



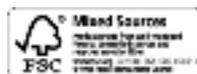
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**annual report 2010/11**  
[www.spurgeons.org](http://www.spurgeons.org)



# welcome from our CEO

2010/11 has been a year of challenge and uncertainty. Many local authorities were paralysed in the run up to the general election and the process of unveiling the new government's plans. Concerns about where savings would be made and their impact on vulnerable children and young people were cause for real anxiety.

Spurgeons has lost some significant projects; work that had been developed over many years. We've lost highly valued staff and volunteers as well as long standing relationships in some local communities. These losses have impacted significantly on the lives of countless children - rapid change resulting in a high price being paid, often by those least able to bear it.

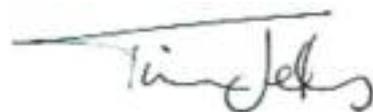
There are opportunities within these challenges. The Big Society concept holds great potential for parts of the voluntary sector. Local authorities acting as commissioners rather than service providers may give organisations, like ours, a greatly expanded role.

Our biggest challenge has been juggling competing pressures. Managing closures while striving to win and set up new services; cutting costs while increasing capacity to prepare for new opportunities. Through all of this, it has been a privilege to witness the professionalism and dedication of Spurgeons' staff who, while facing their own uncertainties, have ensured that those they care for remain safe and supported through the transition.

Our position is deliberately positive. The changes we've already made to our systems, infrastructure and capabilities stand us in good stead. We're ready to grasp the challenges and opportunities that lie ahead.

We're ambitious – for ourselves and for the vulnerable children whose lives we know we can change. 2011/12 will be one of huge change and challenge for our nation, for Spurgeons and for the children and young people we care so passionately about.

Thank you for standing with us. Please continue to do so as we strive to make a decisive difference to young lives and build the foundations of a fairer, more compassionate society.



*Tim Jeffery, Chief Executive*



# welcome from Victoria

Hi, I'm Victoria and I'm 12. When I was 6 my mum had a brain tumour; we thought she might not make it. She came through but has been left quite disabled. She's blind and can't move around. She's in pain a lot of the time and needs medication several times a day.

My dad works as a lorry driver to support us and so he's quite often away from home so, since Mum got sick I've been doing lots of the caring for her. I do whatever needs doing – washing, cleaning, ironing, cooking. I also have to mix her medicines for her and inject them into a tube in her stomach.

Being a young carer can be quite lonely and if people don't know what my life's like or can't understand it then that can make it worse. Things like, not always being able to get my homework done if there's been a lot to do in the evening, needing more notice to go out because I need to make sure that mum's looked after. Sometimes I'm just too tired or too worried to do other things. That doesn't mean I don't want to, just that it sometimes catches up with me.

That's why I love going to my Spurgeons Young Carer project. It's so good to be with other young carers who understand what it's like. I love my mum and don't mind caring for her but it's also really good to be away from home sometimes, just for a change of scenery. To be a child again. It gives me the break I need to be able to go back and keep doing all the stuff I need to do for mum.

This year I've been able to help Spurgeons out with some PR stuff with TV and newspapers, and it's been great. I've really liked knowing that I can help people understand better what we young carers do, but I know that I couldn't do it without Spurgeons – and without you.

Thank you.



# who we are and what we do

## our work in numbers

- 53 high-quality services provided by Spurgeons
- 27,780 children served by our programmes
- 21, 468 parents reached in their local communities
- 449 Spurgeons volunteers
- 610 Spurgeons staff
- 17 partnerships with local authorities
- 7 Spurgeons regional 'hubs'



*Instead of being 5 individuals in a house we're now a family in a home. The Spurgeons project has been a lifeline for us. Without it... Jess was heading for depression. Annie would probably have been excluded from school for her behavioural issues. I'd definitely have been suffering from depression - we were falling apart. Everything's so much better now - it's absolutely fantastic!*  
Laura, mum of 4.

Day after day, tales of child abuse, neglect and exploitation hit our headlines. In light of the frequency and gravity of these stories, it is sobering to think that the majority of the UK's vulnerable children never make the headlines. Their plight is no less damaging for being unnoticed. Large numbers of children are left to cope alone, in situations that most adults would struggle to handle.

And that's where Spurgeons comes in...

In partnership with local authorities, local communities and other organisations we support vulnerable children, their families and communities in finding long-lasting solutions to the challenges that they face. Just as importantly, we help vulnerable children to speak up about the things they care about. We ensure that children's voices are heard by those who have the power to change lives. This enables more children to look forward to a future full of opportunities.

## our history

Our organisation has a remarkable heritage. Thanks to the extraordinary generosity of one woman, Anne Hillyard, we were founded in 1867 by Charles Haddon Spurgeon, providing a home, to care for fatherless boys. The first girls were accepted into Spurgeons' Homes in 1879. The original orphanage, in Stockwell, was our home for most of our first century, until a move to Reigate and then Birchington, Kent. Since 1979, when the last orphanage closed, our work moved into offering care for children through 'foster' style homes. The early 1980s brought the beginnings of partnerships with local authorities and churches to take our service delivery further.

Today you'll find us at the heart of communities – listening, learning and building relationships to make a lasting difference to the lives of children, young people, their families and wider communities.

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# meet Sam

“I’m Sam. I’m 12 years old. A few months ago I ran away from home for three days. My mum didn’t know where I was gone to. I walked all the time but my feet got tired. Sometimes I walked down the side by the motorway. The cars were going by fast. I kept looking at them carefully ‘cause I didn’t want to get ran over. I didn’t get in one when they stopped sometimes. My mum always said to me don’t stop and talk to people when you’re on your own. Don’t get in a car with a stranger in it. When I was off on my own, there wasn’t nothing to eat. I got cold and it was raining. There wasn’t nothing I could do to sleep because there wasn’t nowhere to lay down. I went off on my own like that because I was so angry inside my mind and I don’t think I know why. Mum says I’m always an angry person and it’s because my dad committed suicide. But I think I’m more angry when I don’t wanna be in my own life. I wish I was in another kid’s life instead of my life. Anyway, I’d been walking for ages so I wanted to go home again. After a while some adults found me and then they took me home. My mum screamed at me. She was saying I’m lucky nobody did something bad to me.”

Spurgeons first met Sam when he was referred to us to join a transition programme for children who might struggle with the move from junior to senior school. As part of this programme children take part in games and fun activities. This helps them to build friendships and to take some time away from challenging situations and behaviours.

It took some time before Sam trusted Spurgeons’ staff enough to confide in them. But eventually he began talking about the things that he’d been through. As they found out more about his family background, Spurgeons’ staff realised that there were things that they could do to help Sam cope better. Thanks to this programme Sam is much happier at school. He has learned to socialise with other children and to enjoy being part of a team. He has learned ways to manage his emotions. Now he is able to understand his own feelings and is more in control of his anger and frustration.

## where we met our targets and where we did not

### strategic area: outcomes for children

In 2010/11 we said we would focus on:

#### Safeguarding

And that we would:

**Prioritise the further development and application of our safeguarding procedures to ensure children’s safety**

Did we achieve this? Yes

- Our Safeguarding Panel have continued to meet regularly with a representative membership from across the organisation. We have made progress in using Safeguarding Champions from each geographical hub to disseminate and share learning from our reporting processes. The Safeguarding core learning modules, graded against levels and responsibilities of roles have been rolled out across the Organisation
- 217 incidents have been identified by staff and a sample reviewed by the Safeguarding Panel during 2010-11

**Achieve a rating of ‘Good’ or above in safeguarding assessment in OFSTED inspections of children’s centres**

Did we achieve this? Partially

- 67% of Children’s Centre OFSTED inspections have achieved a grading of ‘Good’ or above in safeguarding, with one achieving a rating of ‘Outstanding’

#### Participation

And that we would:

**Continue to accelerate the development of practice across all projects to encourage service users to shape our engagement with them and facilitate their voice in local decision-making**

Did we achieve this? Yes

- Our Participation Worker has been pro-actively engaging with projects to develop service user participation processes. We have piloted an on-line secure system for social networking that will be rolled out in the coming year
- We have been able to demonstrate progress against the three national priorities for participation in all our projects
- Projects have demonstrated progress through a process of Participation Implementation Plans

# where we met our targets and where we did not

In 2010/11 we said we would focus on:

## Reaching the most disadvantaged

And that we would:

### Target the most vulnerable families in our outreach from Children's Centres

Did we achieve this? Partially

- Spurgeons' Children's Centres cover 130 super output areas categorised within the 30% most deprived in England
- 36% of Spurgeons' Children's Centres reach areas are in the 10% most deprived (2007 IMD)

### Increase the number of children we work with in the top 30% most deprived areas

Did we achieve this? Partially

- A facility to monitor and analyse specific reach within these most disadvantaged areas has been built into our new Management Information System



In 2010/11 we said we would focus on:

## Children experiencing separation

We said that we would:

### Develop a new, more integrated service bringing together child contact, parenting support and loss counselling which is more focused on the needs of the child

Did we achieve this? Yes

- We have built into successful tenders an approach that works from the point of assessing a child's needs and commissioning the appropriate integrated services. We are focusing on ensuring robust assessment processes are implemented that can then consider an integrated response to the identified needs



# where we met our targets and where we did not

## strategic area: people

In 2010/11 we said we would focus on:

### Developing Staff

We said we would:

**Assess and improve the quality and effectiveness of individual project managers through effective recruitment and development of existing staff**

Did we achieve this? Partially

- Recruitment of new managers takes place within an assessment centre approach and Job Descriptions, Specifications and a recruitment toolkit have been redesigned for Children's Centre Management posts. The Development Assessment Centre for managers is in progress but has now refocused on Children's Centre Management as the lead priority due to the growth in this area of work. The development centre is being piloted with Children's Centre managers, who have recently joined the organisation by TUPE transfer. The assessment approach uses a competency framework based on national management occupational standards, the Champion Children and National Standards for Children's Centre Leaders; and will form part of our new Performance Management Framework

## meet Beckett

I think no parents should be allowed to beat up their own children (or other people's children). It makes kids so scared. I should know 'cause it's happened to me and it's really sad. Parents that pick on their kids show that they are pathetic and they won't pick on anyone their own size.

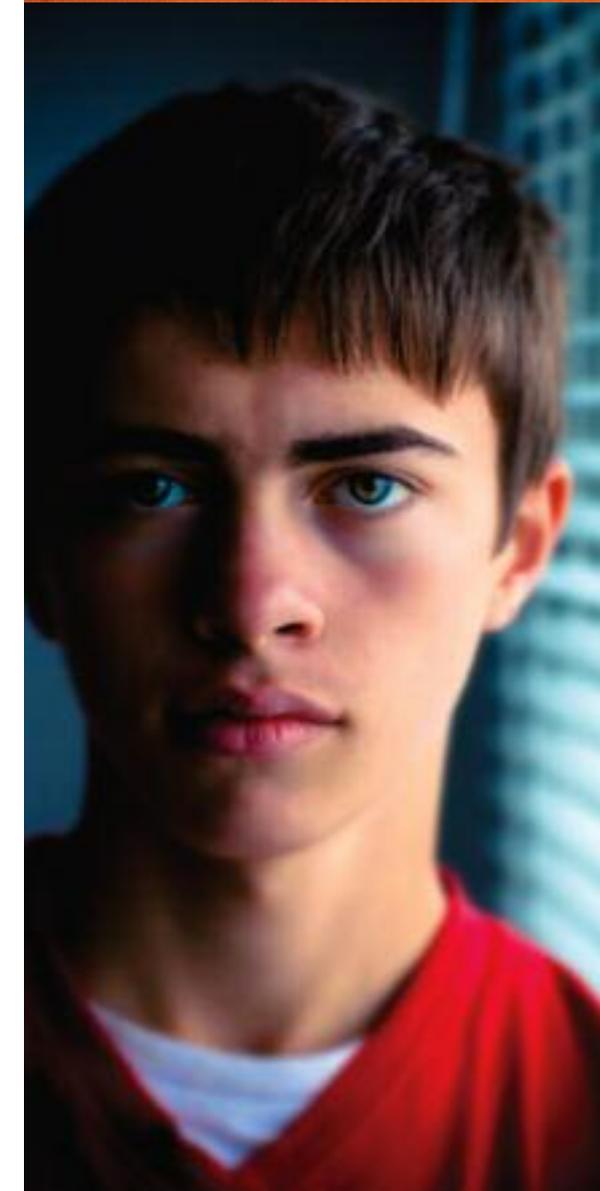
When my dad went out to the pub he'd come back and punch me or hit my head against the wall. He thought he was making me behave. He said he's 'cruel to be kind.' I was confused why he was doing it. I tried to hide when I heard him coming.

Sometimes, after, say the next day or something like that, he'd buy me stuff (sometimes HMV vouchers or a video game). He said 'sorry' but I'm thinking I'll never forgive him for what he's done.

Now my dad's in prison for breaking into a shop with a gun and stealing a load of stuff. My mum's married someone different and we've moved to a flat. My stepdad is ill at the moment. My mum doesn't do her job so much anymore. She stays at home to look after my stepdad. My mum keeps going crazy when I ask for stuff and she tells me not to ask for things and we haven't got any money right now. I really can't stand it. But I'm still glad my dad's not here. My mum says that dad won't ever be able to come in the house again. But I think what if he tries to find me when they make him go out the prison? I worry a lot and I stay awake when I'm supposed to be sleeping.

Spurgeons is helping me and my mum. The lady that works for Spurgeons sometimes brings us a big box with cans of food in. She sometimes brings something new for me to wear. She always tells me to come and join in at the club with the other kids. She listens if I've got worrying thoughts in my head.

When I'm at the club I don't worry so much. We do loads of stuff like table-football and graffiti walls. This summer I am going to a camp for kids. Spurgeons is taking me and I am going to do the zip-wire, canoeing and a camp-fire.



# where we met our targets and where we did not

## strategic area: profile

In 2010/11 we said we would focus on:

### Effective marketing

We said we would:

**Grow the number of unique users visiting our website to 5,000 per month**

Did we achieve this? Nearly!

- The new website was launched on 1st of July 2010 and by March 2011 had grown the site to hosting over 3,000 unique users in one month

**Increase the number of press imprints by 20% on last financial year**

Did we achieve this? Yes

- This year we have had exceptional media coverage including two national campaigns with the BBC and ITV involving our young carers work

**Develop two new supporter products for engaging the philanthropic community and the general public**

Did we achieve this? Yes

- We created and launched the Spurgeons National Fundraising Day, The Big Orange Stomp on the 15th of October 2010. This day was designed to engage all our supporters, suppliers, projects and the general public to join with us in raising funds for the work that Spurgeons does
- We created an UK focussed emergency product for our supporters using traditional print media as well as online to generate much-needed income for projects whose funding had been reduced by local authorities
- We created a portfolio of projects for the philanthropic community allowing them to choose from a variety of our work to support

**Increase our number of active financial supporters by 12%**

Did we achieve this? No

- At the beginning of the year it quickly became apparent that the database was in need of some attention, and in the last six months of the financial year we have undertaken a substantial exercise to cleanse the data. This means that the starting position moved, however, we estimate the base grew by about 6%





# meet Leah

My name's Leah and I am 16 years old. I love school. My teachers say I am 'very academic.' That makes me feel posh and clever and I love it when they say that. I used to find school hard because I was unhappy at home.

A few years ago, my mum and dad divorced. Actually, to be honest, that wasn't so much the bad bit. That was when stuff really started to get better. Maybe I shouldn't say that? But my parents just weren't any good together. My mum shouted and threw things. She tried to make me hate my dad by saying all these horrible things that he'd done.

I don't think what she said was true. He was just working away from home a lot. He couldn't get a job closer to home. My mum felt left on her own. She said she couldn't cope with looking after my little sister, who's in a wheelchair. I tried my best to help but most of the time, it was pretty much like I was invisible.

Then one day, my mum got taken to hospital because she was having a miscarriage. When she got home she made a shrine over the fireplace. She put flowers on it, and baby clothes, and a load of candles. I tried to talk to her, but it was like she couldn't even hear or see me.

That's when I felt totally despairing. I realised that if I wanted to get noticed it would be better if I was dead. So I went up to my bedroom with the kitchen knife ...but my dad came home and found me...

Not long after that they got divorced. My dad moved away to be closer to his job and I went with him.

Spurgeons are the reason why I feel happier now and I am doing well at school. They make it possible for me to see mum but only when I feel ready for it. We meet in a special centre. There are nice sofas to sit on and we have orange juice or tea and biscuits. I get to see mum and she actually notices me and talks to me. And I enjoy seeing my sister too. She says she misses me. Dad's having his house altered so that she can come and stay every weekend. Social Services are helping mum. She has a counsellor who talks to her about her feelings. She also has a lady that comes in to help her bath my sister and get her dressed or ready for bed.

# where we met our targets and where we did not

## strategic area: sustainability

In 2010/11 we said we would focus on:

### Targeted growth

We said we would:

**Achieve an increase of over 30% in the amount we recover by better apportioning core cost to services**

Did we achieve this? Yes

- We have achieved an increase of 35% over the amount of our core costs recovered in 2009/10 through a mixture of improved apportionment and growth in our services

**Increase voluntary income by more than a third on 2009/10**

Did we achieve this? No

- Total voluntary income declined by 7% to £779,000 due to a tremendous decline in legacy income from £254,000 to £39,000
- Voluntary income excluding legacies grew by 26%

**Increase our application success rate to more than 40% on the tenders we submit**

Did we achieve this? Yes

- Tendering activity was particularly low in the first nine months of the financial year as local authorities waited for their spending settlements to be agreed, and so the volume of tenders during the year has been well down on the previous year. This trend has now reversed dramatically as many local authorities begin to tender for new work. We have continued to perform well in tender applications and have enjoyed a good success rate of 44% covering new work and retention of existing work



# where we met our targets and where we did not

## strategic area: quality

In 2010/11 we said we would focus on:

### Embracing technology

We said we would:

#### Integrate a new Management Information System (MIS) into every project

Did we achieve this? Partially

- We are on-course to implement the MIS into every service by December 2011, after a decision to postpone implementation by three months in order to prioritise readiness for OFSTED inspections. We have also needed to flex the implementation plan to meet the high numbers of services transitioning in and out of Spurgeons during the year
- Six projects have gone live with the system in 2010/11 and a further nine have received training prior to going live
- A support help desk and training package has been put in place to support ongoing use of the system
- The system has been adapted to meet the needs of services not previously catered for e.g. Contact services

#### Eliminate paper-based processing, where possible, by introducing a web-based self service system for HR, payroll and staff expenses in every location

Did we achieve this? Partially

- The introduction of our integrated HR / Payroll system has given us the opportunity to replace some of our paper-based systems with electronic processes, and to end the duplication of entry between HR and payroll.

## strategic area: culture

In 2010/11 we said we would focus on:

### Improving efficiency

We said we would:

#### Achieve efficiency savings of 5% on core expenditure

Did we achieve this? Yes

- We have exceeded our target of 5% savings against budget on core expenditure through a combination of efficiency savings and reductions in non-salary expenditure, whilst maintaining the level of service offered by support departments



# where we met our targets and where we did not

meet **Tina**

## strategic area: service delivery

In 2010/11 we said we would focus on:

### Evidencing outcomes

We said we would:

**Develop and begin using a performance report card to evidence outcomes in every project and service delivery area using the Outcomes Based Accountability (OBA) model**

Did we achieve this? Partially

- The five service delivery groups have developed a performance report card, based on OBA for each service delivery area. These have been agreed by the Outcomes Strategy Group and will be used in each service from 1 April 2011
- 85 staff have received data support following project-initiated requests
- Nine OBA presentations have been conducted by Outcomes Champions
- Feedback from evaluated presentations shows a 30% increase in staff responding 'agree' or 'strongly agree' to OBA confidence measures

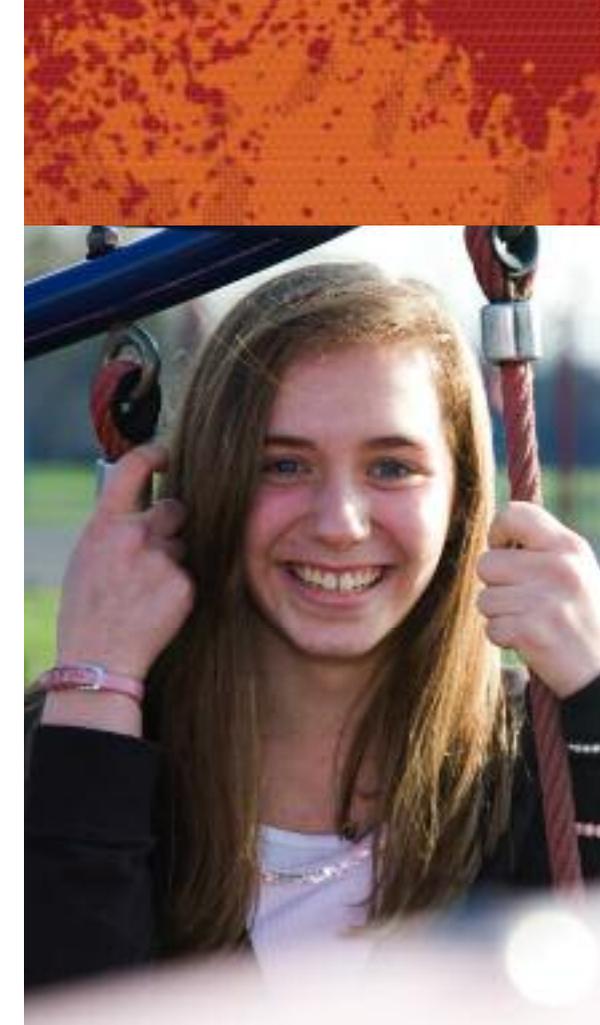
Tina is 15 years old and has been supported by Spurgeons for most of her life. During this time she has been 'on' and 'off' the child protection register due to neglect. In December 2008, her Spurgeons Project Manager rang her Social Worker to say he was becoming increasingly concerned about her.

Tina's Social Worker visited the house and described her as 'feral' after finding her barricaded in her own wardrobe. This episode triggered Tina being moved out of home for 9 months. When she came back in August 2009, however, her situation worsened significantly. For ten months Tina went out every week with the local Spurgeons project. Staff often provided extra snacks for her, as well as clothing and trainers when needed.

In June 2010, Tina signed up for a Spurgeons camping trip and planned and completed her own sponsored walk to raise the funds she needed. Unfortunately, her mum took the money she raised. Spurgeons' staff, anxious to ensure she didn't miss out, provided her with bedding, a sleeping bag and other necessities. Staff were also keen to protect her from bullying and took her to the hairdresser to de-louse her hair. Tina said: "I can't remember the last time my head wasn't itchy."

During the camping trip, Tina was visibly moved by a workshop about child trafficking. Project staff were amazed at how a child living in poverty and suffering serious and ongoing neglect could be so passionate about other vulnerable children.

Following the trip, the minutes of a meeting attended by professionals involved in Tina's case read: "She absolutely loves going to the project. Her mum says that Tina is a completely different child after returning from summer camp."



# local authority partnerships

Spurgeons have continued to work in partnership with local authorities through what has been a turbulent year in the public sector. We have been flexible in response to the uncertainties of political change and financial constraint, and where there have been opportunities, we have contributed to debates on service redesign and securing better outcomes for children and young people. We have continued to deliver child-focused, professional commissioned services and taken up opportunities to extend this through tendering for new service contracts, extending existing service agreements and being responsive to change locally.

During 2010/11

- We worked in partnership with 17 local authorities
- We delivered more than 50 projects
- We reached 27,780 children and young people

## Tendering

Spurgeons responded to some significant opportunities to grow our service delivery to local authority partners through tendering for service contracts.

- 54 opportunities were sourced and reviewed
- 28 tenders were submitted
- 14 were successful – we gained 10 new pieces of work and were successful in tenders to retain 4 existing services
- The success rate in tenders submitted was 44% by value and 50% by number

- The lifetime contract value of successful tenders was £5.4m

Significantly our tender to Wiltshire Council resulted in contracts to deliver nine Children's Centres in the county, taking Spurgeons into a new local authority partnership.

## Safeguarding

In all our services and across the organisation, our priority is the safety and well being of children and young people. The professionalism of our staff and our robust policies and procedures ensure that children are safe in our services and that their welfare in their families and in the wider community is promoted.

Always striving to learn, we have undertaken an annual audit of safeguarding practice both organisationally and in all our services, and have monitored safeguarding incidents to learn from each situation. Our Safeguarding Panel has overseen safeguarding standards and Safeguarding Champions have cascaded learning from the panel into local services

## Outcomes

During 2010/11 we have worked to embed Outcomes Based Accountability (OBA), leading in the voluntary sector in taking a whole organisation approach to demonstrating our impact and managing our performance.

Demonstrating our ability to be creative and innovative, we have reported to Spurgeons' trustees through OBA, and

developed performance report cards for all our services to children and young people.

Focusing on Outcomes, we have demonstrated to local authority commissioners that our services make a difference in the lives of children and young people.

We have asked children, young people and families about the impact our services have had for them:

- 97% of service users answered 'good' or 'very good' when we asked how well did we treated them
- 92% of service users answered 'good' or 'very good' when we asked about the difference we made to their lives

## Inter agency partnership

Spurgeons has participated along with our local authority partners in strategic inter agency networks and in planning forums. We have worked proactively within voluntary sector forums and collaborated to deliver services.

## What our partners say

'During the past three years, where other Local Authorities have seen an average 15% plus increase in their numbers of Looked After Children and young people; Walsall has experienced an increase which is under 4%. Clearly, Spurgeons activity has played its part in this result.'

Anne Thompson Head of Looked After and Vulnerable Children at Walsall MBC, Children's Services

# marketing and fundraising

2010/11 has been another challenging year for voluntary income. Total voluntary income fell by 7% to £779,000. This reduction was due to a huge decline in legacy income which fell to a 15 year low of £39,000 and a 75% reduction on the previous year. However, the good news is that excluding legacy income voluntary income grew by 26%. This is a very creditable annual growth rate given the current economic climate.

We have seen great success in our engagement with Charitable Trusts and Foundations, whose deepening relationships with Spurgeons are ensuring an increase in their repeat giving.

Throughout the year, we tested several major acquisition campaigns, these included a national newspaper appeal and Spurgeons' first ever National Fundraising Day – The Big Orange Stomp!

2010 saw Spurgeons take a full leap into the digital world beginning with the launch of our new website, followed by a push to develop our presence in the social media arena using facebook and twitter.

As well as working to increase voluntary income through the acquisition of new supporters, new strategies were implemented to further engage our current supporter base. The first ever UK focused emergency appeal was launched and an appeal letter sent to supporters raising over £35,000 with an average gift of £79.

Success in building our profile has been exceptional with our first ever national media campaign around young carers including substantial coverage from both the BBC and ITV. In addition we ran an eight week campaign with a large regional newspaper to secure funding for a project at risk of closure.



join us at [www.facebook.com/spurgeons](http://www.facebook.com/spurgeons)



follow us at [www.twitter.com/SpurgeonsUK](http://www.twitter.com/SpurgeonsUK)



# Spurgeons Network

Spurgeons Network offers support and resources to Christians and churches working with children, young people and families in their local communities. We support and encourage members in their work, providing information, practice-based learning and specialist advice, as well as linking similar projects together for mutual support.

**In 2010/11 we said we would:**

**Increase overall membership by 50%, building on existing membership clusters in hubs and collaborating with other organisations who share our objectives**

Did we achieve this? Yes

- Overall membership has increased by 60%, mainly in parts of England where we have existing members
- We have developed a number of new relationships with like-minded organisations, including the Centre for Youth Ministry and Care for the Family and have begun to collaborate in areas where we can add value to each other's work
- We continue to grow our contacts with national, regional and local organisations for specific events or pieces of work which enhance our

**Provide a responsive and quality service to members focused on improving outcomes for children and young people through support, information and learning**

Did we achieve this? Yes

- Regular e-newsletters and other information updates (relating to funding, legislation or practice) were sent to members throughout the year
- News and research from the children's, youth and faith sectors, together with policies and procedure templates were available on the members' website
- 15 learning, training and networking opportunities were delivered to members across England
- Support and signposting were provided to members by email, phone, face to face meetings and specific consultancy

**Improve the sustainability of the Network by pursuing alternative income streams**

Did we achieve this? Partially

- A review of the business model and operating structure for the Network meant that we were not in a position

- However, costs were reduced during the year and the current 2011/12 Network Business Plan gives us a strong proposition to seek additional financial support

**In 2011/12 we will:**

**Contribute to positive and lasting change for children, young people and families by:**

- Adding value to Spurgeons' core business
- Supporting Network members to develop practice, standards and share knowledge and experience
- Increase the sustainability of the Network

**Increase Spurgeons' profile in the Christian sector**

“...knowing that we are part of something bigger than ourselves which shares our motivation for affirming the lives of young people, and for us as a small charity, Spurgeons Network helps our voice to be louder and our reach to extend further.”  
*Lifespace Trust, Warwickshire*

# International

**In 2010/11 we said we would:**

**Commission an external review into our International work, that will be published in October**

Did we achieve this? Yes

- Dr Rick James was commissioned to undertake the review and its recommendations are being actively progressed with our partners overseas and within the UK

**Run a playscheme in August 2010 in Uganda for children in the sponsorship programme**

Did we achieve this? Yes

- A team of twelve volunteers from the Stockton Tabernacle church travelled to Uganda to run the playscheme. The team raised their own funds as well as the costs of running the playscheme, which brought together children on the programme from within the wider Kampala region. A comprehensive programme of activities, sports and crafts gave the children the opportunity to

Comments from some of the team about the impact of the Playscheme:

*“Yes I think I did have an impact on the kids, just by going out there in order to help, play, chat and spend time with them.”*

*“Yes by showing them love and making them feel special and that people do care for them.”*

*“I feel we had an impact by simply being there to listen to them, to hug them and love them.”*

*“I think they will benefit from the gifts we left them and skills we taught them.”*



# financial review 2010/11

## financial review 2010/11

The financial results for 2010/11 show that total income fell by just over 3%, although if the one-off profit on disposal of property in 2009/10 is excluded, Spurgeons' total income has remained at virtually the same level as the previous year. Given the impact of the economic recession on our fundraising income and the public expenditure cuts affecting our commissioned work, this is a very satisfactory result.

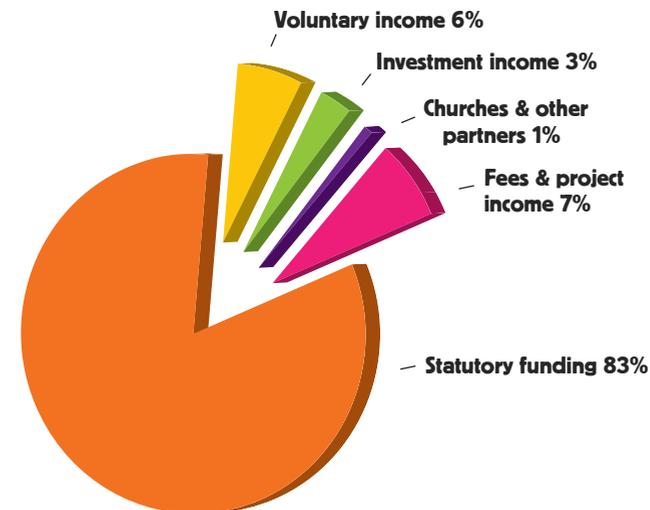
The prospects for future growth through new tender opportunities and our current success rate in tendering are both very encouraging. We remain on track with our investment in infrastructure, which has been designed to maintain and develop the quality of services we deliver to children and young people. Whilst we have incurred an operating deficit this year, and further deficits are expected over the coming 3 years, the level of deficit is anticipated to fall each year as we look to grow our work to bring us back to a sustainable break even position. Our asset base remains strong, and we shall continue to undertake planned sales of certain investment properties to fund these deficits as required.

The net operating deficit of £1,278,000 comprises restricted deficits on services of £589,000 and an operating deficit on unrestricted funds of £689,000. Whilst our fundraised income was down in the year, the shortfall was largely made up by a continued improvement in our cost recovery and expenditure savings in central departments.

## income

The greater part of Spurgeons income is received in direct support of our work with children, young people and families. 83% of our income comes from the statutory sector, mainly from local authorities, particularly in support of the growing number of children's centres we manage. Virtually all external funding is given for specific services and is therefore restricted solely to that purpose and not transferable from one service to another.

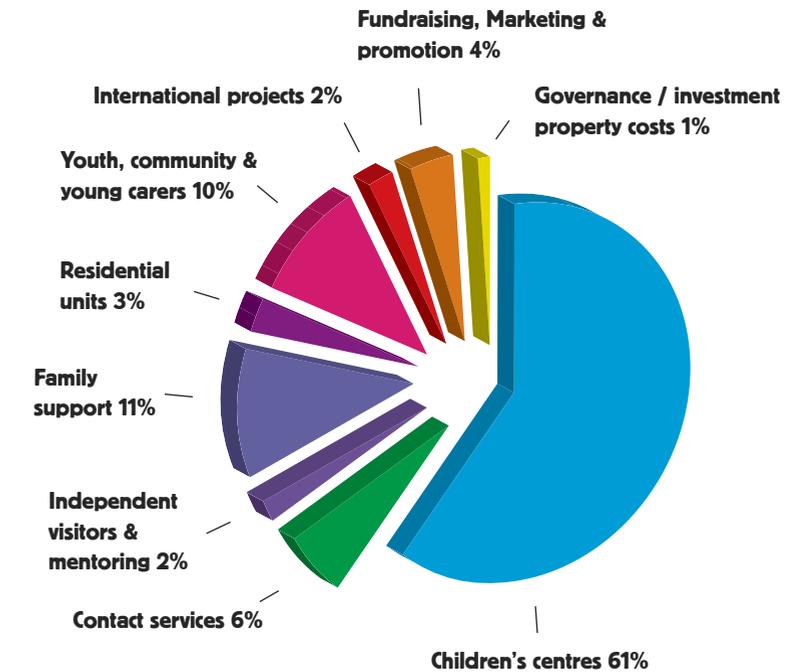
**Total Income £12,943,000**



## expenditure

95% of our expenditure is incurred in direct support of our work with children, and young people and families. Our work in children's centres now accounts for 61% of our total spend. All areas of expenditure continue to be tightly monitored and controlled, and we achieved our target of a 5% saving against budget on all support costs during the year. Employment costs remain by far the highest single item of expenditure at over 66% of total spend.

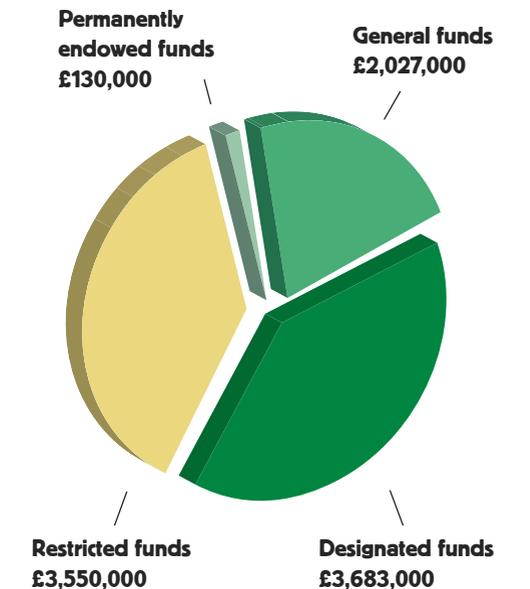
**Total Expenditure £14,221,000**



## total funds

Of our total funds, £3,550,000 are restricted funds which relate to specific projects and which can only be spent on the purposes for which the funds have been given. £130,000 comprises permanently endowed funds which are vested in the freehold property of Spurgeons' head office. The designated funds of £3,683,000 are those set aside by the trustees for a particular purpose and reflect the fact that this sum is tied up in the charity's investment properties, which provide essential income for the charity's activities. General Funds of £2,027,000 represent the free funds of the charity which are not designated for particular purposes.

**Total Funds £9,390,000**



# where we are going in 2011/12

2010/11 was the third year in a five-year strategy of an intensive and deliberate programme of investment and development, designed to bring us to a place of both functional and financial viability. Our performance and growth over the first three years has left us in a better position than originally anticipated. Investment in key infrastructure has delivered a new level of quality and confidence in our work and our internal support systems.

We have made significant strides in developing a greater focus on evidencing outcomes and being able to prove the impact of our work with children. As a result, our performance in competitive tendering has seen a marked improvement and Spurgeons' reputation within the sector continues to rise.

Despite experiencing some painful cuts to our work in 2010/11 we are encouraged by the number of new opportunities opening up in 2011/12 and beyond. We have taken a positive posture that will enable us to rise to the opportunities for growth that lie ahead.

As well as continuing to develop our capacity to tender effectively, we are looking at diversifying into a wider range of services funded on a spot purchase or block purchase basis. Having explored and piloted this approach during 2010/11 we are ready to develop this more quickly in the coming year.

Our Marketing and Fundraising team have received a significant new injection of life with new staff and a new strategy resulting in increased profile for the organisation. Whilst recognising the need to focus more effectively and cut out unproductive activities, we are also committed to continuing to invest in this area as part of our long-term sustainability strategy.

For 2011/12, we believe that there is an overriding need to give priority to sustainable growth, maintaining and growing our 'footprint' to ensure our future. Our Key Priorities for the year presented on the following page have therefore been formulated around this imperative.

# key focus and objectives for 2011/12

## Efficient and successful tendering

### In 2011/12 we will:

- Achieve an annual equivalent net increase in income of over £2 million per annum as a result of tenders won
- Achieve an average full cost recovery on tenders won of over 96%
- Maintain a tender success rate of 40%

## Cost savings and efficiencies in infrastructure

### In 2011/12 we will:

- Achieve efficiency savings of 3% on budgeted core expenditure
- Achieve a further economies of scale through a 5% increase in the average value of our contracts for service delivery
- Ensure that core costs as a percentage of income fall by 5%

## Improvements to systems and structures

### In 2011/12 we will:

- Have the next phase of the web-based self service HR/Payroll system fully operational and available to all managers and employees by 31st March 2012
- Have Spurgeons Management Information System for work with children and young people implemented and providing data for the 5 Service Delivery Areas performance report cards by 31st December 2011

## Development and successful operation of a new Enterprise Unit

### In 2011/12 we will:

- Develop a Business Plan and secure financing for the Enterprise Unit by 30th September 2011
- Recruit a core staff team and get the Enterprise Unit functioning effectively by 31st December 2011
- Develop and market four products to meet Year One sales targets

## Increasing unrestricted income

### In 2011/12 we will:

- Design and test a new committed giving product which will secure unrestricted income. We aim to raise £37,000 in unrestricted income within the first financial year of launching this new product

## Successful bids to institutional donors and grant making bodies

### In 2011/12 we will:

- Secure income of £400,000 for specific projects with a Return on Investment of 1:4.8 and an average application success rate of 40%

# trustees' report

## Governance and Management

### Statement of Trustees' responsibilities

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

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

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

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable

accuracy at any time, the financial position of the company and to enable them to ensure the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. So far as each of the Trustees is aware at the time the report is approved:

- There is no relevant audit information of which the company's auditors are unaware
- The Trustees have taken all steps to make themselves aware of any relevant audit information and to establish the auditors are aware of that information
- These financial statements are produced in accordance with the Charities Act Accounting Regulations 1995.

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

by the Trustees.

### Governance

The main Board continues to meet quarterly, with sub-committees delegated to oversee various aspects of the Charity's work to ensure effective governance and report back to the Board on a regular basis. The current sub-committee structure is as follows:

- A national service Standards Committee to undertake a due diligence role to scrutinise, challenge and support Spurgeons' work with children and young people
- A Finance Committee to oversee all financial aspects, including investment policy and fundraising strategy and performance
- An HR Committee to oversee all people management matters, including those that affect employees, workers and volunteers
- A Partnerships Committee charged with overseeing the work of our non-service delivery activities, including Spurgeons Network and our international work
- A Remuneration Committee to review the performance and remuneration package of the Chief Executive and, in conjunction with the Chief Executive, the Strategic Leadership Team.

In addition, a Safeguarding Panel, reporting to the Standards Committee, acts as the key forum for monitoring

the organisation's performance in safeguarding issues. Trustee representation on this panel ensures safeguarding remains a key issue on the Board's agenda. The ongoing engagement of the Trustees in visiting projects and taking part in participation forums is a key element in linking the governance level of the Charity with its ultimate beneficiaries. Trustees have been assigned to specific hubs and are encouraged to visit projects and engage with staff and users as part of our commitment to user participation. To further facilitate this engagement, many Board meetings now take place at project locations and incorporate a presentation by a local project on its work. Trustees may be proposed by any person and their appointment to the Board is decided by the assent of the existing Board, with appointment confirmed by members at the following AGM for a period of three years, after which they are eligible for re-election.

The Chair is elected from within the Board triennially and may serve up to two terms. New Trustees receive an induction programme and are assigned a mentor from among the existing Trustees to work alongside them during their induction period. Details of the names of the Trustees at the date of this report, and changes since 31st March 2011 are set out on page 32.

### Management

The Trustees delegate the

management, development of strategy and overall leadership of the Charity to the Chief Executive and a team of directors. The Strategic Leadership Team comprises the Chief Executive, the Director of Children's Services, the Director of Business Development, the Director of Finance and Corporate Services, the Director of Marketing and Fundraising, and the Director of Human Resources. Spurgeons' direct work is centred in seven geographical hubs in Bedfordshire and Hertfordshire; Birmingham; Oxfordshire; Salford; Sussex and the Isle of Wight; Warwickshire; and Walsall, Wolverhampton and Stoke. Each hub is managed by an Assistant Director, reporting to the Director of Children's Services. The Assistant Directors provide direct supervision and support to individual project and service managers, ensure the quality of the delivery of services to children and young people, and are also heavily involved in developing new pieces of work. Project managers and project workers deliver the extensive range of services offered by the organisation and are supported by 449 volunteers. Many of our projects are heavily dependent on volunteers who work directly with children and young people, either alongside staff or independently. We seek to train and support volunteers appropriately, based on their role, and are planning to develop improved national systems for volunteer recruitment, management and support.

Our international work and Spurgeons

Network is managed through the Business Development Department. The Network is able to link up its services and support members through the hub structure, as well as organise events for members. By developing efficient and effective working relationships with colleagues in Children's Services, our central support departments provide a proactive and responsive service to meet both operational and organisational objectives. During the year we have continued to use our highly successful "Team around" approach where teams of specialists work together to achieve a common goal. The team approach has enhanced the consistency and quality of our tender submissions and has ensured an efficient and effective transitioning into Spurgeons of new work. We have continued to use the Hear by Right framework for user participation. During the year, our participation advisor has worked to help embed a participation approach in the services we provide.

### Legal status

We are a company limited by guarantee registered in England under number 3990460 and with a registered charity number 1081182. The consolidated financial statements set out on pages 34 to 36 include the results of the incorporated charity, Spurgeons, registration number 1081182 ('the Charity') and the unincorporated charity, Spurgeon's Child Care. The unincorporated charity retains the permanent endowment and

the D.J.Thomas Fund. The unincorporated charity (no 307560) is treated as forming part of the incorporated charity (no 1081182) for the purposes of Part II (registration) and Part VI (accounting) of the Charities Act 1993 following the issue of a uniting direction for accountancy and legal purposes, which was issued on 7th April 2005. The two charities are accordingly registered under a common registration number (1081182) and the Trustees prepare a single set of financial statements for the whole entity, within which the individual parts are reported separately as either restricted funds or permanent endowment funds.

#### Risk management

Our risk register identifies the types of risks we face, prioritising them in terms of potential impact and likelihood of occurrence, and identifies the means of mitigating the risks, including a review of current systems and procedures, and action points to take forward. The risk register is reviewed and updated quarterly by the Strategic Leadership Team. The Board's sub-committees review those elements of the register that are most relevant to their remit and the Board of Trustees itself reviews the full register on an annual basis. The Trustees will continue to review the major risks to which we're exposed.

#### Reserves

Our policy on reserves is subject to an annual review by the Finance Committee and approved by the Board of Trustees. The Trustees have carefully considered the requirement for us to maintain an appropriate level

of free reserves, being those unrestricted funds not invested in fixed assets, designated for specific purposes or otherwise committed. To fund the ongoing investment in the quality of our services, the Trustees have approved the sale of a further two investment properties during 2011/12. The Trustees' policy is to release from the Investment Property Revaluation Reserve to General Funds the cumulative net revaluation on those investment properties that have been approved for sale to fund the ongoing working capital requirements. As a result, a sum of £875,000 was transferred from the Investment Property Revaluation Reserve at the year end, representing the revaluation surplus on the two investment properties due for sale.

The Trustees have taken into account the level of free reserves necessary to cover the following potential risks:

- Loss of unrestricted income as a result of the closure of a major piece of work or failure to retain commissioned work on re-tender
- Failure to achieve necessary fundraising targets, including a drop in legacy income
- Fluctuations in investment income
- Future significant project deficits
- Cash flow requirement necessary to fund the ongoing, planned operating deficits over the coming two years
- An event having a major negative reputational effect on the charity

Without a sufficient level of free reserves to cover the financial impact of factors that may be largely outside

our control, our ability to safeguard the current level of charitable work would be rapidly undermined and could ultimately lead to a withdrawal of services.

As a service-based charity with long term commitments to children and young people that can't be shelved immediately, an appropriate level of freely available reserves is a vital requirement for stability by smoothing out ebbs and flows in fundraising and other income. The considerable use of unrestricted reserves over the past few years, and our financial projections for the immediate future, demonstrate our commitment to growing and continuing our work with disadvantaged children. Our intention is not to accumulate funds unnecessarily, but to use them in a prudent and efficient manner to enhance the future lives of the many children and families with whom we work.

Based on the above assessment, the Trustees have estimated the level of free reserves required to mitigate against the identifiable risks is approximately £0.9 million at 31st March 2011. The Trustees are aware that, as a result of the economic downturn, public expenditure cuts and the investment in the infrastructure of the charity, unrestricted deficits in the region of £1.6 million are likely to be incurred over the next three years. The level of free reserves is represented by the General Fund, which stands at just over £2 million at the balance sheet date. Taking into account the expected future deficits, the current level of free reserves may need to be increased. The board will look to build

up the level of free reserves available to the charity towards the level identified by the risk assessment as being required to cover the identifiable risks. The charity is also aiming to reduce the projected deficit for 2011/12 below the current budgeted level, which will in turn reduce the amount of free reserves required.

#### Investment management

Our powers of investment are governed by the provisions of the Trustee Act 2000. We operate an ethical investment policy to specifically exclude investments in companies where there is evidence of child exploitation or pornography, or where there is a substantial dealing in tobacco, gambling, alcoholic drinks or military hardware. So far as is practical our Trustees seek to protect the income derived from the investment asset base because it helps fund an essential part of our charitable activity. Our non-property investments are held in Common Investment Funds under the management of Epworth Investment Management Limited. Epworth has a social, environmental and ethical investment policy that is consistent with the aims and objectives of the Charity. The ethical work of Epworth is based on a robust approach involving research, company meetings and networking over a wide range of issues. Certain companies whose activities are deemed inconsistent with this ethical approach are excluded from the portfolio, while a policy of constructive engagement is applied to those where it's felt likely to lead to positive change. The funds have been set up so as to retain an approximate 75:25 split between

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

Our Common Investment Funds achieved a total return (net costs) of 8.4% during the year, which was on target when compared to the ethically adjusted weighted average benchmark total return of 8.4%. The greater part of our investment value is held in a property portfolio, which is represented by assets that have been gifted to us over many years. The properties are re-valued annually by our Trustees to include them at estimated market value as required under the Charities SORP. A full professional valuation of the investment property portfolio was commissioned from our property managers in 2007, which indicated a substantial increase in the value of these properties. For the purposes of these financial statements, the

investment properties have been stated at our Trustees' valuation, which is based on the professional valuation carried out in 2007 as updated and guided by a prudent assessment of indices that track subsequent general market value movements.

The Trustees have taken the decision to begin a phased withdrawal from direct property ownership during the next 5 years, depending upon market conditions. The proceeds of sale will largely be re-invested in common investment funds and other securities so as to achieve a more balanced portfolio mix, which is less heavily weighted towards property. A proportion of the sale proceeds will be used to fund our ongoing working capital requirements over the coming few years.

#### Auditors

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

Signed on behalf of the Board of Trustees on 6th July 2011 by



S Cornwell  
Chair of Trustees

## Trustees, officers and professional advisors for the year ended 31 March 2011

### Chair of trustees

S Cornwell (appointed 22nd March 2011)  
A Gilbert (resigned 22nd March 2011)

### Trustees and Directors

P Blount  
P Coleman  
A Gilbert  
I Gray (appointed 19th October 2010)  
K Hide (resigned 20th July 2010)  
K Hiscock  
C Russell

### Strategic Leadership Team

T Jeffery – Chief Executive  
V Floy – Director of Business Development (formerly Director of Quality to 31st May 2011)  
L Morris – Director of Marketing and Fundraising  
J Rigby – Director of Human Resources  
P Rolfe – Director of Finance and Corporate Services (and Company Secretary)  
S Rome – Director of Children's Services

### REGISTERED OFFICE

74 Wellingborough Road  
Rushden Northamptonshire NN10 9TY

### AUDITORS

haysmacintyre  
Chartered Accountants  
Fairfax House  
15 Fulwood Place  
London WC1V 6AY

### BANKERS

Barclays Bank PLC  
Ashton House  
497 Silbury Boulevard  
Milton Keynes MK9 2ZU

### INVESTMENT MANAGERS

Epworth Investment Management Limited  
9 Bonhill Street London EC2A 4PE

### PROPERTY MANAGERS

Hindwoods Hunter Payne  
Chartered Surveyors  
1 Charlton Road  
Blackheath London SE3 7EY

### SOLICITORS

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

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham B3 2ES

Hewitsons  
7 Spencer Parade  
Northampton NN1 5AB

## independent auditors' report to the members of Spurgeons

We have audited the financial statements of Spurgeons for the year ended 31st March 2011 which comprise Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page xx, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31st March 2011 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the Companies Act 2006

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

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

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

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

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

Signed



6th July 2011

**Adam Halsey (Senior statutory auditor) for and on behalf of haysmacintyre, Statutory Auditor, Fairfax House, 15 Fulwood Place London WC1V 6AY**

# financial statements

SPURGEONS CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 MARCH 2011  
Company number: 3990460

## SPURGEONS CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2011

Notes	Charity Unrestricted Funds £000's	Charity Restricted Funds £000's	Charity Sub-total £000's	Unincorporated Charity Restricted Funds £000's	Group 2011 Total Funds £000's	Group 2010 Total Funds £000's
<b>Incoming Resources</b>						
<b>Incoming resources from generated funds:</b>						
<b>Voluntary income</b>						
Donations and collections	235	392	627	113	740	586
Legacies	39	-	39	-	39	254
<b>Investment income</b>						
Rental income	262	-	262	87	349	369
Interest and dividends	34	-	34	21	55	58
<b>Incoming resources from charitable activities</b>						
Amounts received towards the support of children, young people and families	2,232	9,519	11,751	9	11,760	11,723
<b>Other incoming resources</b>						
Profit on disposal of tangible fixed assets	-	-	-	-	-	383
<b>Total incoming resources</b>	<b>2,802</b>	<b>9,911</b>	<b>12,713</b>	<b>230</b>	<b>12,943</b>	<b>13,373</b>
<b>Resources Expended</b>						
<b>Cost of generating funds:</b>						
Fundraising, Marketing and promotion	491	124	615	18	633	607
<b>Investment property costs</b>	<b>66</b>	<b>-</b>	<b>66</b>	<b>7</b>	<b>73</b>	<b>77</b>
<b>Charitable activities:</b>						
Amounts expended in the support of children, young people and families	2,769	10,204	12,973	356	13,329	13,395
Grants paid/Capital Grant transferred	-	162	162	-	162	1,852
<b>Governance costs</b>	<b>24</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>24</b>	<b>27</b>
<b>Total Resources Expended</b>	<b>3,350</b>	<b>10,490</b>	<b>13,840</b>	<b>381</b>	<b>14,221</b>	<b>15,958</b>
<b>Net resources expended before transfers</b>	<b>(548)</b>	<b>(579)</b>	<b>(1,127)</b>	<b>(151)</b>	<b>(1,278)</b>	<b>(2,585)</b>
Transfers between funds	(141)	141	-	-	-	-
<b>Net resources expended after transfers</b>	<b>(689)</b>	<b>(438)</b>	<b>(1,127)</b>	<b>(151)</b>	<b>(1,278)</b>	<b>(2,585)</b>
Net gains on investment assets:						
Realised losses	(121)	-	(121)	-	(121)	(4)
Unrealised gains	250	-	250	53	303	963
Net Movements in Funds	(560)	(438)	(998)	(98)	(1,096)	(1,626)
Fund balances brought forward at 1 April 2010	6,270	1,294	7,564	2,922	10,486	12,112
Fund balances carried forward at 31 March 2011	<u>5,710</u>	<u>856</u>	<u>6,566</u>	<u>2,824</u>	<u>9,390</u>	<u>10,486</u>

The notes on pages 37 to 46 form part of these financial statements

### FIXED ASSETS

Notes	2011 Group £000's	2011 Charity £000's	2010 Group £000's	2010 Charity £000's
Tangible fixed assets	7	374	294	161
Investments	8	7,890	8,414	7,380
		<u>8,264</u>	<u>8,708</u>	<u>7,541</u>

### CURRENT ASSETS

Debtors	9	1,498	1,500	1,247	1,251
Short term deposits		706	2	1,297	3
Bank and cash balances		71	71	454	454
		<u>2,275</u>	<u>1,573</u>	<u>2,998</u>	<u>1,708</u>

**CREDITORS:** Amounts falling due within one year

	10	(1,149)	(2,054)	(1,220)	(1,685)
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### NET CURRENT ASSETS/(LIABILITIES)

		<u>1,126</u>	<u>(481)</u>	<u>1,778</u>	<u>23</u>
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### NET ASSETS

		<u>9,390</u>	<u>6,566</u>	<u>10,486</u>	<u>7,564</u>
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Represented by

### FUNDS

*Spurgeons:*

Unrestricted Funds					
- General Funds *	11(a)	2,027	2,027	1,900	1,900
- Designated Funds **	11(a)	3,683	3,683	4,370	4,370
Restricted Funds					
- Project Funds	11(a)	856	856	1,294	1,294
		<u>6,566</u>	<u>6,566</u>	<u>7,564</u>	<u>7,564</u>

*Spurgeon's Child Care:*

Permanent Endowment Funds					
- Foundation Trust	11(a)	130	-	133	-
Restricted Funds					
- D.J.Thomas Fund ***	11(a)	2,694	-	2,789	-
		<u>2,824</u>	<u>-</u>	<u>2,922</u>	<u>-</u>

		<u>9,390</u>	<u>6,566</u>	<u>10,486</u>	<u>7,564</u>
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The "Charity" column above gives the balance sheet for the incorporated charity, Spurgeons (no 1081182). The "Group" column includes the balance sheet for the unincorporated charity (no 307560), which retains the permanent endowment and the D.J.Thomas Fund.

\* General Funds includes a revaluation reserve of £1,943,180 (2010: £1,068,000)

\*\* Designated Funds includes a revaluation reserve of £3,683,694 (2010: £4,370,000)

\*\*\* The D.J.Thomas Fund includes a revaluation reserve of £1,084,733 (2010: £1,032,000).

Signed on behalf of the Board of Trustees on 6th July 2011 by:

S Cornwell



A R Gilbert



The notes on pages 37 to 46 form part of these financial statements

SPURGEONS CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	2011		2010	
	£000's	£000's	£000's	£000's
<b>Net Cash Outflow from Operating Activities (Note a)</b>		(1,952)		(3,396)
<b>Returns on Investments and Servicing of Finance</b>				
Rental income	349		369	
Interest and dividends	55		58	
		404		427
<b>Capital expenditure and financial investment</b>				
Disposal of property	-		2,450	
Disposal of investment property	706		-	
Purchase of tangible fixed assets	(127)		(53)	
		579		2,397
<b>Net Cash outflow before Decrease in liquid resources (note d)</b>		(969)		(572)
<b>Management of liquid resources</b>				
Decrease in short term deposits		591		666
<b>Decrease in cash</b>		(378)		94

The notes on pages 37 to 46 form part of these financial statements

SPURGEONS NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

<b>a) RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>2011</b>	<b>2010</b>	
	<b>£000's</b>	<b>£000's</b>	
Net resources expended	(1,278)	(2,585)	
Depreciation charges	47	20	
Loss on disposal of property	-	(383)	
Investment income receivable	(404)	(427)	
Decrease/(increase) in debtors	(251)	177	
(Decrease) in creditors	(66)	(198)	
	<u>(1,952)</u>	<u>(3,396)</u>	
Net Cash Outflow from Operating Activities			
<b>b) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>	<b>2011</b>	<b>2010</b>	
	<b>£000's</b>	<b>£000's</b>	
Balance at 1 April 2010	1,739	2,311	
Net cash (decrease)/increase	(378)	94	
Cash outflow from decrease in liquid resources	(591)	(666)	
	<u>770</u>	<u>1,739</u>	
Balance at 31 March 2011			
The balance at 31 March 2011 is represented by:			
Short term deposits	706	1,297	
Bank and cash balances	71	454	
Bank overdraft	(7)	(12)	
	<u>770</u>	<u>1,739</u>	
<b>c) ANALYSIS OF NET FUNDS / DEBT AS SHOWN IN THE BALANCE SHEET</b>	<b>2010</b>	<b>Cash Flow</b>	<b>2011</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Cash at bank and in hand	454	(383)	71
Bank overdraft	(12)	5	(7)
	<u>442</u>	<u>(378)</u>	<u>64</u>
Liquid resources	1,297	(591)	706
	<u>1,739</u>	<u>(969)</u>	<u>770</u>
<b>d) NET LIQUID RESOURCES</b>			

The total net cash outflow of £969,000 for the year arises primarily as a consequence of the planned deficit on unrestricted funds as set out in the Statement of Financial Activities on page 34.

The notes on pages 37 to 46 form part of these financial statements

1. ACCOUNTING POLICIES

a) **Basis of Preparation**

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

b) **Consolidation**

The financial statements consolidate the results of the charitable company no 1081182 and the unincorporated charity no 307560. The individual parts are reported separately as either restricted funds or permanent endowments.

c) **Income and Expenditure**

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

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

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

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

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

d) **Investments**

Quoted investments are valued at closing middle market price on the balance sheet date. Investment properties are stated at a Trustees' valuation, based on a professional valuation carried out in 2007 as updated and guided by a prudent assessment of indices which track subsequent general market value movements.

e) **Investment Gains and Losses**

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

f) **Tangible Fixed Assets**

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

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

Freehold buildings	- 2% per annum on cost
Fixtures and fittings	- 12.5% and 25% per annum on cost
Computer equipment	- 33% per annum on cost
Motor vehicles	- 25% per annum on cost

1. ACCOUNTING POLICIES (CONTINUED)

g) **Permanent Endowment Fund**

This fund is treated as being permanently endowed in accordance with an agreement with the Charity Commission.

2. PENSIONS

The Charity contributes to a Group Personal Pension Plan for employees. The employer contributions range between 5% and 7% of gross pay depending upon the level of employee contribution. Contributions are further enhanced by a salary sacrifice arrangement through which the employer pays into the employee's pension fund 10% of the 12.8% employer's NI saving on the salary sacrificed. The Charity's contribution for the year was £289,988 (2010: £196,961).

The higher value in 2011 is due to a doubling of membership of the Group Pension Scheme as a result of Spurgeons transferring the arrangements to Aviva in February 2010 thus offering greater flexibility and improved terms.

3. CAPITAL COMMITMENTS

Capital commitments at the year end amounted to £ Nil (2010: £27,739).

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

	Unrestricted Funds £000's	Restricted Funds £000's	2011 Totals £000's	2010 Totals £000's
Churches and other partners	26	113	139	694
Fees and other project income	162	693	855	1,200
Statutory Sector				
Local Authorities (including Sure Start)	2,023	8,634	10,657	9,553
Children's Fund	2	6	8	90
Other statutory funding	19	82	101	186
Total	<u>2,232</u>	<u>9,528</u>	<u>11,760</u>	<u>11,723</u>

Income relating to international projects is included within the figures for "Donations and Collections" and "Rental income" in the Statement of Financial Activities on page 34.

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

Type of project	Unrestricted Funds £000's	Restricted Funds £000's	2011 Totals £000's	2010 Totals £000's
Children's Centres	1,770	6,748	8,518	7,601
Family Support	316	1,204	1,520	1,566
Youth, Community and Young Carers	305	1,165	1,470	1,716
Contact Services	187	713	900	881
Independent Visitors and Mentoring	63	239	302	566
Residential Units	78	298	376	817
International Projects	50	193	243	248
	<u>2,769</u>	<u>10,560</u>	<u>13,329</u>	<u>13,395</u>
Grants paid/capital grants transferred	-	162	162	1,852

6. TOTAL RESOURCES EXPENDED

	Staff Costs £000's	Depreciation £000's	Other costs £000's	2011 Totals £000's	2010 Totals £000's
<i>Costs of generating funds</i>					
- Fundraising,					
Marketing and promotion	298	-	335	633	607
- Investment property costs	-	-	73	73	77
<i>Charitable expenditure</i>					
- Project costs	9,174	47	4,108	13,329	13,395
- Capital grant transferred/Paid	-	-	162	162	1,852
<i>Governance costs</i>					
	-	-	24	24	27
	<u>9,472</u>	<u>47</u>	<u>4,702</u>	<u>14,221</u>	<u>15,958</u>

NET MOVEMENT IN FUNDS

	2011 £000's	2010 £000's
The net movement in funds is stated after charging:		
Depreciation	47	20
Operating lease rentals	203	203
Auditors remuneration (including VAT) - Audit	12	13
- Other services	-	1
	<u>262</u>	<u>437</u>

6. TOTAL RESOURCES EXPENDED (CONTINUED)

SUPPORT COSTS	2011 £000's	2010 £000's
Operational management	938	848
Quality and Partner Support	176	176
Finance, IT and Corporate Services	579	510
Human Resources and People Development	536	474
Other central support and administration	540	586
	<u>2,769</u>	<u>2,594</u>

Organisational support costs are charged as far as possible to projects in a consistent manner. Costs are apportioned on the basis of the unit cost of each support activity and the estimated number of units used by each individual project or service. Both recovered and unrecovered support costs are included entirely within the analysis of amounts expended in the support of children, young people and families detailed in note 5 on page 40.

STAFF COSTS	2011 £000's	2010 £000's
Wages and salaries	8,497	7,834
Social Security costs	685	668
Other pension costs	290	197
	<u>9,472</u>	<u>8,699</u>

Employee emoluments over £60,000	Number	Number
Employees continuing in service:		
£60,001 to £70,000	1	-
£70,001 to £80,000	1	1

Both of the above employees belong to the Charity's Group Personal Pension Plan, employer contributions were in accordance with note 2 to the accounts.

The average number of employees (including casual workers) in the year was 587 (2010: 522).  
The average number of full time equivalent employees (including casual workers) was 379 (2010: 356).

Analysis of full time equivalent employees:		
Central departments and hub offices	57	62
Projects and services	322	294
	<u>379</u>	<u>356</u>

## 7. TANGIBLE FIXED ASSETS

	Freehold Property £000's	Motor Vehicles £000's	Computer Equipment Fixtures & Fittings £000's	Charity sub-total £000's	Freehold Property * £000's	Group Total £000's
<b>Cost/valuation</b>						
At 1 April 2010	135	15	388	538	185	723
Additions	-	-	127	127	-	127
Disposals	-	-	(310)	(310)	-	(310)
At 31 March 2011	135	15	205	355	185	540
<b>Accumulated depreciation</b>						
As at 1 April 2010	36	15	326	377	52	429
Charge for the year	-	-	44	44	3	47
Disposals	-	-	(310)	(310)	-	(310)
At 31 March 2011	36	15	60	111	55	166
<b>Net Book Value</b>						
At 31 March 2011	99	-	145	244	130	374
At 31 March 2010	99	-	62	161	133	294

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

\* This freehold property is a permanent endowment.

## 8. INVESTMENTS

	2011 £000's	2010 £000's
a) Common Investment Funds	1,239	1,177
Investment properties	5,564	6,203
Total Investments – Charity	6,803	7,380
Investment properties – Unincorporated Charity (D.J.Thomas)	1,087	1,034
Total Investments - Group	7,890	8,414

## b) Movements in market value of investments

Market value as at 1 April 2010	8,414	7,455
Acquisitions at cost	-	245
Disposals:		
Proceeds	(705)	(249)
Realised (loss)/gain	(122)	4
Unrealised appreciation	303*	959*
Market value as at 31 March 2011	7,890	8,414

\* includes revaluation gain of £52,733 (2010: £110,784) on D.J.Thomas investment property

## 9. DEBTORS

	2011 Group £000's	Charity £000's	2010 Group £000's	Charity £000's
Due within one year				
Other debtors	1,417	1,419	1,174	1,178
Prepayments and accrued income	81	81	73	73
	1,498	1,500	1,247	1,251

## 10. CREDITORS: Amounts falling due within one year

	2011 Group £000's	Charity £000's	2010 Group £000's	Charity £000's
Bank overdraft	7	7	12	12
Other creditors	804	804	860	860
Other taxation and Social Security	186	186	187	187
Pension contributions	49	49	44	44
Loan from/(to) D.J.Thomas Fund	-	905	-	465
Accruals	13	13	13	13
Deferred income	90	90	104	104
	1,149	2,054	1,220	1,685

## 11. FUNDS

## a) MOVEMENT IN FUNDS

	Balance at 1 April 2010 £000's	Incoming Resources £000's	Outgoing Resources £000's	Investment Investment (Losses) £000's	Transfers £000's	Balance at 31 March 2011 £000's
<b>Unincorporated Charity:</b>						
<b>PERMANENT ENDOWMENTS</b>						
(i) Foundation Trust *	133	-	(3)	-	-	130
<b>RESTRICTED FUNDS</b>						
(ii) D.J.Thomas *	2,789	230	(378)	53	-	2,694
						<b>2,824</b>
<b>Charity:</b>						
<b>RESTRICTED FUNDS</b>						
(iii) UK Projects	1,294	9,911	(10,490)	-	141	856
<b>UNRESTRICTED FUNDS</b>						
Designated Funds						
(v) Investment Property Revaluation Reserve	4,370	-	-	-	(687)	3,683
General Funds						
(vii) General Funds`	1,900	2,802	(3,350)	129	546	2,027
						<b>6,566</b>
Total Funds	10,486	12,943	(14,221)	182	-	<b>9,390</b>

\*Denotes funds held in Spurgeon's Child Care

## 11. FUNDS (CONTINUED)

- (i) The Foundation Trust is a permanent endowment vested in the Charity's registered office freehold property in Rushden.
- (ii) The net income from the D.J. Thomas Fund is used to provide and facilitate the provision of the education, maintenance and support of children and young adults under the age of 25 years.
- (iii) Funding which has been given for a particular project, and any related expenditure, has been recorded in restricted funds in the year. Transfers in the year represent the following:
1. The meeting of net deficits from general funds on restricted funded projects that are not recoverable from future funding.
  2. The movement of restricted funded project surpluses to general funds where either the projects have ended or no further contractual liabilities exist.
  3. Fundraising costs have been allocated to restricted funds within the SOFA to reflect the costs of raising restricted voluntary income. However, these costs are unrecoverable by the restricted projects so they have been transferred to the general funds accordingly.
- (iv) The Investment Property Revaluation Reserve represents the cumulative net revaluation on the investment properties (excluding those restricted to the D.J. Thomas Fund). The fund has been designated by the Trustees to reflect the fact that this sum is tied up in the Charity's investment properties, which are used to derive essential income for the charity's activities. During the year, following the decision of the trustees to dispose of certain properties, the revaluation reserve from those properties (both those that have been disposed of or are in the process of being disposed) has been transferred to general funds. This amounted to £875,180 (2010: £467,661)
- (v) General Funds represents the free funds of the Charity which are not designated for particular purposes

## b) ANALYSIS OF ASSETS BETWEEN FUNDS

	Tangible fixed assets £000's	Investments £000's	Net current assets £000's	Intra fund balances £000's	Total £000's
<i>Spurgeons:</i>					
Unrestricted Funds	244	6,803	(432)	(905)	5,710
Restricted Funds	-	-	856	-	856
	244	6,803	424	(905)	6,566
<i>Spurgeon's Child Care:</i>					
Permanent Endowment – Foundation Trust	130	-	-	-	130
Restricted Funds - D.J.Thomas	-	1,087	702	905	2,694
Total	374	7,890	1,126	-	9,390

The Trustees have plans in place for 2011/12 for the disposal of a number of investment and operational properties which are surplus to requirements in order to realise surpluses and strengthen the Charity's working capital position

**12. S.C.C. TRADING LIMITED**

SCC Trading Limited is a wholly-owned subsidiary company which is limited by guarantee. The company became dormant with effect from 31 March 2004. As at 31 March 2011 SCC Trading Limited had net assets of £Nil (2010: £Nil).

**13. TRANSACTIONS WITH TRUSTEES**

During the year the Charity reimbursed expenses of £5,990 (2010: £4,874) incurred by 8 (2010:6) Trustees in travelling to meetings and visiting projects.

No Trustee received any remuneration from the Charity.

**14. TAXATION**

Spurgeons is a registered charity and therefore under Section 505 of the Income and Corporation Taxes Act 1988 the Charity is exempt from paying tax on its charitable activities.

**15. OPERATING LEASES COMMITMENTS**

The Charity is committed to the following payments in 2011/12 under operating leases:

	Property £000's	Equipment £000's	2011 £000's	2010 £000's
<b>Leases expiring:</b>				
Within one year	58	9	67	49
Between 2 – 5 years	92	27	119	137
	<u>150</u>	<u>36</u>	<u>186</u>	<u>186</u>

**16. SPECIFIC ACKNOWLEDGEMENTS**

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

Big Lottery Fund grant received for our Oxford Shout Project £150,017 (2010: £40,334)  
Expenditure £118,230 with agreement to carry the balance forward into the next financial year.

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

# thank you

**Our work with children, young people and their families would not be possible without our many supporters. We would like to express our sincere thanks to the thousands of individuals, churches and organisations who supported us over this past year. By joining with us you are providing the chance of a positive future for thousands of vulnerable children.**

**Spurgeons Beyond the Horizon – Emergency Appeal**

We would like to thank the following Charitable Trusts for their generous response to the appeal launched in October 2010. This financial support has contributed to this project being able to continue its incredibly worthwhile work across Birmingham, which is providing counselling and support to children facing the trauma of the loss of a family member or the separation of their parents under some of the most difficult circumstances.

- The Alfred Haines Charitable Trust
- The Arundell Trust
- The Bernard Piggott Trust
- The Coutts Charitable Trust
- Frank Russon Charitable Trust
- The Grantham Yorke Trust
- The Grimmitt Trust
- The James Beattie Charitable Trust
- Lillie C Johnson Charitable Trust

**Our work with children and young people was significantly enhanced by the support of the following local authorities in 2010/11:**

- Bedford Borough Council
- Central Bedfordshire Council
- Birmingham City Council
- Cherwell District Council
- Crawley Borough Council
- Hampshire County Council
- Hertfordshire County Council
- Isle of Wight Council
- Leicester City Council
- Oxfordshire County Council
- Oxford City Council
- Salford City Council
- Stoke City Council
- Walsall Metropolitan Borough Council
- Warwickshire County Council
- West Sussex County Council
- Wolverhampton City Council
- Worthing Borough Council

