and it was great to see myself reaching my goals.

I also worked on building my independence in daily activities during my rehabilitation as I had become quite reliant on other people. At first I didn't like the thought of being independent but with the support of staff I built my confidence up.

After a lot of hard work I was able to return to school. I got great GCSE results and then went on to college where I achieved a BTEC Level 3 Diploma in Childcare. Now I do a lot of babysitting and Mother's Help childcare jobs. I really enjoy working with children.

I also help The Children's Trust by talking about my experience, volunteering and inputting on literature they provide for children and young people – I recently helped on a book for teenagers.

I'm so grateful to everyone who has helped me recover and it means so much that I can be involved with helping other children with brain injury.



Exactly a year after my injury I was able to walk and talk again. I had achieved so much.



Acquired brain injury support in the community

In January 2018 we launched **The Children's Trust Brain Injury Community Service (BICS)** providing specialist goal-orientated neurorehabilitation delivered in the child/young person's own environment, either at home or in school, which is open to any child or young person following an acquired brain injury.

Delivered by specialists from a range of clinical backgrounds we work with the child and their family focusing on the needs which result from an acquired brain injury. We offer clinical screening, advice and onward referral, as well as community-based multidisciplinary neurorehabilitation.

A long-term register is also in place to monitor the needs of the child or young person at key stages of development and offer support if new needs arise. In addition, the service also works to raise awareness of acquired brain injury and offers clinical training, research and evidence to those working in the field.

To refer a child, please call **01737 365 864** and speak to a member our **Brain Injury Community Service team**.



The Brain Injury Hub is a website run by The Children's Trust information service. It provides practical advice and tips for families who have a child with a brain injury, such as therapy at home, the stages of rehabilitation, education after brain injury and financial advice. It also features



up-to-date brain injury news and relevant disability stories, as well as real life stories. Our information services draw on our expertise to provide support through our publications as well as our website and forum.

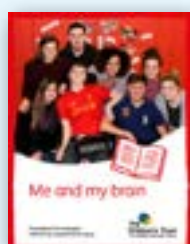
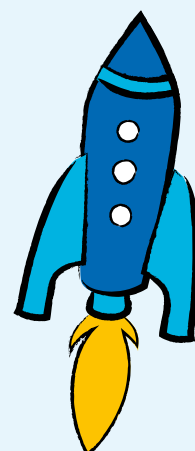
braininjuryhub.co.uk



Key achievements this year:

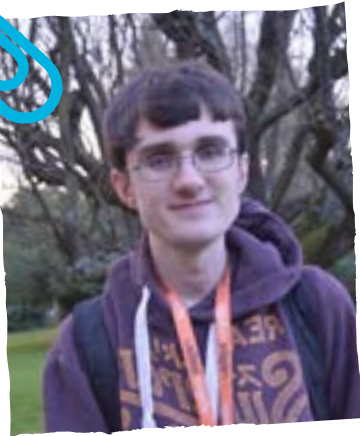
- ✓ Launch of the new-look **brain injury community service**
- ✓ Provided specialist **brain injury support in hospitals** in Sheffield, Nottingham, Leeds and London
- ✓ We wrote and published **'Me and My Brain'**, a handbook for teenagers
- ✓ We distributed **1,050 free books** to people affected by a brain injury
- ✓ We had over **50,000 unique visits** to our **Brain Injury Hub**

1,197 FAMILIES SUPPORTED IN THE COMMUNITY





Lewis's story



Name:

Lewis

Brain injury cause:

Illness

Lewis was supported by the Brain Injury Community Service

After a serious illness, 15 year old Lewis was left with a brain injury affecting his movement, communication and cognition. Lewis' return to school was a struggle, his extensive fatigue and memory difficulties affected his grades and his difficulties with communication affected his friendships. He became increasingly frustrated and socially isolated.

The team worked with Lewis to support his transition to college. Lewis worried about making new friends, coping with college demands and also the support he would receive.

Lewis, his family, college staff and local therapists were supported by the team's occupational therapist, speech and language therapist and educational psychologist to understand his difficulties and improve his skills. The support provided included sessions with Lewis and his family to help them understand his fatigue and social communication difficulties, joint sessions with local therapists and education staff to increase their knowledge around brain injury and Lewis' particular difficulties as well as ongoing telephone and email support.

College is going really well for Lewis. He feels more confident communicatively, has strategies in place to help maintain friendships and has organised a short trip in the UK with friends this summer. He has also been appointed as the disabilities officer for the student union and helps to organise events that the group hold at the college.

Lewis is able to manage his fatigue, allowing him to attend college and still have the energy to do things at weekends. He has the right support in his lessons, is positive about his future and is planning on going to University.



Lewis, his family, college staff and local therapists were supported by the team's Occupational Therapist and the Speech and Language Therapist to understand his difficulties and improve his skills.

The Children's Trust School

Our School is able to support children and young people with a wide range of special educational needs including neurodisability and complex education, health, therapeutic and care needs through day and residential placements.

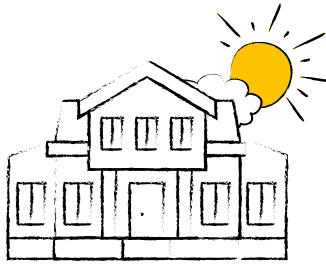
Our education, health and care teams work collaboratively to support young people in an integrated, holistic and age respectful way.

As a regional school, we cater for up to 44 children and young people from a wide catchment area across the South East of England aged 2-19 with residential placements for up to 26 children.

We operate a 48 or 52 week residential programme of which 39 weeks are educational,

and others are based around extra-curricular and social activities during half terms and holidays.

We are immensely proud to lead and work with a team of people who have a wealth of experience in special educational needs and who embrace and share the School ethos and residential aims and objectives.



Key achievements this year:

- ✓ Ofsted May 2017 – Good with Outstanding leadership awarded
- ✓ Headteacher and Deputy published article in PMLD Link and spoke at national conferences
- ✓ We began our partnership with SkillForce and will be the first SEN School to participate in The Prince William Award
- ✓ Developed a music curriculum with Professor Adam Ockleford
- ✓ Implemented the ASDAN Award, which is an externally validated qualification appropriate for our young people
- ✓ Contributing to development of Core and Essential Service Standards for supporting people with PMLD
- ✓ Opening a nursery as part of our new Early Years offering





Andre's story



Name:

Andre

Brain injury cause:

Genetic neurological condition

Andre was 11-years-old when he joined The Children's Trust School. He has a rare genetic neurological condition resulting in epilepsy and a developmental delay. Initially Andre's world was his bed, he could not sit up, and all of his day was spent there. He had frequent trips to hospital with chest infections and became oxygen dependant. Andre required a dedicated member of staff to be with him at all times.

To start his journey the child support team worked together with the physiotherapy team to gradually build up the time he was able to sit up, starting with 5 minutes. Andre has an extreme curvature of the spine, so sitting up was very uncomfortable for him and affected his breathing. The team made a special spinal jacket for him supporting his spine and enabling him to be more comfortable and breathe more easily.

With this support in place Andre could sit up for longer periods and eventually was able to start attending The Children's Trust School. He discovered the swimming pool, smiling and enjoying the jacuzzi. Trips became possible and Andre started exploring the world around him.

Andre still requires additional support for his breathing, and now has special machines which help his breathing overnight and enable him to cough.

Having all this support in place has been life changing for Andre, he has had no further hospital admissions for chest infections, and is able to attend The Children's Trust School full time, enjoying many different activities and meeting new friends. He has recently been on holiday to Hampshire and especially enjoyed going on a steam train.

His preferences and personality now shine through and, as a typical teenager his first choice is always to stay in bed!



With this support in place Andre could sit up for longer periods and eventually was able to start attending school.

Working in partnership

Every year, we need to raise around £7.5m to provide our services and support to children. Voluntary donations fund our community services, music and play therapy, outings and activities for the children, parents' accommodation, our books and the Brain Injury Hub. It makes a huge difference and we are enormously grateful to everyone who has supported us with our fundraising.

Equally important is the need to raise awareness of childhood brain injury; it is a specialist, complex area and the vast majority of the public will have very little knowledge or experience of brain injury. We need to tell the story of the children that we support so that we foster understanding of the issues they face and provide a compelling reason for the public to get behind us and get involved in our work. We do this through PR, social media, campaigning, celebrity support, digital marketing and a range of marketing and communications activity.



In 2017/18, we raised £7,448,000 through donations, gifts-in-kind and events



Ambassadors David Walliams and Elaine Paige



Spotlight on ...
Unforgettable Circus event

The Children's Trust and SkillForce teamed up to host a star-studded circus-themed fundraising dinner hosted by Ambassador David Walliams that raised over **£260,000** with special guest HRH The Duke of Cambridge in attendance. Guests were entertained by international circus acts and special performances from Ambassador Elaine Paige and Britain's Got Talent winner Lance Corporal Richard Jones. We are very grateful to the Head family who made this event possible.



HRH Prince William



Dawn French, Vanessa Redgrave, Jennifer Saunders and Joely Richardson with our Chair Duncan Ingram



Ambassador Amanda Burton at The Royal Parks Half Marathon



The launch of the #MyBrave campaign, raising money and awareness for the children we support



Thank you to all those who donated over 133,000 bags to our 19 shops.



Going to work in bedtime attire for National Pyjama Week



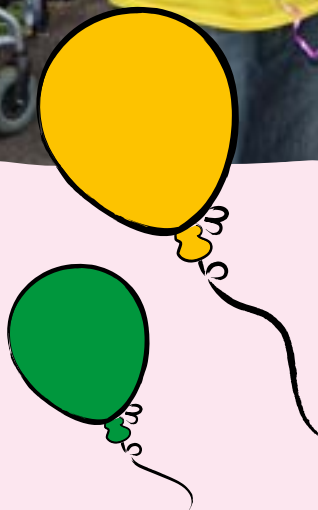
Spotlight on ... a Royal Visit

Children, young people, volunteers and staff were thrilled to hear that HRH Princess Beatrice was to visit our National Specialist Centre in Tadworth. Princess Beatrice visited children with us for rehabilitation, spoke with staff and families and ended the visit with tea and cake in The Children's Trust School.



Visit by HRH Princess Beatrice

Ambassador Phil Tufnell



Comedy Night hosted
by Adam Hills



We campaigned as a founder
member of the Disabled
Children's Partnership



Shane Richie and Craig Philips at The Supercar Event



We are proud to have been chosen as Kia's charity – Kia employees showed their support by volunteering to help us at fundraising events, taking on skydives, abseils and even running the London marathon. Kia kindly provided us with a Kia Sorento so that our brain injury specialists working in the community can continue to reach out to children and their families in need of support.



Our team of 117 runners in the Virgin Money London Marathon raised over £325,000



A big thank you to Kingswood Arms Golf Society (KAGS) for donating £44,000 towards the refurbishment of Willow House

News of The Children's Trust is spreading; The Third Sector Charity Brand Index 2017 showed that we are now ranked 56th in the UK for brand awareness, a marked increase from 71st place in 2013.



Ambassador Nicholas Owen and Dalton Leong



Ambassador Joely Richardson



Payal taking part in the 'Gracious Art Project'



Spotlight on ... The Gracious Heart Foundation

The Gracious Heart Foundation asked The Children's Trust to be a beneficiary of the 'Gracious Art Project' where three pupils from The Children's Trust School worked with world renowned artists to create five pieces of art. These artworks were then auctioned at an event they put on at Christie's Auction House in London on Wednesday 21 March, led by world famous art auctioneer Simon De Pury. The night raised an incredible £100,000 for The Children's Trust.

Thank you to Property Race Day for supporting the redevelopment of our walkways



Celebrating our Volunteers

We are so grateful to every one of our 1,008 amazing volunteers.

Here's some of the ways they got involved – and how we celebrated their support – over the last year.



Some of our incredible volunteers celebrating National Volunteers' Week at our afternoon tea.



Dorking shop volunteers Ash and Simon, take the opportunity to meet Alice during National Volunteers' Week.



Benedict, our Canterbury volunteer (with staff members Julie and Justine) spread a little festive cheer while celebrating his 'Retail volunteer of the year' win at our Christmas Awards ceremony.



Jenny Gunning (right) receiving an award at The Reigate and Banstead Mayor's Volunteer Awards 2017



Doreen, our fabulous Chessington shop volunteer showed nerves of steel and dedication to The Children's Trust, by taking on a freefall abseil down the London Orbital at the age of 81!

Charity Registration Number 288018
Company Registration Number 1757875

**Trustees’
Annual Report
and Financial
Statements for
the year ended
31 March 2018**



The Children's Trust

Trustees' Annual Report and Financial Statements for the year ended 31 March 2018

Index

	Page
Trustees and Senior Leadership Team	25
Trustees' Annual Report	26-31
Statement of Trustees' responsibilities	32
Independent Auditor's Report	33-35
Statement of financial activities	36
Balance sheet	37
Cash flow statement	38
Principal accounting policies	39-41
Notes to the financial statements	42-53

The Children's Trust

Reference and administrative details of the charity, its advisors and trustees

Trustees

Chair:	Duncan Ingram	
Vice Chairs:	Imelda Charles-Edwards	Michael Gercke
Trustees:	Sarah Baker	Caroline Chang
	Timothy Davies	Nicholas Grant
	Roger Legate OBE	Toby Mullins
	Nigel Scott	Anne Walker

There were no appointments/resignations during the year

Senior Leadership Team

Dalton Leong	Chief Executive
Professor Gareth Morgan	Medical Director
Maggie Clancy	Director of Clinical Services
Samantha Newton	Director of Education/Headteacher
Valerie Lee	Director of Finance & Operations (To September 2017)
Kelly Brown	Interim Director of Finance (To January 2018)
Colin Kerr	Director of Finance (From January 2018)
Claire Wood Hill	Director of Income Generation & Communications (To October 2017)
Nicola Bishop	Interim Director of Income Generation & Communications (To February 2018)
Paul Farthing	Director of Income Generation & Communications (From February 2018)
Michael Maddick	Director of People
Nicola Smith	Director of Strategy, IT & Governance (To December 2017) Director of IT & Facilities (From January 2018)

Company Secretary

Valerie Lee (To September 2017)

Kelly Brown (To January 2018)

Colin Kerr (From January 2018)

Charity Registration Number 288018

Company Registration Number 1757875

Registered Office

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

Advisors

Bankers:	Lloyds Bank, 4th Floor, 125 London Wall, London EC2Y 5AS
Auditor:	Kingston Smith LLP, Betchworth House, 57-65 Station Road, Redhill RH1 1DL
Solicitors:	DAC Beachcroft, 100 Fetter Lane, London EC4A 1BN
Investment Managers:	Investec Wealth & Investment, 30 Gresham Street, London EC2V 7ON

The Children's Trust

Trustees' Annual Report

FOR THE YEAR ENDED 31 MARCH 2018

The Trustees are pleased to present their 33rd Annual Report and the audited financial statements of The Children's Trust for the year ended 31 March 2018. The legal and administrative information set out on page 25 forms part of the report.

Introduction

The Children's Trust ('the charity') financial statements for 2018 and the 2017 comparative figures are constructed in line with best practice. Compliance with best practice extends to the need to address the 'public benefit' provided by the organisation, in line with Charity Commission guidelines.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity' (PB2).

Structure, Governance and Management

Structure

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

The charity is established:

- For the care, treatment, rehabilitation and education of children and other persons with physical disabilities, learning disabilities and complex medical needs, including life-limiting or life-threatening conditions and neurological damage acquired through accident or other causes; for 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.

The names of the Trustees of the charity are listed on Page 25. The Trustees, who, for the purposes of the charity/company law are the directors of the charitable company, are appointed by the members of the Board. Where appropriate, members are re-elected at the Annual General Meeting.

The key management personnel are the Trustees and Senior Leadership Team set out on Page 25.

Governance

The Trustees meet six times a year and are responsible for determining the strategy of the charity and for ensuring successful operational performance, in line with the expectation of stakeholders.

The charity also has the following committees:

- Appointments (Chair: Duncan Ingram)
- Finance, Fundraising and General Purposes (Chair: Michael Gercke)
- Audit and Risk (Chair: Michael Gercke)
- Remuneration (Chair: Duncan Ingram)
- Investment (Chair: Nigel Scott)
- Research Governance (Chair: Dr Manju Kurian)
- Clinical Governance and Safeguarding (Chair: Imelda Charles-Edwards)
- Educational Governance (Chair: Toby Mullins)

Policies and procedures are in place for the recruitment and training of new Trustees, together with arrangements for setting the benchmarks for management remuneration.

The charity recognises the importance of good governance and welcomes the new Charity Commission Code of Good Governance. The charity used the previous Code to develop a Governance Statement of Principles and review of Board Performance. All Trustees have been made aware of their responsibilities under the code. During 2018, the charity will be auditing independently all policies, processes and performance against the Code.

The governing instrument for the charity is the Articles of Association.

The charity's decision-making processes are encapsulated in a Delegation of Authority policy, setting out clear parameters for those decision making powers retained by the Board and those that are delegated to the Chief Executive, Dalton Leong (and through him, to his Senior Leadership Team).

Risk Management

The Trustees operate comprehensive risk management processes through the Clinical Governance and Education Governance Committees, whilst the discussion of complaints and incidents is a standing agenda item on the weekly meetings of the Senior Leadership Team and is on the agenda of the Trustees' meetings.

On wider risk management, the charity has now appointed a Head of Internal Audit, Risk & Governance and all risk processes are being reviewed, including an assessment of risk appetite, which sets out the tolerance to risk in order to achieve the strategic objectives.

The following were upgraded in March 2018:

- Risk register processes for the Finance, Fundraising and General Purposes Committee
- Corporate Risk register for the Senior Leadership Team, Audit and Risk Committee and Trustees
- Overarching policy on the Integrated Management of Risk

These arrangements will be embedded in 2018/19 and there will also be the introduction of an integrated audit plan for the year.

Key risks facing the charity are: safeguarding, strategic development of the School, income and cost control, health and safety, public relations and external communications, information governance, legacy IT systems and regulatory compliance. All of these risks have been re-assessed through the mechanisms set out above.

Public Benefit and Activities

In 2017/18, the charity's Neurorehabilitation Service, at Tadworth, provided rehabilitation to 71 children and young people recently discharged from hospital, on an average length of stay of 4.0 months. The outcomes of this service are reflected in increased mobility and communication skills. The service was evaluated by the Care Quality Commission (December 2017) as 'Outstanding' in all five categories.

During this period, the charity's School, at Tadworth, provided facilities for 26 resident children and 12 day pupils, along with a pre-school support group ('Taddies'). The service was evaluated by Ofsted in May 2017 as 'Good with outstanding leadership and management.'

Funded by donations, the charity has now launched successfully the Brain Injury Community Service (BICS), based in Tadworth and in four English hospitals.

The Trustees have had regard to the Charity Commission guidance on public benefit and are confident that the services provided by the charity meet the requirements of the Charity Commission.

Gift Aid

For the year ended 31 March 2018, the charity will receive Gift Aid payments of £300k (2017: £478k). Against this, the charity sustained irrecoverable VAT of £619k (2017:£503,000).

Insurance

The charity maintains insurance policies for Trustees and for Executive Directors (and all staff) against liabilities in relation to the charity's activities.

Volunteers

The charity is indebted to over 1,000 volunteers who have supported the activities over the year. Primarily, volunteers support us in our shops and at our events. In the case of the shops, we also work with young people working with the Duke of Edinburgh Award scheme. Volunteers also work in specialist areas (for example, HR and legal advice) and some volunteers also support our care staff with activities such as reading and trips.

Fundraising

The charity's approach to fundraising focuses on six main areas: i) the solicitation and stewardship of donations being paid by monthly direct debit, or as cash gifts, ii) running and entering events, iii) building partnerships with businesses and other organisations, iv) soliciting gifts from trusts and foundations, v) through a chain of shops selling new and donated goods and vi) gifts in wills from supporters.

The charity is a member of the Fundraising Regulator scheme and is thereby entitled to use the Regulator's logo on its fundraising materials. The charity has published its Supporter Promise, which is available on its website, has a complaints policy and process in place and has reviewed its approach to consent and data protection in light of the implementation of the General Data Protection Regulations on 25 May 2018. These steps are the charity's response to public attitudes that fundraising should not unreasonably intrude on the privacy of donors and avoids undue pressure and persistent requests for support.

During the financial year 2017/2018, the charity received a total of 30 complaints in relation to its fundraising activity and 26 in connection with its retail operations. Each of these complaints has been investigated and resolved. There were no instances where a complaint was referred to the Fundraising Regulator.

These complaints should be seen in the context of 257,000 emails, nearly 355,000 items of direct mail, over 34,000 people who took part in our events and box collections, 103 third-party events and approaches to over 1,000 businesses and trusts. The retail complaints are in the context of over 348,000 customer transactions in our 20 shops.

The Children's Trust

Trustees' Annual Report

FOR THE YEAR ENDED 31 MARCH 2018 – CONTINUED

During 2017/2018, the charity had three live commercial participatory agreements with professional fundraising organisations acting on its behalf. These were the recruitment agencies One Sixty, PFS and the telephone agency DTV Optimise. These relationships were supported through direct delivery of training and monitored through regular meetings with the contract managers, review of complaints received and mystery shopping and call listening programmes.

In addition, the charity is an Organisational Member of the Institute of Fundraising, thereby demonstrating its commitment to maintaining standards and quality in the sector. In particular, we have embraced the principles within the Institute of Fundraising's Code of Conduct of working with vulnerable people – Treating Donors Fairly and ensure that our commercial partners abide by the Fundraising Code and the guidance on vulnerable people. All of this work has allowed us to generate £7,448k (2017: £6,861k) of charitable income from fundraising and retail operations.

Strategic Report for the year ended 31 March 2018

Objectives And Strategy

In 2017, the charity launched a new three year strategy, 'Creating Futures Together', with four elements:

- Be The Best At What We Do
- Respond To The Needs Of Children And Young People
- Ensure That Our Services Are There For Children For The Long Term
- Scale Up

The charitable objects of the charity are for the care, treatment, rehabilitation and education of children and other persons with physical disabilities, learning disabilities and complex medical needs, including life limiting or life threatening conditions and neurological damage acquired through accident or other causes; for the support of families and other carers involved; and for the prevention of such disabilities and disorders.

In addition, the objects include the requirement to hold for the benefit of the public the freehold of the heritage property known as Tadworth Court in Surrey and its grounds and to restore, conserve, improve and maintain the property and all the buildings, walls, parks, gardens and woodlands.

In considering the charity's objectives and activities, the Trustees have complied with their duty to have regard to the guidance on public benefit published by the Charity Commission. This is reflected in the Public Benefit element in the previous section.

Key Achievements

With regard to the four elements of the strategy (above):

- **In the year, the charity has been graded as 'Good with Outstanding Leadership' with Ofsted Education, 'Good with Ofsted Care and 'Outstanding' with the CQC.**
- The charity is on target to meet assessments on Quality Management (CHKS – March 2018)
- On Data Protection, the charity has taken steps to ensure compliance with the GDPR requirements (May 2018)
- In the year, the charity has improved the linkages between the Tadworth services and the community services, reduced the average length of stay of rehabilitation residents to 4 months and has completed the successful launch of the Brain Injury Community Service (BICS)
- The main success of the third strategic objective was to have sustained the level of fundraising income after the decline of 2016/17
- On scaling up, the objective here had been to increase the average number of neurorehabilitation residents from 24 to 28 over the year. This has not been achieved and in fact, the first six months of the year saw the number dipping below 22. However, with a strong second half year, the number increased to 25 and the plan for 2018/19 is to maintain that number throughout the year. Similarly, for the school, the plan is to maintain the current level of 24 residents throughout the year.

Material investment has continued in fundraising to secure and to strengthen future revenues. Investment in 'donor acquisition' in 2017/18 was £0.6m (2016/17: £0.5m) with further investment planned over the next two years. Increased returns are scheduled from 2020/21.

Our Employees

In line with our vision of the charity, it is committed to ensuring that all job applicants and employees are treated fairly. The charity values diversity and social inclusion across all of its activities and the recruitment process ensures that all applicants have equality of opportunity, are treated with respect and with dignity and are checked properly and screened to ensure that they are fit and suitable to work with vulnerable people.

Employee communication and engagement is key to the success of the charity. Through the internal communications team, the charity ensures that all employees are kept fully informed about the strategy, objectives and performance, as well as day-to-day news and events. Regular information about the charity is available through newsletters, online resources, team meetings, group briefings and regular management conferences. All employees are encouraged to give their suggestions for improvement and views on performance and strategy.

The arrangements for setting the pay and remuneration of the charity's staff (including key management personnel) are overseen by the Remuneration Committee, which receives advice on comparative benchmark trends on pay.

It is a legal requirement for employers with 250 or more relevant staff to publish gender pay gap information by April 2018. The report was made available to staff by the due date.

Two areas were highlighted in the report:

- The mean (i.e. average) gender pay gap is 7.4%
- The median (i.e. midpoint) gender pay gap is -12.2%

The cause of these gaps is that our workforce is 85% female, yet we have a proportionately higher percentage of male workers at Executive level, compared to our overall gender balance.

We have assessed that our principles and approach are fair and equitable. We already have a robust strategy to address some of these issues, including career development, flexible working and recruitment policies. We do not believe that either is a systemic problem, but we need to examine ourselves further and be relentless in ensuring that we understand our gender pay gap and act accordingly.

Financial Risk Management: Investment Policy

For 2017/18, the investment policy was unchanged from previous years: an investment portfolio of circa £2.4m was retained throughout the year, whilst the balance of liquid funds was split between short term cash investments and retained cash.

For 2017/18, the return on these investments was as follows:

- Investment income: £115k (2017: £195k)
- Unrealised gain/(loss) on investments: £(3)k (2017: £223k)
- Net gain on disposal of investments: £527k (2017: £1,407k)

In January 2018, the Investment Committee appointed Investec Wealth & Investment Management Ltd. as fund managers to the charity. Investments began to be transferred to Investec from 1 April 2018.

The new investment policy precludes any direct investment in tobacco companies and other companies which may harm or exploit children or young people.

Operational Performance

The Senior Leadership Team and the Trustees measure the achievement of the objectives and performance of the charity by the regular review of the following Key Performance Indicators.

Our Key Performance Indicators

	Targets for 2017/18	March 2018	March 2017
Average rehabilitation residents	26	23.7	22.6
Average rehabilitation Length of Stay	121 days	123 days	120 days
% Conversion Rate for year	–	57%	71%
Average School residents	26	25.8	25.7
Average School day pupils	12	13.1	9.5
Net fundraising contribution	£3.2m	£3.7m	£2.8m
Net retail contribution	£0.4m	£0.2m	£0.4m
% Overall staff turnover	–	18.2%	31.1%
Operating margin	-£1.4m	£0.0m	-£0.7m
Debts receivable > 60 days	–	£1.7m	£1.7m
% Capital programme delivered	100%	43%	22%

Note: Contribution is defined as being income less direct costs only

Definitions:

Operating margin: Net surplus/deficit, excluding the fundraising investment

Length of Stay: Mean average, excluding outliers

Conversion Rate: Proportion of admissions to enquiries

Accounting Framework

The Financial Statements have been prepared in accordance with the accounting policies set out in notes to the Financial Statements and comply with the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standards (FRS 102) applicable in the UK and in the Republic of Ireland (effective January 2015).

Financial Performance

Income in 2017/18 was £24.1m (2017: £23.2m), of which the primary sources were:

- £16.0m (2017: £15.9m) from the NHS and from Social Services
- £5.7m (2017: £4.9m) from fundraising
- £1.8m (2017: £1.9m) from retail operations
- £0.6m (2017: £0.5m) (net) from other sources

The Children's Trust

Trustees' Annual Report

FOR THE YEAR ENDED 31 MARCH 2018 – CONTINUED

During 2017/18, the charity focussed extensively on costs, stripping out some 8% of its original expenditure budget values. Significant steps were also taken to improve the processes underpinning the marketing, contracting and monitoring of the charity's income streams. Finally, work was undertaken, with external support, to look freshly at the underlying financial models covering the next three years.

The results for 2017/18 reflected these work programmes, showing the net income deficit (prior to a gain on investment) reduced to £381k, which with a planned fundraising investment of £612k, generated a combined deficit of £993k (2017: £2,363k). Against this, there was a further gain on investment disposal of £524k (net) (2017: £1,630k) leaving the net deficit at £469k (2017: £733k).

For 2018/19, the charity has strengthened its income lines and consolidated its cost reductions, giving a core operating surplus budget of £0.5m. A further £1m of fundraising investment has been set aside for the new year (taking the overall budget deficit to £0.5m) and this investment will be repeated for one further year, following which the fundraising income payback should emerge.

With the financial position now stabilised, a key focus for 2018/19 will be on continuing to strengthen the systems and management processes, all geared towards strengthening performance management.

Turning to the balance sheet, the overall net value of fixed assets fell (from £15.4m to £14.8m), as the charity did not deliver its capital programme in full. A Project Board has been established for 2018/19 to address this deficiency and a strong capital budget has been set. In spite of an overall deficit, net working capital increased from £10.9m to £11.7m, due primarily to low capital spend. The value of the charity's funds overall reduced from £29.4m to £28.9m. Of this, the unrestricted funds now stand at £24.9m, compared to £25.8m in 2017.

The increase in restricted funds of £0.4m related primarily to capital grants received, as yet uncommitted.

In conclusion, the balance sheet remains strong and the Trustees have taken steps to stabilise the operational financial position, with the intention being for 2018/19 to consolidate a stable financial performance, whilst strengthening the underlying processes.

Reserves Policy

As with previous years, the Trustees 'designate' funds, primarily to reflect that element of unrestricted funds which is invested in fixed assets. Accordingly, the designated fund is shown at £13.1m. A further small designated fund has been set at £1.1m to cover the overall planned deficit of £0.4m for 2018/19, together with £0.7m in respect of capital underspend in 2017/18 carried forward to 2018/19.

In addition to the designated funds, the Trustees need to ensure that there are sufficient reserves to withstand adverse operating conditions, in an increasingly volatile market. To this end, the Trustees continue to adopt a reserves policy for undesignated funds against a criterion of operating expenditure for four months. In the context of the 2018/19 budget, this equates to £8.4m: against this, the undesignated reserves are £10.6m (2017: £9.5m). There is an apparent surplus of £2.2m: this is being held in the expectation that the charity expects to commence the construction of a replacement school building over the strategic period.

Debt Profile

The charity does not hold loan facilities.

Financial Instruments

As the charity does not hold loan debt, it does not utilise interest rate swaps. Similarly, as the charity only operates in Sterling, there is no currency risk. Any surplus cash balances are invested in approved UK institutions.

Cash Flows

Cash inflows and outflows for the year under review are contained in the statement of cash flows and the cash flow notes shown on page 38. The main net cash inflows from operating activities are directly from our charitable activities, together with revenues generated from fundraising. The net cash outflows from capital expenditure are costs on the development and maintenance of properties and planned maintenance improvements.

Cash held rose by £546k in the year, of which the key elements were:

- Operating loss before investment gains: £993k, plus
- Underspend on the capital programme: £570k
- Sale of investments: £527k
- Transfer of cash deposit investments: £677k, less
- Increase in debtors: £190k

Future Developments

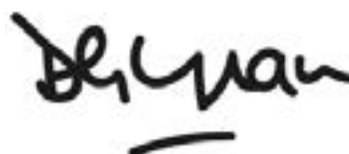
The primary financial objective for the charity in 2018/19 is to achieve the targets set in the budget, thereby demonstrating stability in income (rehabilitation, education and fundraising) and effective cost control in expenditure. A strong capital budget of £2m also demonstrates a renewed commitment to sustaining all aspects of the charity's infrastructure.

On a similar theme, the new Business Plan also identifies projects to strengthen performance management, to introduce a 'dashboard' of key management performance indicators and to strengthen costing and pricing processes and procurement.

The charity will also look afresh at options for strengthening the core business.

Independent Auditors

Kingston Smith LLP has indicated its willingness to continue in office. The external audit service is being put out to competitive tender for the 2018/19 audit and beyond.



Duncan Ingram
Chairman

Date: 20 July 2018

The Children's Trust

Statement of Trustees' Responsibilities

FOR THE YEAR ENDED 31 MARCH 2018

The Trustees (who are also directors of the charity 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 which give a true and fair view of the state of affairs of the organisation and of the incoming resources and application of resources, including the income and expenditure, of the organisation for that period. In preparing these financial statements, the Trustees are required to:

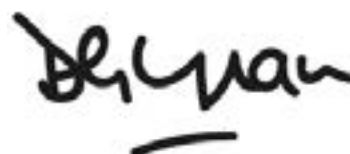
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the organisation and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the organisation's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Annual Report was approved by order of the Board (and the Strategic Report (included therein) was approved by the Board of Trustees in their capacity as the Directors) at a meeting on 20 July 2018 and signed on its behalf by



Duncan Ingram
Chairman

The Children's Trust

Independent Auditor's Report to the Members of The Children's Trust

FOR THE YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of The Children's Trust ('the charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 2018 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 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.

Conclusions Relating To Going Concern

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

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

Other Information

The 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions On Other Matters Prescribed by the Companies Act 2006

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

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

The Children's Trust

Independent Auditor's Report to the Members of The Children's Trust

FOR THE YEAR ENDED 31 MARCH 2018 – CONTINUED

Matters On Which We Are Required To Report By Exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records 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 Trustees' responsibilities statement set out on page 32, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

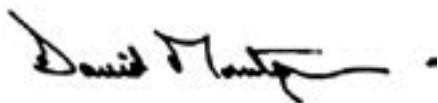
As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of Our Report

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



David Montgomery (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor
Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

Date: 23 August 2018

Statement of Financial Activities (incorporating an income and expenditure account)

FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted General Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total Funds £'000	2017 Total Funds £'000
Income and endowments from:						
Charitable activities	2	15,770	261	–	16,031	15,881
Donations and legacies	3	3,389	1,123	–	4,512	3,931
Other trading activities						
– Events		987	–	–	987	815
– Charity Shops		1,765	–	–	1,765	1,947
– Lottery		184	–	–	184	168
	4	2,936	–	–	2,936	2,930
Investments and deposits	5	115	–	–	115	195
Other	6	515	10	–	525	282
Total income		22,725	1,394	–	24,119	23,219
Expenditure on:						
Charitable activities	7	19,886	712	–	20,598	21,146
Raising funds						
– Costs of generating voluntary income		1,251	–	–	1,251	1,268
– Investment in future income		612	–	–	612	511
– Events		785	–	–	785	688
– Charity Shops		1,762	–	–	1,762	1,859
– Lottery		104	–	–	104	110
	8	4,514	–	–	4,514	4,436
Total expenditure	8	24,400	712	–	25,112	25,582
Net (expenditure)/income before gains/(losses)		(1,675)	682	–	(993)	(2,363)
Net unrealised (loss)/gain on investments		(4)	–	1	(3)	223
Net gain on disposal of investments		527	–	–	527	1,407
Net (expenditure)/income		(1,152)	682	1	(469)	(733)
Transfers		229	(235)	6	–	–
Net movement in funds		(923)	447	7	(469)	(733)
Reconciliation of funds:						
Total funds brought forward		25,844	2,750	807	29,401	30,134
Total funds carried forward		24,921	3,197	814	28,932	29,401

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

All operations are classed as continuing.

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

Balance Sheet

FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018		2017	
		£'000	£'000	£'000	£'000
Fixed assets					
Fixed assets	14	13,223		13,748	
Heritage assets	14	1,625		1,667	
			14,848		15,415
Investments	15		2,385		3,065
			17,233		18,480
Current assets					
Stocks		77		76	
Debtors	16	3,948		3,758	
Short term deposits		9,159		9,303	
Cash at bank and in hand		1,058		368	
		14,242		13,505	
Current liabilities					
Creditors: amounts falling due within one year	17	(2,543)		(2,584)	
Net current assets			11,699		10,921
Net assets			28,932		29,401
The funds of the Charity					
Unrestricted general funds:					
Undesignated			10,623		9,509
Designated			14,298		16,335
			24,921		25,844
Restricted funds			3,197		2,750
Endowment funds			814		807
Total Funds	21		28,932		29,401

The financial statements were approved by the Board of Directors on 20 July 2018



Duncan Ingram, Chairman



Michael Gercke, Honorary Treasurer & Vice Chairman

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

Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018		2017	
		£'000	£'000	£'000	£'000
Net expenditure for the reporting period before gains/(losses)		(993)		(2,363)	
Adjustments for:					
Interest and investment income		(115)		(195)	
Depreciation	14	1,199		1,157	
Miscellaneous Adjustments		(3)		–	
Loss on disposal of tangible fixed assets		–		13	
Increase in stocks		(1)		(1)	
Increase in debtors		(190)		(20)	
(Decrease)/Increase in creditors		(41)		399	
Net cash used in operating activities			(144)		(1,010)
Cash flows from investing activities					
Investment income received		115		195	
Capital expenditure	14	(629)		(274)	
Sale of investments	15	527		2,610	
Transfer of investments on deposit	15	677		–	
Net cash provided by investing activities			690		2,531
Change in cash and cash equivalents in the reporting period			546		1,521
Cash and cash equivalents at the beginning of the year			9,671		8,150
Cash and cash equivalents at the end of the year			10,217		9,671
Analysis of cash and cash equivalents					
Short term deposits			9,159		9,303
Cash at bank and in hand			1,058		368
Total cash and cash equivalents			10,217		9,671

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 2018

1. Accounting Policies

1.1 Basis of accounting

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

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

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

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

1.2 Preparation of the accounts on a going concern basis

The Trustees have reviewed the issue of going concern, in the context of the underlying deficit incurred in 2016/17 and the significant budget deficit set originally for 2017/18. During 2017/18, the Board reviewed a revised financial model for the next three years, prepared jointly by an external consultant (recruited by the Board) and by the incoming Director of Finance. This showed an ability to return to overall financial balance by 2019/20, underpinned by investment in fundraising (donor acquisition), a cost reduction programme of at least 5% and a range of potential areas of growth. In practice, the budget finally set for 2018/19 was in underlying financial balance and the organisation showed a strong financial performance in the final quarter of 2017/18. The new budgets have been completely rebuilt, in extensive dialogue with budget holders. There is also a new Business Plan for 2018/19 and a confidence in the organisation that there is now a position of financial stability.

Turning to the balance sheet, this shows Net Current Assets in excess of £11m and Unrestricted Funds of approximately £25m.

Consequently, the charity continues to adopt the going concern basis in the preparation of these financial statements.

1.3 Income

All income is accounted for in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy and the receipt is probable.

Collections made by third parties on behalf of the charity are accounted for when received.

Revenue grants are credited to income on the date they are received or when they are receivable unless they relate to a specific period, in which case they are deferred.

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

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

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

1.4 Expenditure

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

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2018 – CONTINUED

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

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

1.5 Fund accounting

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

Designated funds are set aside by the Trustees out of unrestricted general funds for specific future purposes.

Restricted funds are funds subject to specific restrictions imposed by donors or by the purpose of the appeal.

Endowment funds are funds where the assets must be held by the charity, principally in the form of investments.

Income from endowments is included in 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 costing more than £1,000 are capitalised and included at cost.

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

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

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

1.7 Investments

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

1.8 Stock

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

1.9 Government Grants

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

1.10 Pension costs

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

Other staff are able to join the charity's defined contribution pension scheme. The employer contributions are included within resources expended and represent the amount of contribution payable to the schemes in respect of the accounting period.

1.11 Operating lease payments

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

1.12 Consolidation

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

1.13 Critical accounting estimates and areas of judgement

In preparing the financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have most significant effect on amounts recognised in the financial statements:

- A provision of £448k for doubtful debts. A specific provision was set aside in March 2018 of £308k, to address one very large debt of £248k and a smaller debt of £60k: although further dialogue is still taking place, it is thought highly likely that both debts will be written off imminently. The remainder of the provision, £140k, reflects the view of the finance and commissioning teams as to the likelihood of recovery of the remaining older debts
- £151k has been set aside as a provision for the retrospective settlement of historic underpayments of holiday pay, following an EU judgement on the subject in 2017

1.14 Cash and cash equivalents

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

1.15 Financial Instruments

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

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

1.16 Short term employee benefits

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

1.17 Heritage Assets

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

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2018 – CONTINUED

2. Charitable activities

	2018			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Care and rehabilitation services	9,715	–	–	9,715
The Children's Trust School	6,055	261	–	6,316
Total charitable activities	15,770	261	–	16,031

	2017			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Care and rehabilitation services	9,338	–	–	9,338
The Children's Trust School	6,520	23	–	6,543
Total charitable activities	15,858	23	–	15,881

3. Donations and legacies

	2018			2017		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Donations and covenants	2,841	1,123	3,964	2,948	659	3,607
Legacies	548	–	548	324	–	324
Total donations and legacies	3,389	1,123	4,512	3,272	659	3,931

Included in Donations and Covenants is a grant of £151,597 (2017: £151,597) received from NHS England for palliative care. Other substantial support was received from BBC Children in Need, the Masonic Charitable Foundation and the City of London Corporation charity, City Bridge Trust. The funds have been included in note 21 as restricted funds.

4. Other trading activities

	2018			2017		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Events	987	–	987	815	–	815
Charity shops	1,765	–	1,765	1,947	–	1,947
Lottery	184	–	184	168	–	168
Total other trading activities	2,936	–	2,936	2,930	–	2,930

5. Investment income

	2018			2017		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Dividends – UK	86	–	86	73	3	76
Dividends – overseas	–	–	–	76	–	76
Interest	29	–	29	43	–	43
Total investment income	115	–	115	192	3	195

6. Other income

	2018			2017		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Lettings – both staff and parents	103	–	103	113	–	113
Catering	88	–	88	88	–	88
Nursery	293	–	293	51	–	51
Other income	31	10	41	30	–	30
Total other income	515	10	525	282	–	282

7. Expenditure on charitable activities

	2018			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Charitable activities	19,886	712	–	20,598
	19,886	712	–	20,598

	2017			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Charitable activities	20,418	724	4	21,146
	20,418	724	4	21,146

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2018 – CONTINUED

8. Expenditure on:

	2018			
	Direct costs £'000	Support costs £'000	Governance costs £'000	2018 Total £'000
Charitable activities				
Care and rehabilitation services	11,974	1,662	111	13,747
The Children's Trust School	5,760	1,024	67	6,851
	17,734	2,686	178	20,598
Raising funds				
Costs of generating voluntary income	1,087	154	10	1,251
Investment in future income	612	–	–	612
Events	697	83	5	785
Charity Shops	1,610	148	4	1,762
Lottery	95	8	1	104
	4,101	393	20	4,514
Total expenditure	21,835	3,079	198	25,112
	2017			
	Direct costs £'000	Support costs £'000	Governance costs £'000	2017 Total £'000
Charitable activities				
Care and rehabilitation services	12,067	1,562	102	13,731
The Children's Trust School	6,235	1,108	72	7,415
	18,302	2,670	174	21,146
Raising funds				
Costs of generating voluntary income	1,137	123	8	1,268
Investment in future income	511	–	–	511
Events	588	94	6	688
Charity Shops	1,706	148	5	1,859
Lottery	104	6	0	110
	4,046	371	19	4,436
Total expenditure	22,348	3,041	193	25,582

9. Allocation of support costs

	2018			
	Care & Rehabilitation Services £'000	The Children's Trust School £'000	Raising funds £'000	2018 Total £'000
Chief Executive's office	133	93	23	249
Marketing and communications	177	107	32	316
Finance and administration	341	207	61	609
IT	239	145	43	427
Human resources	608	373	204	1,185
Site development & facilities management	164	99	30	293
Total support costs allocated (note 8)	1,662	1,024	393	3,079

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

Basis of allocation

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

10. Net incoming resources is stated after charging:

	2018 £'000	2017 £'000
Depreciation	1,199	1,157
Payments under operating leases:		
– land and buildings	494	480
– other	18	19
Auditors remuneration:		
– external audit services	29	26
– internal audit services	3	7
Loss on disposal of fixed assets	–	16

11. Irrecoverable VAT

Irrecoverable VAT has been included with the relevant expenses in accordance with accounting standards. In the year to 31 March 2018 this amounted to £691,500 (2017: £503,000).

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2018 – CONTINUED

12. Staff remuneration and pensions

	2018 £'000	2017 £'000
Salaries	14,700	14,742
Social security costs	1,321	1,289
Pension costs	645	683
Temporary staff costs	462	629
Third party staff costs	946	1,267
	18,074	18,610

The year end head count was 674 staff (2017: 677 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	FTE	
	2018	2017
Charitable activities	426	440
Fundraising	27	26
Shops	35	39
Support	16	16
Governance	1	1
	505	522

Source: payroll data.

Key management personnel include the Trustees, Chief Executive (and senior staff reporting directly to the Chief Executive). The total employee benefits of the charity's key management personnel were £771k (2017: £701k). (Trustees = £nil). This comprises of gross pay, ER pension contributions and ER National Insurance.

The number of employees whose emoluments fell within the following ranges are set out below. Our strategy is to reduce our reliance on medical agency and locum staffing. We have split the number of current employees earning over £60,000 between clinical and executive staff. The Chief Executive's emoluments fall into the £100,001-£110,000 band.

	Clinical		Executive		Total	
	2018	2017	2018	2017	2018	2017
£60,001 – £70,000	2	2	2	–	4	2
£70,001 – £80,000	–	1	1	1	1	2
£80,001 – £90,000	1	–	–	–	1	–
£90,001 – £100,000	–	–	–	–	–	–
£100,001 – £110,000	–	–	1	1	1	1
£180,001 – £190,000	1	1	–	–	1	1

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

	2018 £'000	2017 £'000
Pension contributions	46	41

During the year the charity made payments to 15 staff in respect of redundancy and termination totalling £98,851 (2017: 16 and £231,432 respectively).

Pensions

The charity has contributed to both defined benefit and defined contribution schemes during the year and defined benefit schemes are accounted for as if they were defined contribution schemes if required by FRS 102 Section 25 (“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:

	2017/18 £'000	2016/17 £'000	2017/18 No.	2016/17 No.
TCT Group Pension Plan	330	331	449	445
Teachers’ Pension Scheme	68	85	10	10
NHS Pension Scheme	247	261	63	53
Federated Flexiplan	–	2	–	1

The Children’s Trust Group Pension Plan

The charity’s Group Pension Plan is a defined contribution scheme, administered by Legal & General Assurance, 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 School participates in the Teachers’ Pension Scheme (“the TPS”) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £68,107 (2017: £85,369) and at the year-end £5,107 (2017 – £6,582) was accrued in respect of contributions to this scheme.

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

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

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016 and completed in 2018, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

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 14.3% in 2017/18 and in 2016/17.

Federated Flexiplan

The charity had one past employee who was a member of the Federated Flexiplan No.1 pension scheme.

The relevant past employee died in March 2017.

13. Trustee emoluments and reimbursed expenses

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

The charity purchased insurance costing £3,300 (2017: £3,125) included in support costs to protect it from loss arising from neglect or default of the Trustees and to indemnify the Trustees against the consequences of neglect or default on their part.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2018 – CONTINUED

14. Fixed assets

	Heritage assets £'000	Freehold land £'000	Freehold and leasehold buildings £'000	Plant, furniture and equipment £'000	Intangible assets £'000	Motor vehicles £'000	Total £'000
Cost							
At 1 April 2017	2,691	755	21,383	2,767	392	334	28,322
Reclassification	5	(5)	–	–	–	–	–
Purchased additions	–	–	86	477	24	42	629
Miscellaneous adjustments	1	–	–	2	–	–	3
Disposals	–	–	–	–	–	–	–
At 31 March 2018	2,697	750	21,469	3,246	416	376	28,954
Depreciation							
At 1 April 2017	1,024	–	9,002	2,288	332	261	12,907
Charge for the year	48	–	830	255	33	33	1,199
Disposals	–	–	–	–	–	–	–
At 31 March 2018	1,072	–	9,832	2,543	365	294	14,106
Net book value at 31 March 2018	1,625	750	11,637	703	51	82	14,848
Net book value at 31 March 2017	1,667	755	12,381	479	60	73	15,415

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

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

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

15. Investments at market value

	2018 £'000	2017 £'000
Market value at 1 April 2017	3,065	4,045
Disposals at market value	(677)	(1,203)
(Decrease)/Increase in market value	(3)	223
Market value at 31 March 2018	2,385	3,065
Historical cost as at 31 March 2018	1,819	2,555

At the balance sheet date, the portfolio was invested as follows:

	2018 £'000	2017 £'000
Newton Growth & Income Fund for Charities	607	607
Newton Global Dynamic Bond Fund	241	247
COIF Charities Fixed Interest Deposit Fund	73	74
Schroders Charity Equity Income Fund	578	562
Cazenove Equity Income Trust for Charities	512	523
M&G Corporate Bond Fund	374	375
Cash deposits	–	677
Market value at 31 March 2018	2,385	3,065

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

	2018 £'000	2017 £'000
Realised gain on investments during the year	527	1,407
Net (decrease)/increase in market value of investments	(3)	223
Net gain on investment assets (see note 21)	524	1,630

£75,000 received originally from the Victoria Convalescent Fund has been invested in COIF Charities Fixed Interest Deposit Fund, the market value of which was £73,050 at 31 March 2018 (2017: £75,343).

The unquoted investment in shares in FIL Limited were sold during the year resulting in a profit of £527,349.

At 31 March 2018 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 (2017: £2). This company which ceased to trade during 2002, is incorporated in England and Wales. At 31 March 2018, the aggregate capital and reserves of The Children's Trust Trading Company Limited were £2 (2017: £2).

16. Debtors

	2018 £'000	2017 £'000
Trade debtors	2,651	2,685
Other debtors & prepayments	1,297	1,073
	3,948	3,758

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2018 – CONTINUED

17. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	503	511
Other creditors, accruals and deferred income	2,000	2,012
Social security and other taxation	2	5
Pension contributions due	38	56
	2,543	2,584

Income is deferred where it relates to future events or services for which monies had been received prior to the year end. During the year, there was a net decrease in deferred income of £30k.

18. Financial and capital commitments, and contingent liabilities

At 31 March 2018 the Trust had total commitments under non cancellable leases/agreements as follows:

	2018 £'000	2017 £'000
Leasehold buildings – up to 1 year	395	461
Leasehold buildings – between 1 and 5 years	739	1,038
Leasehold buildings – more than 5 years	67	172
Other – up to 1 year	17	19
Other – between 1 and 5 years	48	56
	1,266	1,746

At 31 March 2018, capital commitments authorised and contracted for (net of payments to date on account) amounted to £587,000 (2017: £14,300). No other capital expenditure was authorised but not contracted for (2017: £9,950).

19. Government grants

The following government grants were received:

	2018 £'000	2017 £'000
NHS England Children's Hospice grant	152	152
Devolved capital grant	23	23
Department For Education grant	238	–

20. Related party transactions

There were no related party transactions in the year.

21. Capital and reserves

a) Movement on funds

	At 1 April 2017 £'000	Income £'000	Expenditure £'000	Gains/ (Losses) £'000	Transfers in £'000	Transfers out £'000	At 31 March 2018 £'000
Unrestricted general funds:							
Undesignated funds:							
– Undesignated	9,296	22,725	(24,400)	527	2,266	–	10,414
– Undesignated investment revaluation	213	–	–	(4)	–	–	209
	9,509	22,725	(24,400)	523	2,266	–	10,623
Designated funds:							
– Designated fund – tangible fixed assets reserve	13,633	–	–	–	–	(512)	13,121
– Designated fund – building & service development	2,702	–	–	–	–	(1,525)	1,177
	16,335	–	–	–	–	(2,037)	14,298
Restricted funds:							
– Restricted fund – development and operational	766	1,123	(650)	–	–	(229)	1,010
– Restricted fund – grants	197	261	–	–	–	–	458
– Restricted fund – Department of Health grant	1,781	–	(54)	–	–	–	1,727
– Restricted fund – Victoria Convalescent Fund	6	10	(8)	–	–	(6)	2
	2,750	1,394	(712)	–	–	(235)	3,197
Endowment funds:							
– Gardiner Fund	744	–	–	(3)	–	–	741
– Victoria Convalescent Fund	63	–	–	4	6	–	73
	807	–	–	1	–	6	814
Total funds	29,401	24,119	(25,112)	524	2,272	(2,272)	28,932

Designated Funds:

The fixed asset reserve, together with the Department of Health (DoH) restricted fund, totalling £14,848k, represents the charity's investment in fixed assets.

The building and service development reserve represents net working capital which will be required to meet the charity's service development projects in 2018/19: £429k for the net budget deficit (after a £1m projected expenditure on fundraising donor acquisition) and £748k representing the underspend on the 2017/18 capital programme, now carried forward to 2018/19.

Restricted Funds:

These are set out subsequently.

Endowment Funds:

The Gardiner Fund is an endowed special trust, established as an appeal fund in 1983. Income from investment is allocated directly to unrestricted funds.

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2018 – CONTINUED

b) Analysis of restricted funds

	At 1 April 2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	March 2018 £'000
Development & Operational:					
– Brain Injury Community Service (Tadworth)	116	232	(46)	–	302
– Play Services	112	99	(161)	–	50
– Transport	97	20	–	(45)	72
– School	77	–	–	–	77
– Music Therapy	34	93	(92)	–	35
– Mansion	32	50	–	(81)	1
– Brain Injury Community Service (St. George's)	25	60	(61)	–	24
– Classrooms	25	5	(3)	–	27
– Chestnut House	22	8	–	(5)	25
– Mulberry House	22	3	(3)	–	22
– Research	21	112	(129)	–	4
– Physiotherapy	20	15	–	(16)	19
– Gracious Heart Foundation	–	100	–	–	100
– X-Ray	–	76	–	(70)	6
– Other	163	250	(155)	(12)	246
Sub total	766	1,123	(650)	(229)	1,010
Grants:					
– School Standards Fund	80	238	–	–	318
– Devolved Capital Grant	117	23	–	–	140
Sub total	97	261	–	–	458
Department of Health	1,781	0	(54)	–	1,727
Victoria Convalescent Fund	6	10	(8)	(6)	2
Total	2,750	1,394	(712)	(235)	3,197

Plans are being finalised for the investment of restricted fund balances in future years.

Note: Transfers relate to capital expenditure funded from restricted balances.

Note: The 2018 balance for the Victoria Convalescent fund includes a £4k correction relating to 2016/17.

Development and Operational 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

	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000
Fund balances at 31 March 2018 are represented by:				
Fixed Assets	13,121	1,727	–	14,848
Investments	1,827	–	558	2,385
Current Assets	12,516	1,470	256	14,242
Current Liabilities	(2,543)	–	–	(2,543)
Total Funds	24,921	3,197	814	28,932
Previous year (31 March 2017):				
Fixed Assets	13,634	1,781	–	15,415
Investments	2,258	–	563	2,821
Current Assets	12,536	969	244	13,749
Current Liabilities	(2,584)	–	–	(2,584)
Total Funds	25,844	2,750	807	29,401

The following are Members of The Children's Trust:

Mr Paul Burgess

Mr Philip Davies

Mr Andrew Dick

Mr Christopher Dulley

Dr Mary Greenway

Mr David Hanson

Mr David Harrison

Dr Margaret Mayston PhD MCSP

Dr Janet Nicholls MBBS FRCP FRCPC

Lady Jane Pickard

Sir Roger Singleton

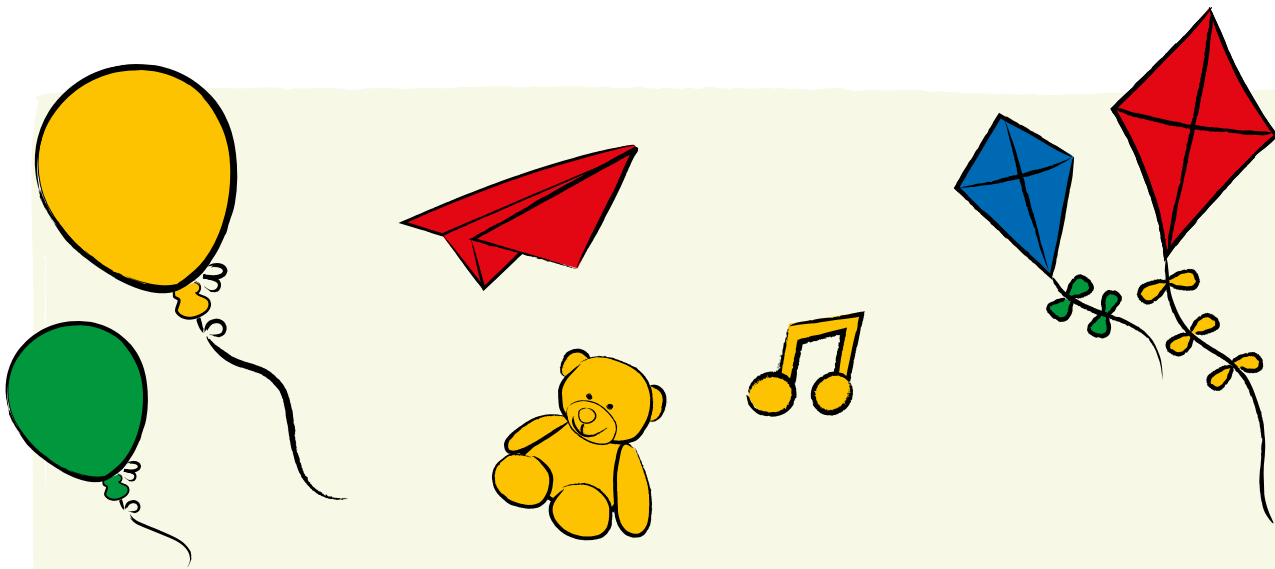
Dr Patricia Sonksen

Mr Simon Tate

Mrs Millie Wentworth-Stanley MA LL.M

Sir Adrian White CBE DL

Mr Tim Yeo



Dear Rachel, Lynn and all the amazing nurses and carers

If we sat for a hundred years searching, we would never find enough words to thank you. You took our child in to your arms and he gradually opened like a flower.

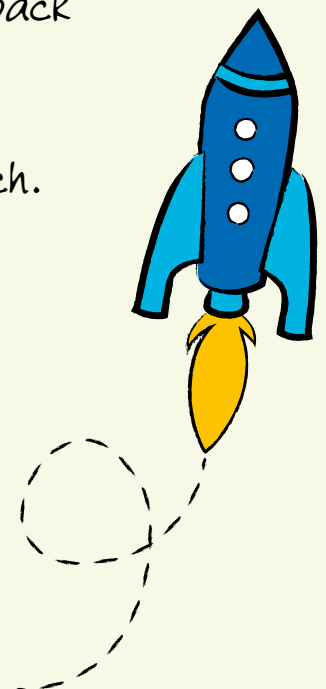
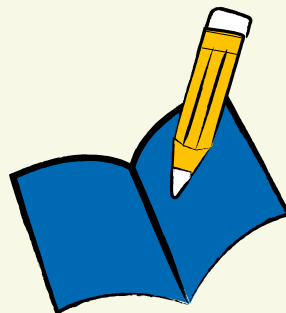
You are remarkable, generous and lovely and have held all of our heads above water throughout this storm.

We will never forget you. We will feel you in every breath in Max's lungs and hear echoes of you in every heart beat.

Thank you for taking our child and giving us back our boy.

Love you all and we will miss you too very much.

Parents of Max xxxx




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

 **01737 365000**

 **enquiries@thechildrenstrust.org.uk**

 **thechildrenstrust.org.uk**



 braininjuryhub.co.uk

 facebook.com/ChildrensTrust

 twitter.com/Childrens_Trust

 youtube.com/TheChildrensTrust

 instagram.com/Childrens_Trust

