



# KIDS CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS YEAR END 31 MARCH 2019

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CHARITY REGISTRATION NUMBER: 275936

COMPANY REGISTRATION NUMBER: 01346252



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## COMPANY INFORMATION

**Company number:** 01346252

**Charity number:** 275936

**Registered office:** 7-9 Elliott's Place  
London  
N1 8HX

**Trustees:** Stephen Unwin           Chair  
Chris Stefani           Treasurer  
Sam Bowerman  
Chris Blackhurst  
Steven Clarke  
Kerry Crichlow  
Teresa Culverwell  
David de Paeztron  
Austin Erwin  
Baroness Gabby Grist  
Benet Middleton       (Resigned 26 March 2019)  
Zoe Peden  
Richard Pogrel  
Lindsay Thomas

**Company Secretary:** Caroline Stevens

**Bankers:** Barclays Bank plc  
50 Pall Mall  
London  
SW1Y 5AX

**Auditor:** BDO (formerly Moore Stephens)  
2 Snow Hill Queensway  
Birmingham  
B4 6GA

## CHIEF EXECUTIVE'S INTRODUCTION



It gives me great pleasure to introduce you to our Annual Report for 2018-19.

KIDS is a national charity, founded almost 50 years ago, providing a wide range of support services to disabled children, young people and their families. We support children with any disability from birth to 25 years of age. We offer our support to the whole family with the aim of giving disabled children a brighter future.

We cannot change a diagnosis and we cannot cure but we can, and we do, make a very real difference to the lives of families with a disabled child through high quality, practical and tailored services delivered by dedicated professional staff.

KIDS provides over 97 different services and works with 80 local authorities throughout England. In 2018-19 we supported over 13,700 children.

Our vision is a world in which all disabled children and young people realise their aspirations.

Everything we do places the child at the centre of our support, our services then focus on providing care, which wraps around the child within their family.

KIDS is continuing to operate in a challenging environment as many Councils are extremely challenged with funding shortfalls. The Disabled Children's Partnership, of which KIDS is a member, has calculated that there is a £434million annual funding gap for social care support for disabled children and their families. Our role remains to support parents as they navigate these challenging times, in order to access the best possible care for their children.

As one of our families recently stated *'you are life savers and we would have been lost without KIDS.'*

We aim to help every child, no matter how complex their requirements or challenging their behaviour. This includes supporting disabled children and young people up until the age of 25 as we recognise that successful transition to adulthood ensures greater independence and a far better quality of life for those we support.

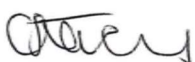
Our model is not just to support disabled children, but to give help to the whole family, alleviating some of the pressure and stress that can become overwhelming for parents and siblings.

I am pleased to report on our achievements and successes during the past twelve months that include:

- Having consistently high satisfaction levels amongst the families we work with. This includes 96% stating that they are happy with our services and trust KIDS and 95% stating that they would recommend us to a family member or friend.
- Winning a new £1m care contract in Lincolnshire, which supports 293 disabled children and young people, many of whom live in rural communities where service provision is limited.
- Extending and refurbishing our Early Years provision at Basingstoke Nursery to accommodate additional children.
- Holding a fantastic 1920's themed gala dinner at RIBA which raised £73,000 to support our future work.
- Successfully fundraising to keep our highly valued Hackney Playground operational for another year despite huge funding challenges.
- 15 young people from the Southern Region's Participation Team worked with Hampshire Council to develop consultation on Short Breaks in the area. The group also gave their reflections on the outcomes of the consultation, attending a committee meeting to share these with key decision makers.
- Continuing to strengthen our infrastructure, including the implementation of a new national management structure which will help us to strengthen our service delivery and help us to maintain our consistent high quality standards across the country.

KIDS would not exist without the dedication of our staff and volunteers and all those who fundraise on our behalf to support our much needed and highly regarded services. I would like to personally thank them all for the significant contribution they make. We are particularly thankful to BBC Children in Need, White & Case, Sandra Charitable Trust, Mace and Cranswick Foods for their significant gifts, grants and time.

It is a privilege to work as Chief Executive for a cause that changes the lives of so many disabled children and young people and that has such a profoundly positive impact on their families.



Caroline Stevens  
Chief Executive

# STRATEGIC REPORT

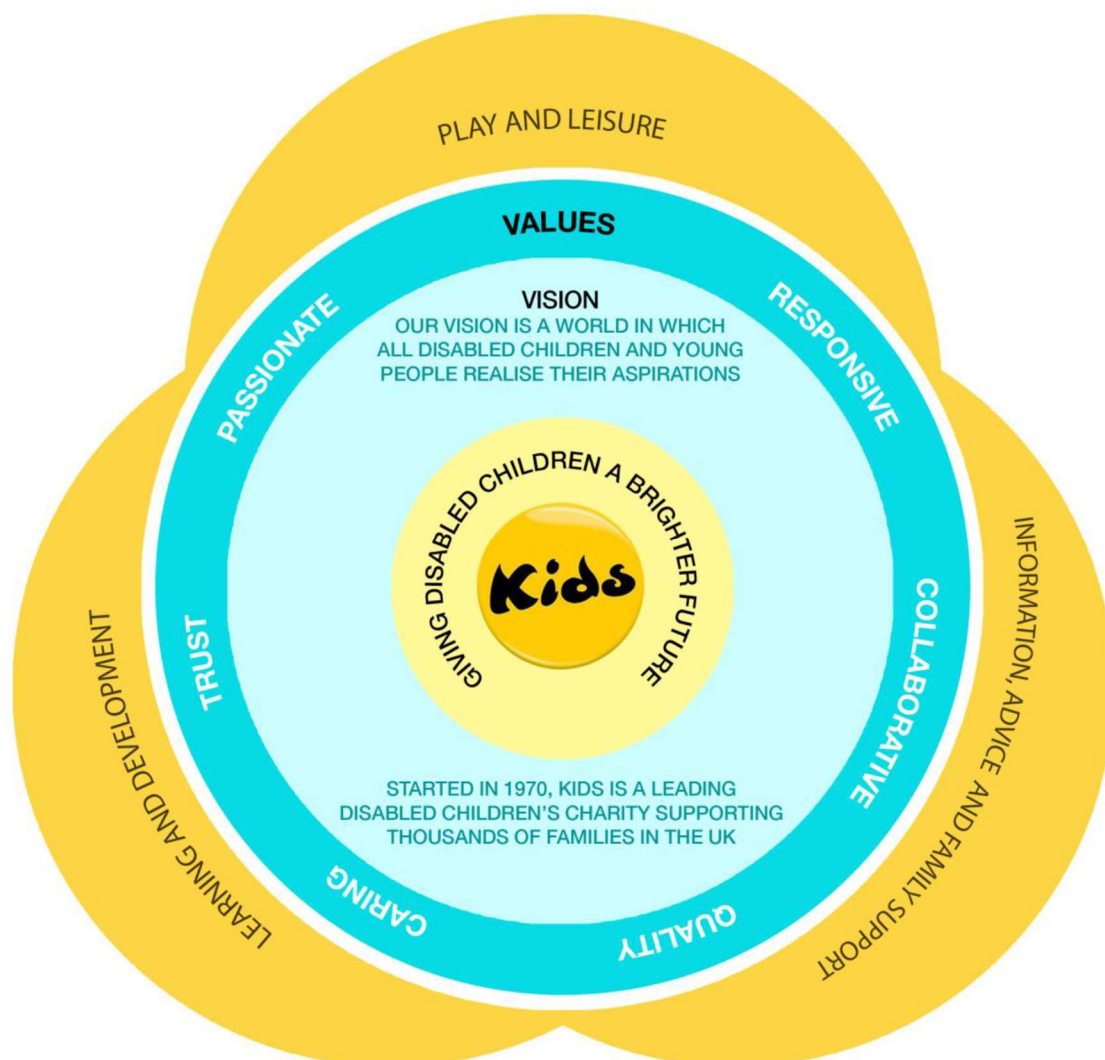
## Objectives and Activities

The purpose of KIDS is to enable disabled children, young people and their families to enjoy their lives.

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)’.

Our vision is “a world in which all disabled children and young people realise their aspirations.”

We work with children, young people and families in three main areas of their lives - we call these our “circles of support”, and they are demonstrated in the diagram below:





## **Achievements and Performance**

The core essence of the charity each year is to continue to provide a high level of support and quality services to our beneficiaries and again this year we achieved this by making a positive difference to the lives of over 13,700 disabled children, young people and their families.

We are unique. There is no other organisation, working across the country, dedicated to providing such an extensive range of services to disabled children and young people irrespective of their impairment or condition. We not only focus on the child or young person but work in partnership with the family and it is the relationships our staff build with the child or young person's parent/carer that makes us different.

Life continues to be challenging for families with a disabled child or young person. Cuts to funding continue to bite and the political concentration on Brexit has done little to focus attention on the need for funding in social care and the disability sector in particular. Pressure continues on our local government funded contracts and there are a number of contracts that we have had to close due to the financial viability. During the year the Independent Support Contract came to its end and families waiting for Education, Health and Care (EHC) plans were transferred to local Special Educational Needs and Disabilities Information Advice and Support Service (SENDIASS) teams. During the year we also won a significant contract to deliver Domiciliary Care, Creches and Play activities.

Our current Corporate Strategy runs from 2016 to 2020 and focuses on strengthening and developing our business model, our infrastructure and our financial sustainability so that we are poised for growth in 2020 and beyond. We set ourselves six specific goals that we aim to complete by 2020.

1. To develop our work with young people aged 14-25
2. To extend our work with health agencies
3. To continue to focus on quality and demonstrate our impact
4. To increase our public profile
5. To strengthen our infrastructure
6. To diversify our income streams

### ***Increasing Voluntary Income***

Voluntary funding was strong during the year. Highlights from the year include our Gala which raised an amazing £73,000 and also a dinner held by Joe Fournier which raised £80,000 for the Hackney playground.

We would like to express thanks to all of the businesses and charitable trusts that continue to support our work as well as all the many individuals who run marathons, trek up mountains, complete sky dives, hold jumble sales and take on many and varied fundraising activities for KIDS across the country.



### *Regulated services*

KIDS has 21 regulated settings – 16 are registered with Ofsted and 5 are registered with the Care Quality Commission (CQC).

3 regulated activities were closed over the year. All service users were consulted about the changes and supported in finding alternative provision.

5 of our 16 Ofsted registered activities were subject to inspection in the 2018/19 financial year. This included a combination of full, and compliance inspection visits depending on the type of registration and inspection requirements. The inspections comprised: 1 adventure playground, 2 out of school activity schemes, 1 overnight short break residential settings, 1 holiday scheme for disabled children.

KIDS continues to demonstrate high standards of delivery and effectiveness across our range of Ofsted regulated activities: KIDS Oxford play scheme was judged to be 'outstanding', KIDS overnight short break residential (Russell House) was judged to be 'good' and 3 play and leisure projects met all the requirements of the childcare register.

2 of our 5 CQC regulated activities were also inspected in the 2018/19 financial year both of which sustained effectiveness achieving an overall rating of 'good' for a second inspection cycle.

### *Working in partnership*

Since 1977, when partnership with parents was at the core of our set up, KIDS has invested in its partnership ethos, recognizing the mutual value to be derived from effective partnership working. KIDS capitalises on the power of partnership working with clearly agreed underlying principles aligned to the values of all partner organisations. We undergo

partnership formation to meet both national and local needs, recognising there has to be benefit for all partners, and we are open and transparent in discussing and agreeing what that is. KIDS current partnerships include:

- Partnership with Contact and Council for Disabled Children April 2018 to deliver Young People's Participation nationally for Department for Education
- Key delivery partner in the city-wide Birmingham Early Years and Wellbeing project
- Providing SEND expertise to Change, Grow Love in Walsall.
- Islington Play association playgrounds – running a specialist adventure playground on their behalf Hayward Adventure Playground
- In Camden KIDS, WAC arts College and PACE work in partnership to provide short breaks to children and young people
- Young Carers in Hampshire alliance working together ensuring that young carers across the county receive emotional support, respite from caring and the opportunity to have fun days out, making friends and ensuring they have the same opportunities as their peers.
- Members of the Council for Disabled Children and Supporters of the Disabled Children's Partnership.

Alongside our partners, we also continued to be very active in shaping the sector that we work in. This, in turn, helps us to strive towards providing services and support which are of most benefit to the families we serve.

We continue working to foster longer term, reliable relationships with the families of the children and young people we work with so that we can offer consistent support. Our aim to involve the families that we work with more in fundraising continues to progress and we look to build on this in 2019.

## **Financial Review**

The statement of financial activities is shown on page 19.

Income for the group has decreased from £15.725 million to £10.083 million. This was due to the merger with Support Education and Respite Care for Children (Smile) and the acquisition of their net assets of £5.18 million in 2017/18. Excluding this income has dropped by £0.462 million. The Independent support contract ended as well as the closure of our overnight respites in Hampshire, however we also won a new contract in Lincolnshire that went live in October 2018.

Overall the net asset position of the group has reduced from £7.985 million to £7.463 million, a decrease of £0.522 million which has been caused by the revaluation of the KIDS portfolio of properties. Restricted Reserves increased by £0.163 million with unrestricted reserves (excluding the property Reserve) reducing from £2.485 million to £2.404 million.

## **Principal Risks and Uncertainties**

### **Financial**

One of the largest and continuing risks for KIDS relates to our financial position. Reserves have increased year on year previously, however this year there has been a drop in unrestricted and an increase in restricted funds. Although fundraised income has increased

this year the growth has been from restricted. Local authority tendered contracts make up the most of our unrestricted income and with continuous cuts in the sector projects are getting tighter and tighter. KIDS is committed to paying the national minimum wage, however annual increases, lack of increased rates from LA's, and recruitment issues in certain parts of the country have all contributed. KIDS is continually monitoring the financial viability of contracts and is making the difficult decision of closing projects where costs exceed the income received.

The cash position has remained stable enabling us to be in a stronger position, however the impact of reducing unrestricted reserves is not sustainable and would have an impact on the cash balances if the deficits continued.

### **Safeguarding**

The Board is committed to safeguarding and promoting the welfare of children and young people and expects all staff and volunteers to share this commitment. All children and young people we work with must, at all times, feel safe.

As part of our commitment to safeguarding KIDS has a Safeguarding Board with representatives from all parts of the organisation. The board meets regularly to review policy and practice and disseminate learning and good practice. KIDS has a designated safeguarding lead at director and at Trustee level.

KIDS follows safer recruitment principles and all staff and volunteers working with children, young people or families have DBS checks, regular supervision and safeguarding training.

We work closely with families and co-operate fully with other agencies to take all reasonable steps to minimise the risks of harm to a child or young person's well-being. We recognise that not all risks can be eliminated so we must operate in an atmosphere of safe uncertainty. This means that children and young people must feel secure and safe in the face of reasonable risks but should never be knowingly or unknowingly put in a position of significant harm or abuse.

### **Regulatory**

KIDS is an organisation that is heavily regulated through service delivery; CQC, Ofsted, and Local Authority audits as well as non-service delivery including the General Data Protection Regulation (GDPR) and Data Protection 2018. KIDS is continually monitoring its compliance with GDPR and has introduced mandatory training across the organisation.

### **Plans for the Future**

Since 1970 we have been able to provide support, which has transformed the lives of thousands of disabled children and young people, but we want to do more. In 2020, to coincide with our 50<sup>th</sup> anniversary, we will launch a new strategy and work has already started on this.

During the next year, we will continue with the existing strategy and the six key objectives described on page 5.

More information can be found in the KIDS Corporate Strategy 2016-20. This document can be found on our website [www.kids.org.uk](http://www.kids.org.uk).

## TRUSTEES' ANNUAL REPORT

### (Incorporating the Directors' Report for the year ended 31 March 2019)

The Trustees, who are the directors of the charitable company for Companies Act purposes, are pleased to present their annual report and review together with the audited financial statements of the charity and the group for the year ended 31 March 2019. In this report they are referred to as the Trustees or, collectively, as 'the Board'.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: 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 (FRS102) (effective 1 March 2015).

### Structure, Governance and Management

#### Governing Document

KIDS is a registered charity and is a company limited by guarantee. It is licensed by the Secretary of State to omit the word "Limited" from its name. The instruments governing the charity are the Memorandum and Articles of Association.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The Trustees are the Members of the charitable company but this entitles them only to voting rights. The total number of such guarantees at 31 March 2019 was 14 (2018: 14).

KIDS has 4 subsidiaries. KIDS Trading Company Limited, is a dormant company limited by guarantee registered in England and Wales. Kidsactive, and Strut Limited are both charities and companies limited by guarantee, with no share capital, registered in England and Wales. Kidsactive and Strut Limited are dormant.

On 1 October 2017 Smile (Support Education Respite Care for Children) registered company 02964962 and Charity no 1047359 became a subsidiary of KIDS. On 1 March 2017 the staff and services provided by Smile and the assets and liabilities were transferred into KIDS.

#### Organisation

The charity is governed by a Board of Trustees collectively referred to as the Trustees. These Trustees are also the Directors of the company for Companies Act purposes.

The full Board of Trustees meets at least six times per year. In addition to the full Board, the Finance and Audit Committee meets at least five times per year. The Finance and Audit Committee consists of the Chair and Treasurer and a minimum of two other Trustees along with other individuals appointed by the Board.

For the year ended 31 March 2019 the members of the Finance and Audit Committee were:

Chris Stefani (Chair of Finance and Audit Committee)  
Stephen Unwin  
David de Paeztron

Austin Erwin  
Zoe Peden  
Richard Pogrel  
Linda Smeaton  
Lindsay Thomas  
Sabah Zubaida

The charity maintains a risk register outlining the major strategic, funding and operational risks that it faces. Each year when considering the operating budget and strategic plan, the Trustees review these risks. Having assessed the major risks, in particular those relating to the operation and finance of the charity, the Trustees are satisfied that, within practicality bounds, systems are in place to mitigate exposure to these.

### **Appointments to the Board**

The Board of Trustees comprises a mixture of individuals from a wide range of backgrounds, including individuals from the care sector, individuals with specific professional skills and parents of disabled children.

Each Trustee must retire at the next board meeting once three years has passed since their appointment or last election. They are eligible for re-election or re-appointment for two further consecutive terms of three years provided that they do not serve for a period of more than nine years without a period of at least a year out of office.

Trustees are recruited following the identification of a gap in key skills and experiences or to directly replace retiring Trustees. The recruitment is through a robust interview and appointment process. Candidates receive a full briefing pack about the function and responsibilities of being a Trustee and have the opportunity to meet the Chair and other Trustees before being elected.

### **Trustee Induction and Training**

New Trustees undergo an orientation day to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role

The names of the Trustees of the charity at the date of this report are stated on page 1.

The Trustees are covered by qualifying third-party indemnity provisions which were in place throughout the year and remain in force at the date of this report.

### **Management**

The Trustees are responsible for the high level strategic development and direction of the charity. The day to day management of the charity, including staff and financial matters, is delegated to the Chief Executive.

We have determined our key management are the Chief Executive (Caroline Stevens), supported by an Executive Leadership Team comprising of the Director of Finance and IT (Emma Teviotdale), Director of Fundraising (Fidelma Hatton), HR Director (Sally Storton) and the National Operations Director (Katherine Shaw). The total remuneration for key management can be found in note 9.

## Related Parties

Related parties of the charity include its subsidiary undertakings. A full list of the charity's subsidiary undertakings is disclosed in note 14 to the financial statements. All subsidiaries listed are included in the consolidated financial statements.

None of the Trustees receive any remuneration from their work with the charity.

A Conflicts Register is maintained by the Company Secretary to monitor and manage any potential conflicts of interest. Any conflicts are declared at the first board meeting at which the Trustee becomes aware of the potential conflict and are then recorded in the Conflicts Register. The Board considers all conflicts in line with the provision set out in the Company's Articles. The Trustees declare all interests on an annual basis.

## Remuneration Policy

We endeavour to pay all our staff a fair and appropriate salary which ensures we attract and retain the right skills to have the greatest impact on advancing our vision whilst having to be balanced against the funds available to us.

Apart from the Chief Executive's salary, employees' and workers' pay is determined according to a fixed pay scale. All roles have a job description and they are evaluated against a set criteria to determine their grade which in turn governs their pay.

It is the responsibility of the Chair and the Treasurer to consider the remuneration of the Chief Executive using external information about pay rates of senior staff and make a recommendation to the Board for approval.

The Board approves the pay settlement for all staff.

## Reserves Policy

The environment that KIDS operates within continues to go through significant change. Uncertainty still remains and the level of working capital that the group requires to continue to securely operate going forward is not totally quantifiable.

The Reserves Policy and its application will be reviewed at least annually. This is an agile policy and with internal/external changes to the charity the monetary level may change from year to year but the principles within the policy will remain the same. The principles are as follows:

1. Liquidity - the charity's cash balance must not fall below £500,000.
2. Reserves – the level of unrestricted reserves must contain a minimum level equal to 60 days of anticipated expenditure.
3. Contract Risks – an ongoing analysis of risks associated with larger contracts must be continually assessed and an allocation be made within unrestricted funds if the risk is deemed highly likely.

4. Cessation of business – Although unlikely to happen an ongoing analysis of the going concern of the business will be conducted, and sufficient unrestricted reserves will be allocated for the purpose.
5. Capital Accumulation – a key part of the corporate strategy is to change the business model and to increase the level of fundraising income but to do this there will need to be an investment in infrastructure and fundraising. The policy allows an allocation of unrestricted reserves to be used once principles 1 to 3 have been considered. Any available unrestricted reserves remaining can be used to fund designated reserves that assist the charity in achieving its corporate objectives.

Having assessed the budget for 2019-20, and taking into account the 4 principles, a minimum reserves monetary amount has been set at £1.5 million. It is estimated that at 31 March 2019 the unrestricted reserves will at least meet our minimum requirement. However designated funds have been reduced to ensure unrestricted reserves are maintained at a prudent level.

### **Investment Policy**

Apart from the investments in the subsidiary undertakings, there are no investments other than cash. The group does not have any significant excess cash reserves and so its policy is to hold any surplus cash resources in low risk, interest bearing bank deposit accounts.

### **Going Concern**

A review of the financial position and performance of the charity and the group has been outlined in the strategic report on page 4, together with a description of the principal risks and uncertainties faced by the charity on page 8.

The charity has acceptable financial resources: unrestricted funds have reduced slightly from £2.485 million to £2.404 million. As a consequence, the Trustees have a reasonable expectation that the group is well placed to manage its business risks successfully and continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### **Fundraising**

KIDS raises funds with the aim of giving disabled children and young people a brighter future.

The funds we raise are the sole source of income for some projects, they provide additional income for services commissioned by local authorities and they ensure we continue to develop our offering to meet families' needs.

We appreciate that supporting our work is a choice and we respect our supporters who make that choice.

Our supporters help our work through giving their time in volunteering at one of our services or at an event, raising funds through making donations, participating in a challenge or special event or supporting via their social networks.



Alongside this, a number of corporate partners and trusts give us their time and expertise on a pro-bono basis in addition to funding specific projects and engaging in employee fundraising activities.

KIDS is a member of the Fundraising Regulator, taking our commitment to the highest standards of professional fundraising seriously and implementing recommendations on consent. Our staff undergo appropriate training, including GDPR, and are encouraged in their professional fundraising development.

The majority of our fundraising activities are directly managed in-house meaning we have direct control over standards and we ensure that our suppliers are acting to the standards we expect of them.

We take care to ensure that any vulnerable individuals would not be adversely affected by our fundraising, for example our Lottery promotion expressly encourages participants to be Gamble Aware.

Any complaints received in Fundraising are logged and managed and escalated in line with organisational policy if appropriate.

Fundraising activity at KIDS is overseen by a sub-committee of the Board of Trustees. This Committee meets bi-monthly and receives written update reports and financial plans and discusses progress with the Director of Fundraising

### **Trustees Responsibilities Statement**

The Trustees (who are also directors of KIDS for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland". Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for

safeguarding the assets of the charitable group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### **Auditor and the disclosure of information to the auditor**

So far as the Trustees are aware, there is no relevant audit information of which the group's auditors are unaware. The Trustees have taken all required steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### **Equalities and diversity**

The charity is committed to the principle and practice of equal opportunities in employment for all employees, applications for employment, and board membership.

KIDS recognise that certain groups and individuals in our society are discriminated against for a variety of reasons, including their impairment or condition. We are committed to working towards eliminating any such discrimination in all aspects of our work and we value the individuality of all the children and young people we work with. We are committed to giving all KIDS service users every opportunity to safely express themselves and to achieve their highest potential. Within this ethos we do not tolerate bullying, harassment or discrimination of any kind.

This Trustees Report (including the Strategic Report) was approved by the Board and signed on its behalf by



Stephen Unwin  
Chair of Trustees  
24<sup>th</sup> September 2019

## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF KIDS

### Opinion

We have audited the financial statements of KIDS (“the parent charitable company”) and its subsidiaries (“the group”) for the year ended 31<sup>st</sup> March 2019 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheet, the Group and Charity 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at year end and of the group's incoming resources and application of resources and the parent charitable company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements 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 related 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 group and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the information included in the Trustees' 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 Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

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

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

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines 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 group and parent 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 group or the parent 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**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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

*BDO LLP*

Nicholas Simkins, Senior Statutory Auditor  
For and on behalf of BDO LLP, Statutory Auditor  
Two Snowhill  
Queensway  
Birmingham

B4 6GA

*20/11/2019*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## STATEMENT OF FINANCIAL ACTIVITIES

(including consolidated income and expenditure account) for year ending 31 March 2019)

Notes	2019			2018			
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £	
<b>Income:</b>							
Donations and legacies	3	351,548	820,230	1,171,778	438,495	744,265	1,182,760
Charitable Activities	4	8,583,100	0	8,583,100	9,129,716	0	9,129,716
Other Trading Activities	5	189,533	109,438	298,971	177,510	7,466	184,976
Investments	6	4,031	0	4,031	695	0	695
Other		25,046	0	25,046	46,321	0	46,321
Acquisition of Smile Assets	26	0	0	0	5,155,289	25,000	5,180,289
<b>Total Income</b>		<b>9,153,258</b>	<b>929,668</b>	<b>10,082,926</b>	<b>14,948,026</b>	<b>776,731</b>	<b>15,724,757</b>
<b>Expenditure:</b>							
Raising Funds	7	631,492	0	631,492	655,001	0	655,001
Charitable Activities	7	8,648,993	720,485	9,369,478	9,567,344	512,004	10,079,348
<b>Total Expenditure</b>		<b>9,280,485</b>	<b>720,485</b>	<b>10,000,970</b>	<b>10,222,345</b>	<b>512,004</b>	<b>10,734,349</b>
<b>Net Income / (Expenditure)</b>		<b>(127,227)</b>	<b>209,183</b>	<b>81,956</b>	<b>4,725,681</b>	<b>264,727</b>	<b>4,990,408</b>
Revaluation of Fixed Assets		(604,344)	0	(604,344)	0	0	0
Gains Losses on Disposal of Fixed Assets		0	0	0	234,540	0	234,540
Transfers		45,977	(45,977)	0	7,146	(7,146)	0
<b>Net Movement in Funds</b>		<b>(685,594)</b>	<b>163,206</b>	<b>(522,388)</b>	<b>4,967,367</b>	<b>257,581</b>	<b>5,224,948</b>
<b>Reconciliation of Funds:</b>							
Total Fund brought forward		7,504,708	480,524	7,985,232	2,537,341	222,943	2,760,284
<b>Total funds carried forward</b>		<b>6,819,114</b>	<b>643,730</b>	<b>7,462,844</b>	<b>7,504,708</b>	<b>480,524</b>	<b>7,985,232</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The notes on page 21 to 34 form part of these financial statements.

## BALANCE SHEET

For the year ended 31 March 2019

	Note	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
<b>Fixed assets</b>					
Tangible assets	13	5,405,720	6,044,391	5,405,720	6,044,391
Investments	14	0	0	100	100
<b>Total Fixed assets</b>		<b>5,405,720</b>	<b>6,044,391</b>	<b>5,405,820</b>	<b>6,044,491</b>
<b>Current assets</b>					
Debtors	15	1,646,166	1,685,841	1,646,166	1,685,841
Cash at bank and in hand	23	1,331,162	1,309,946	1,331,162	1,309,946
<b>Total Current assets</b>		<b>2,977,328</b>	<b>2,995,787</b>	<b>2,977,328</b>	<b>2,995,787</b>
<b>Liabilities</b>					
Creditors falling due within one year	16	(900,759)	(918,835)	(900,859)	(918,935)
<b>Net Current assets</b>		<b>2,076,569</b>	<b>2,076,952</b>	<b>2,076,469</b>	<b>2,076,852</b>
<b>Total assets less current liabilities</b>		<b>7,482,289</b>	<b>8,121,343</b>	<b>7,482,289</b>	<b>8,121,343</b>
Creditors: falling due after more than one year	18	(19,445)	(136,111)	(19,445)	(136,111)
<b>Net assets</b>		<b>7,462,844</b>	<b>7,985,232</b>	<b>7,462,844</b>	<b>7,985,232</b>
<b>The funds of the charity:</b>					
Restricted income funds		643,730	480,524	643,730	480,524
Property Reserve		4,414,956	5,019,300	4,414,956	5,019,300
Unrestricted income funds		2,404,158	2,485,408	2,404,158	2,485,408
<b>Total charity funds</b>	21	<b>7,462,844</b>	<b>7,985,232</b>	<b>7,462,844</b>	<b>7,985,232</b>

The consolidated financial statements of KIDS, registration number 01346252 on pages 18 to 34 were approved by the Board on 24<sup>th</sup> September 2019 and signed on its behalf by:



Stephen Unwin  
Chair of Trustees

## CASH FLOW STATEMENT

(including consolidated cash flow statement) For the year ended 31 March 2019

	Notes	Group 2019	Group 2018	Charity 2019	Charity 2018
		£	£	£	£
<b>Net cash provided by (used in) operating activities</b>	25	<b>193,059</b>	<b>4,952,181</b>	<b>193,059</b>	<b>4,901,181</b>
<b>Cash flows from investing activities</b>					
Interest Received		4,031	695	4,031	695
Payments to acquire fixed assets		(49,146)	(118,849)	(49,146)	(118,849)
Proceeds from sale of fixed assets		0	1,050,000	0	1,050,000
Acquisition of Smile		0	(5,112,103)	0	(5,061,103)
<b>Net cash provided by (used in) investing activities</b>		<b>(45,115)</b>	<b>(4,180,257)</b>	<b>(45,115)</b>	<b>(4,129,257)</b>
<b>Cash Flows from Financing activities</b>					
Receipt of loan finance		0	350,000	0	350,000
Repayment of loans		(116,666)	(699,353)	(116,666)	(699,353)
Interest Paid		(10,062)	(25,787)	(10,062)	(25,787)
<b>Net cash provided by (used in) financing activities</b>		<b>(126,728)</b>	<b>(375,140)</b>	<b>(126,728)</b>	<b>(375,140)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>21,216</b>	<b>396,784</b>	<b>21,216</b>	<b>396,784</b>
Cash and cash equivalents at the beginning of the reporting period		1,309,946	913,162	1,309,946	913,162
<b>Cash and cash equivalents at the end of the reporting period</b>	23	<b>1,331,162</b>	<b>1,309,946</b>	<b>1,331,162</b>	<b>1,309,946</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 1. Legal Form

KIDS is a registered charity (Charity number: 275936) and is a company limited by guarantee (Company number: 01346252), incorporated in England and Wales and domiciled in England. The registered office is 7-9 Elliott's Place, London, N1 8HX. The principal activity of the charity during the year was that of the provision of services for disabled children and young people.

### 2. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### 2.1. Basis of Preparation

The financial statements cover the period 1 April 2018 to 31 March 2019

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2015) – (Charities COR (FRS 102)), the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

KIDS meet the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant policy note(s).

The financial statements are presented in sterling, which is the functional currency of the group and charity. All values are rounded to the nearest £1 except where otherwise indicated.

#### 2.2. Group financial statements

The group financial statements include the financial statements of the parent company and all of its subsidiary undertakings on a line by line basis, all of which are made up to 31 March 2018. The charity has taken exemption from presenting its unconsolidated statement of financial activities under section 408 of Companies Act 2006.

The activities of the Group and Charity are the same and therefore the SOFA (Statement of Financial Activities) stated is the same for the Group and the Charity.

#### 2.3. Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis. The Trustees consider the use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the group to continue as a going concern for the next twelve months.

Current liabilities include a significant amount of deferred income which will be recognised in the next financial year, in some cases spread across the whole 12 months, and so do not represent immediate cash out flows. The financial forecasts for the next 12 months show a positive cash flow and that the group (and charity) will have more than sufficient cash to meet its liabilities. Therefore based on this along with a forward review of activities

undertaken by the management and Trustees, the Trustees are fully satisfied that the going concern basis is fully appropriate.

#### **2.4. Income**

Voluntary income by way of donations, legacies and gifts is recognised in full in the statement of financial activities when the group is entitled to receipt, which is usually when the cash is received. Gift Aid refunds on donations are recognised on an accruals basis.

Voluntary income by the way of grants is credited to the statement of financial activities in the year in which it is received unless otherwise stated under the terms of the application or issue.

Income for the delivery of our work with disabled children and young people through contracted services and performance related grant funding is recognised in the statement of financial activities in the year in which it is receivable and the service has been delivered. Income received which is clearly specified for a future accounting period or for services not delivered by the year end is carried forward as deferred income.

Income received by the way of parental contributions and Nursery/After School Club fees are recognised on a cash basis.

#### **2.5. Expenditure**

Expenditure is charged to the statement of financial activities in the period that it is incurred. This includes attributable VAT where it cannot be recovered. Expenditure is classified under the following activity headings:

##### **Cost of generating voluntary funds**

This is direct expenditure incurred on fund-raising applications and activities related to the generation of voluntary donations plus a proportion of support costs.

##### **Cost of activities for generating funds**

This is direct expenditure incurred on activities related to generating funds through fundraising events and the sale of donated goods plus a proportion of support costs.

##### **Costs of Charitable Activities**

This comprises all direct costs which have been incurred by the group in providing care services and meeting its charitable objects.

##### **Support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include finance, HR, IT and governance costs which support KIDS operational services.

#### **2.6. Allocation of costs**

Costs directly attributable to the activities above are allocated to the activity to which they relate. Central support costs are then allocated to the activities in a proportion based on the total direct expenditure of each activity.

#### **2.7. Tangible Fixed Assets**

Tangible fixed assets are stated at cost less depreciation excluding Freehold and Long Leasehold buildings these are revalued every 5 years.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the basis as follows:

<b>Asset Category</b>	<b>Annual rate</b>
Freehold land	Nil
Freehold buildings	Nil Revaluation every 5 years
Leasehold property and improvements	Nil Revaluation every 5 years
Office Equipment/fixtures and fittings	20% straight line
Playground structures	* Over the period of the lease
Computer Equipment/Software	20%-25% straight line
Motor Vehicles	25% straight line

Assets under construction are not depreciated.

\* Where there is no formal lease agreement for the tenancy of the respective playground, the structures are depreciated at 20% straight line.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

## **2.8. Investments**

Investments are stated at cost less provision for permanent diminution in value.

## **2.9. Operating Leases**

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged on a straight-line basis over the lease term.

## **2.10. Funds**

Unrestricted funds are those which are available for use at the discretion of the Board of Trustees, in furtherance of the general objectives of the group. The Board may, at its discretion, set aside unrestricted funds for specific future purposes and these are referred to as Designated Funds. Where such funds are no longer required for the intended purposes they are released to general unrestricted reserves.

Restricted funds are those which can only be used for purposes specified by the donor, or which have been raised under the terms of a specific appeal. Direct expenditure, which is for the specified purpose, is charged against the fund together with an appropriate allocation of management and support costs.

## **2.11. Financial Instruments**

The group only enters into basic financial instruments transaction that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measure at present value of the future cash flows and subsequently amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and

creditors are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised costs are assessed at the end of each reporting period for objective evidence of impairment, if objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

## 2.12. Pensions

The group operates two defined contribution pension schemes (and paid into one further scheme during the year). The assets of the schemes are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable under the schemes by the group. There is no liability under the schemes other than the payment of those contributions.

The pension costs are allocated between unrestricted and restricted reserves using the employees' time allocation when working on the various activities of the group. Any closing liability would be attributed to the unrestricted reserves at the year end.

## 3. Income from donations and legacies

	2018-19			2017-18
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Donations	235,302	307,890	543,192	472,422
Grants	60,719	487,051	547,770	636,505
Legacies	55,527	25,289	80,816	73,833
	<b>351,548</b>	<b>820,230</b>	<b>1,171,778</b>	<b>1,182,760</b>

Details of significant donations received in the year are provided on page 35.

## 4. Income from charitable activities

	2018-19			2017-18
	Unrestricted	Restricted	Total	Total
	£			
Work with disabled children and young people	8,581,340	0	8,581,340	9,122,009
<b>Associated charitable work</b>				
Training Courses and Products	1,760	0	1,760	7,707
	<b>8,583,100</b>	<b>0</b>	<b>8,583,100</b>	<b>9,129,716</b>

## Income from work with disabled children and young people analysed by KIDS region

	2018-19	2017-18
	£	£
London & Central	4,188,954	4,265,594
South	2,950,707	3,347,769
Yorkshire & Humber	1,125,056	1,186,904
DFE / National Projects	316,623	280,504
Smile	0	40,634
Other	0	604
	<b>8,581,340</b>	<b>9,122,009</b>

## 5. Income earned from other activities

	2018-19			2017-18
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Events Income	183,524	109,438	292,962	183,449
Sale of Donated Goods	0	0	0	0
Commission from the sale of Christmas cards	6,009	0	6,009	0
Smile	0	0	0	1,527
	<b>189,533</b>	<b>109,438</b>	<b>298,971</b>	<b>184,976</b>

## 6. Investment Income

Investment Income is Bank Interest Received 2018-19 £4,031 (2017-18 £695) held in Unrestricted Funds.

## 7. Analysis of expenditure on charitable activities and raising funds

	2018-19			2017-18	
	Direct Staff Costs	Other Direct Costs	Support Costs	Total	Total
	£	£	£	£	£
Generating Voluntary Income	289,547	72,321	31,817	393,685	416,918
Activities for generating funds	144,731	73,861	19,215	237,807	238,083
<b>Raising Funds</b>	<b>434,278</b>	<b>146,182</b>	<b>51,032</b>	<b>631,492</b>	<b>655,001</b>
Work with disabled children and young people	6,773,440	1,825,587	755,873	9,354,900	10,060,802
Associated charitable work	0	13,400	1,178	14,578	18,546
<b>Charitable Activities</b>	<b>6,773,440</b>	<b>1,838,987</b>	<b>757,051</b>	<b>9,369,478</b>	<b>10,079,348</b>

## Expenditure for work with disabled children and young people analysed by KIDS region

	2018-19			2017-18	
	Direct Staff Costs	Other Direct Costs	Support Costs	Total	Total
	£	£	£	£	£
London & Central	3,157,733	671,325	336,584	4,165,642	4,375,457
South	2,366,476	700,607	269,602	3,336,685	3,493,577
Yorkshire & Humber	915,900	257,482	103,142	1,276,524	1,337,732
DFE / National Projects	333,331	196,173	46,545	576,049	735,134
Smile	0	0	0	0	118,902
	<b>6,773,440</b>	<b>1,825,587</b>	<b>755,873</b>	<b>9,354,900</b>	<b>10,060,802</b>

## 8. Analysis of governance and support costs

	2018-19			2017-18	
	Staff Costs	Other Costs	Total	Total	
	£	£	£	£	
Chief Executive Office	147,091	2,726	149,817	145,086	
Finance and Payroll	227,496	68,184	295,680	300,884	
Human Resources	140,858	31,455	172,313	142,820	
IT Infrastructure	88,891	66,439	155,330	105,343	
Smile Support Costs	0	0	0	25,596	
Governance	16,343	18,600	34,943	33,389	
	<b>620,679</b>	<b>187,404</b>	<b>808,083</b>	<b>753,118</b>	

## 9. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

	2018-19	2017-18
	£	£
Wages and salaries	6,905,497	7,532,705
Social security costs	461,780	531,618
Pension contributions	106,665	71,544
Agency and contract staff	355,338	356,658
	<b>7,829,280</b>	<b>8,492,525</b>

The average number of full time equivalent employees, and average headcount during the year, analysed by category

	2018-19	2018-19	2017-18	2017-18
	FTE	Headcount	FTE	Headcount
Staff engaged in generating funds	11	14	13	16
Staff engaged in direct charitable activities	221	263	216	278
Management and support staff	23	25	23	22
	<b>255</b>	<b>302</b>	<b>252</b>	<b>316</b>

Included in staff costs are amounts paid to casual workers who are engaged in direct charitable activities on a sessional basis. The average number of full time equivalent casual workers equated to 73 (2018:85).

Two employees received emoluments greater than £60,000 for the current year.

	2018-19	2017-18
£60,000 to £70,000	1	0
£90,000 to £100,000	1	1

Total contributions made to defined contribution schemes on behalf of the higher paid employees in 2018-19 was £13,744 (2017-18 £12,907). At 31 March 2019 retirement benefits were accruing to the higher paid employees under defined contribution schemes.

The total cost of key management is £395,195 (2017-18 £394,534).

No Trustee of the charity received any remuneration for services performed on behalf of the charity or group. During the year ended 31 March 2019 there was one Trustee that received reimbursed travel and subsistence expenses £24 (2017-18 One Trustees £71).

### 10. Pension Costs

The charity participates in a defined contribution pension's scheme administered externally. Membership of the scheme is available to employees satisfying qualifying conditions. Payments made to the fund are charged annually in the financial statements. The pension cost charge amounted to £107,079 (2018 £71,410). At the year end there was £17,167 in unpaid contributions (2018:£10,060).

From 1 October there were a number of staff who had Tupe'd across from another organisation who are entitled to be in the NHS Pension.

### 11. Auditor Fees

The auditor fees include only audit fees for 2018/19 they were £18,600 inclusive of VAT, (2017/18 £19,830).

### 12. Related Party Transactions

Advantage has been taken of the exemption conferred by paragraph 3(c) of Financial Reporting Standard 102 paragraph 33.1 whereby transactions with entities that are part of the same group do not require disclosure in the financial statements.

During the 2017/8 financial year there were 2 related party transactions:

1. Expenditure of £55 to Adapta Consulting a company that David De Paeztron (Trustee) has been working for.
2. Stephen Unwin (Chair) has confirmed that his son works as a sessional worker at Hackney Playground. The rate of pay was at a standard rate for the role taken.

### 13. Tangible Fixed Assets

Summary of Tangible fixed assets of the group and charity.

All Freehold and Long leasehold properties were valued as at 1 April 2018. The properties were valued by Lambert Smith Hampton. The reports and valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation – Professional Standards UK January 2014 (revised April 2015), also known as the 'Red Book', the International Valuation Standards ('IVS') 2017 and the Red Book – the RICS Valuation, Global Standards 2017;

- The valuations have been prepared in accordance with the current requirements of UK Generally Accepted Accounting Principles (UK GAAP)
- With reference to the Financial Reporting Standards (FRS), in particular FRS 102,
- As well as relevant Statements of Recommended Practice (SORPS).

The carrying amount for each class of property that would have been recognised had the assets been carried at historical cost would have been Freehold Land and Buildings £5,402,977 and Long Leasehold Property £287,934.

Fixed Assets of the group and charity.

	Land and Buildings	Other	Total
	£	£	£
<b>Cost</b>			
At 1 April 2018	6,265,833	1,650,236	7,916,069
Additions	9,641	39,505	49,146
Revaluation	(887,078)	0	(887,078)
Disposals	0	0	0
At 31 March 2019	5,388,396	1,689,741	7,078,137
<b>Depreciation</b>			
At 1 April 2018	436,375	1,435,303	1,871,678
Charge for year	7,195	76,278	83,473
Revaluation	(282,734)	0	(282,734)
Disposals	0	0	0
At 31 March 2019	160,836	1,511,581	1,672,417
<b>Net book value</b>			
At 31 March 2019	5,227,560	178,160	5,405,720
At 31 March 2018	5,829,458	214,933	6,044,391



Land and Buildings of the group and charity.

	Freehold land and buildings	Long Leasehold property	Short Leasehold improvements	Total Land and Buildings
	£	£	£	£
<b>Cost</b>				
At 1 April 2018	5,679,436	412,644	173,753	6,265,833
Additions	5,669	0	3,972	9,641
Revaluation	(574,436)	(312,642)	0	(887,078)
Disposals	0	0	0	0
At 31 March 2019	5,110,669	100,002	177,725	5,388,396
<b>Depreciation</b>				
At 1 April 2018	164,585	118,149	153,641	436,375
Charge for year	0	0	7,195	7,195
Revaluations	(164,585)	(118,149)	0	(282,734)
Disposals	0	0	0	0
At 31 March 2019	0	0	160,836	160,836
<b>Net book value</b>				
At 31 March 2019	5,110,669	100,002	16,889	5,227,560
At 31 March 2018	5,514,851	294,495	20,112	5,829,458

Other Fixed assets of the group and charity.

	Motor Vehicles	Playground structures	Office equipment, fixtures and fittings	IT equipment and software	Total Other
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2018	94,664	415,071	696,342	444,159	1,650,236
Additions	0	0	39,505	0	39,505
Revaluation	0	0	0	0	0
Disposal	0	0	0	0	0
At 31 March 2019	94,664	415,071	735,847	444,159	1,689,741
<b>Depreciation</b>					
At 1 April 2018	70,559	390,177	626,583	347,984	1,435,303
Charge for year	14,378	6,834	24,417	30,649	76,278
Revaluation	0	0	0	0	0
Disposal	0	0	0	0	0
At 31 March 2019	84,937	397,011	651,000	378,633	1,511,581
<b>Net book value</b>					
At 31 March 2019	9,727	18,060	84,847	65,526	178,160
At 31 March 2018	24,105	24,894	69,759	96,175	214,933

## 14. Investments

Investments of the charity

	2018	2017
	£	£
Market Value	100	100
Historical Cost	100	100

Investments related to the 100% share capital of KIDS Trading Company Limited, a dormant company limited by guarantee registered in England and Wales.

KIDS is also the sole member of Support Education and Respite Care for Children, Kidsactive and Strut Limited, both are charities and companies limited by guarantee, with no share capital, registered in England and Wales. Kidsactive and Strut Limited are dormant.

	Net assets (deficit) 2019	2018	Surplus (deficit) 2019	2018
	£	£	£	£
Support Education and Respite Care for Children (Smile)	0	N/A	0	N/A
Kidsactive	0	0	0	0
KIDS Trading Company Limited	100	100	100	0
Strut Limited	0	0	0	0

## 15. Debtors

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	1,236,948	1,346,696	1,236,948	1,346,696
Other Debtors	11,387	11,247	11,387	11,247
Prepayments and accrued income	397,831	327,898	397,831	327,898
	<b>1,646,166</b>	<b>1,685,841</b>	<b>1,646,166</b>	<b>1,685,841</b>

## 16. Creditors: amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Bank Loan	116,667	116,667	116,667	116,667
Trade Creditors	76,383	75,894	76,383	75,894
Social Security and other taxation	128,665	164,433	128,665	164,433
Other creditors*	72,133	26,818	72,233	26,918
Accruals	310,966	328,055	310,966	328,055
Deferred Income**	195,945	206,968	195,945	206,968
	<b>900,759</b>	<b>918,835</b>	<b>900,859</b>	<b>918,935</b>

\*Includes funds held as an agent on behalf of Hull City Council £8,121 and funds held as a custodian which were raised at a dinner on behalf of KIDS and pledged to another organisation £44,579.

\*\*Deferred income comprises income that has been invoiced but relates to the next financial year.

## 17. Deferred Income

Group and Charity

	2019	2018
	£	£
Balance as at 1 April	206,968	575,564
Amount released to income earned from charitable activities	(206,968)	(575,564)
Amount deferred in year	235,945	206,968
<b>Balance as at 31 March</b>	<b>235,945</b>	<b>206,968</b>

## 18. Creditors: amounts falling due after more than one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Bank Loan	19,445	136,111	19,445	136,111

In 2017/18 KIDS took out a loan with Barclays for £350,000 with interest charged at a rate of 2.75% per annum over 3 years. The loan is for the Digital KIDS project to implement a new finance and core operating system.

## 19. Analysis of bank loan

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Due within 1 year	116,667	116,667	116,667	116,667
Due within 1 – 2 years	19,445	116,667	19,445	116,667
Due within 2 – 5 years	0	19,444	0	19,444
Due after 5 years	0	0	0	0
	<b>136,112</b>	<b>252,778</b>	<b>136,112</b>	<b>252,778</b>

## 20. Analysis of net assets between funds

Group

	Restricted Funds	Unrestricted Funds	Total 2018-19	Total 2017-18
	£	£	£	£
Tangible fixed assets	0	5,405,720	5,405,720	6,044,391
Net current assets	643,730	1,432,839	2,076,569	2,076,952
Creditors falling due after one year	0	(19,445)	(19,445)	(136,111)
	<b>643,730</b>	<b>6,819,114</b>	<b>7,462,844</b>	<b>7,985,232</b>

## Charity

	Restricted Funds	Unrestricted Funds	Total 2018-19	Total 2017-18
	£	£	£	£
Tangible fixed assets	0	5,405,720	5,405,720	6,044,391
Investments	0	100	100	100
Net current assets	643,730	1,432,739	2,076,469	2,076,852
Creditors falling due after one year	0	(19,445)	(19,445)	(136,111)
	<b>643,730</b>	<b>6,819,114</b>	<b>7,462,844</b>	<b>7,985,232</b>

## 21. Analysis of charitable funds

### Group and Charity

	Fund 1 April 2018	Income	Expenditure	Transfers/ Other gains	Funds 31 March 2019
	£	£	£	£	£
<b>Restricted funds</b>					
London & Central	219,656	427,175	(336,885)	(4,205)	305,741
South	62,556	91,685	(96,163)	1,595	59,673
Yorkshire & Lincolnshire	112,676	305,439	(214,739)	0	203,376
DFE / National Projects	19,722	34,833	(32,636)	0	21,919
ICAP & Business Support	38,083	0	(38,083)	0	0
Basingstoke Sensory Room - Capital	0	13,536	0	(13,536)	0
Chelsea Playground - Trampoline	10,831	2,000	0	(12,831)	0
Albert Hunt - Money for minibus - Capital	0	5,000	0	0	5,000
Sandra Trust- Various Building work	0	50,000	(1,979)	0	48,021
KIDS Smile Centre	17,000	0	0	(17,000)	0
	<b>480,524</b>	<b>929,668</b>	<b>(720,485)</b>	<b>(45,977)</b>	<b>643,730</b>
<b>Unrestricted funds</b>					
Designated funds	337,473	0	(58,349)	(256,166)	22,958
Capital reserve fund	147,943	0	(40,189)	45,977	153,731
Property Reserve	5,019,300	0	(604,344)	0	4,414,956
Funds held as custodian/ agent	0	52,700	0	0	52,700
General fund	1,999,992	9,100,558	(9,181,947)	256,166	2,174,769
	<b>7,504,708</b>	<b>9,153,258</b>	<b>(9,884,829)</b>	<b>45,977</b>	<b>6,819,114</b>
<b>Total funds</b>	<b>7,985,232</b>	<b>10,082,926</b>	<b>(10,605,314)</b>	<b>0</b>	<b>7,462,844</b>

The Restricted funds carried forward is made up of various fundraised and trust income that has not been spent during the financial year. London includes money to be spent on services in Camden as well as the Adventure Playgrounds. Central includes money to be spent on Wellbeing in Stockport, the Wylde Green nursery and the Orchard centre in Lye. The South includes money to be spent on Young Carers group and a Relationships and Sexuality project. Yorkshire and Lincolnshire includes money to be spent on Youth Groups and Inclusion Behaviour Support.

£45,977 of restricted money was spent on capital items and has been moved to the capital reserve fund to depreciate as the items purchase was specific and restricted they are for general use.

Designated funds carried forward represent £22,958 to be spent on fundraising during 2019/20. After a review of reserves the Finance and Audit Committee agreed to remove the designation on the other items previously designated including £100,000 for maintenance of properties £141,166 KIDS digital project and £15,000 to contribute to a Learning Management System. It is at the discretion of the Finance and Audit Committee to designate or undesignated these funds as they see fit.

#### Group and Charity

	Fund 1 April 2017	Income	Expenditure	Transfers/ Other gains	Funds 31 March 2018
	£	£	£	£	£
<b>Restricted funds</b>					
London	70,083	226,640	(170,783)	0	125,940
North West	30,896	45,549	(25,812)	0	50,633
South	14,944	111,352	(77,740)	14,000	62,556
Midlands	18,413	64,238	(28,736)	0	53,915
Yorkshire and Humber	63,214	174,174	(117,566)	(7,146)	112,676
National Projects	0	34,832	(15,110)	0	19,722
ICAP	25,393	0	(6,352)	0	19,041
Smile	0	31,000	0	(14,000)	17,000
Operations and Business support	0	88,946	(69,905)	0	19,041
	<b>222,943</b>	<b>776,731</b>	<b>(512,004)</b>	<b>(7,146)</b>	<b>480,524</b>
<b>Unrestricted funds</b>					
Designated funds	96,998	0	(116,273)	356,748	337,473
Capital reserve fund	83,870	0	(21,075)	85,148	147,943
Property Reserve	0	5,070,000	(50,700)	0	5,019,300
General fund	2,356,473	9,878,026	(9,799,757)	(434,750)	1,999,992
	<b>2,537,341</b>	<b>14,948,026</b>	<b>(9,987,805)</b>	<b>7,146</b>	<b>7,504,708</b>
<b>Total funds</b>	<b>2,760,284</b>	<b>15,724,757</b>	<b>(10,499,809)</b>	<b>0</b>	<b>7,985,232</b>

## 22. Operating lease commitments

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
<b>Land and buildings</b>				
Expiring within one year	181,286	182,693	181,286	182,693
Expiring within two to five years	239,038	351,101	239,038	351,101
Expiring after five years	36,500	69,338	36,500	69,338
	<b>456,824</b>	<b>603,132</b>	<b>456,824</b>	<b>603,132</b>
<b>Other</b>				
Expiring within one year	20,009	20,009	20,009	20,009
Expiring within two to five years	76,427	76,427	76,427	76,427
Expiring after five years	4,239	4,239	4,239	4,239
	<b>100,675</b>	<b>100,675</b>	<b>100,675</b>	<b>100,675</b>

During the year £201,409 (2017-18 £197,139) was spent on operating lease commitments.

## 23. Analysis of cash and cash equivalents

Cash and Cash equivalents is all cash in hand £1,331,162 (2018 £1,309,946).

## 24. Post-balance sheet events

There are no post balance sheet events.

## 25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2018	Group 2017	Charity 2019	Charity 2018
	£	£	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(522,388)	5,224,948	(522,388)	5,224,948
<b>Adjustments for:</b>				
Depreciation charges	83,473	147,168	83,473	96,997
Loss/(profit) on sale of fixed assets	0	(234,541)	0	(235,370)
Loss on the revaluation of fixed assets	604,344	0	604,344	0
Interest from investments	(4,031)	(695)	(4,031)	(695)
Interest payments	10,062	25,787	10,062	25,787
(increase)/decrease in debtors	39,675	(273,792)	39,675	(273,792)
increase/(decrease) in creditors	(18,076)	63,306	(18,076)	63,306
<b>Net cash provided by (used in) operating activities</b>	<b>193,059</b>	<b>4,952,181</b>	<b>193,059</b>	<b>4,901,181</b>

## GIFTS AND GRANTS RECEIVED

The list below provides details of all voluntary donations over £5,000 or above received during the past two financial years by the charity.

	<b>2018-19</b>	<b>2017-18</b>
<b>29th May 1961 Charitable Trust</b>	8,000	8,000
<b>A D Charitable Trust</b>	34,833	34,833
<b>Andrew Fleming</b>	14,789	
<b>Anonymous</b>	6,000	
<b>Anonymous</b>	5,000	11,400
<b>Arsenal Foundation</b>		9,000
<b>Bailey Thomas Fund</b>		16,000
<b>Battersea Power Station Foundation</b>	5,000	
<b>BBC Children in Need</b>	24,353	38,515
<b>Blagrove Trust</b>		35,000
<b>Canada Life</b>	8,962	
<b>Community Foundation</b>	5,584	
<b>Clover Trust</b>	5,000	5,000
<b>Cooperative</b>	35,000	
<b>Cranswick Country Foods</b>	75,060	
<b>Credit Suisse</b>		6,000
<b>E&amp;V Export Ltd</b>	6,000	6,000
<b>Elizabeth &amp; Prince Zaiger Charitable Trust</b>		6,000
<b>Ellis Campbell Charitable Trust</b>	8,550	
<b>Ernst &amp; Young</b>	5,550	
<b>Eveson Charitable Trust</b>	8,000	8,000
<b>Expat Foundation</b>	15,600	15,600
<b>Glebe Charitable Trust</b>	5,000	5,000
<b>Glencore</b>	25,000	30,000
<b>Goldman Sachs</b>		10,000
<b>Greystar</b>	11,976	20,157
<b>Hertfordshire Community Foundation</b>		5,000
<b>Hull and East Riding Charitable Trust</b>		5,000
<b>Irwin Mitchell</b>	5,000	9,000
<b>John Ellerman Foundation</b>		38,947
<b>Jonathan Dennis</b>	10,000	
<b>Mace Group</b>	14,593	
<b>Masonic Charitable Foundation</b>	15,000	15,000
<b>National Lottery Youth Investment Fund</b>	61,146	
<b>Nexen Petroleum (CNOOC)</b>		7,500
<b>Nick Gold</b>	5,014	
<b>Office Agents Society</b>		17,415
<b>Paperchase</b>	14,691	7,210
<b>Patrick Doherty</b>	75,000	

<b>Peter Harrison Foundation</b>		5,000
<b>Royal Navy and Royal Marines Charity</b>	35,000	35,000
<b>Ronald WM Pike</b>	44,971	
<b>S&amp;W Investment Service</b>		5,000
<b>Sandra Charitable Trust</b>	50,000	50,000
<b>Selfish Mother</b>	6,355	33,060
<b>In memory of Sharon Raeburn</b>	10,000	
<b>Simplyhealth Foundation</b>		29,592
<b>Sir James Reckitt Charity</b>	6,000	6,000
<b>Sunrise Foundation</b>	20,000	
<b>St Andrew Holborn Charities</b>	15,400	15,665
<b>Sweet Factory</b>	6,879	
<b>Swire Charitable Trust</b>	7,500	15,928
<b>Tpt (UK) Ltd</b>	7,060	
<b>The Albert Hunt Trust</b>	5,000	
<b>The Band Trust</b>	15,000	
<b>The Childwick Trust</b>		6,000
<b>The Hobson Charity</b>	5,000	
<b>The Langham, London</b>	6,063	
<b>The MacRobert Trust</b>		9,399
<b>The O'Sullivan Family Charitable Trust</b>	20,000	
<b>The Portman Foundation</b>		5,000
<b>The Three Guineas Trust</b>	15,000	15,000
<b>The Walt Disney Company</b>	23,000	14,070
<b>True Colours Trust</b>		5,000
<b>Tula Trust</b>	5,000	5,000
<b>UBS UK</b>	20,000	
<b>Wandsworth Community Trust</b>	5,000	
<b>White &amp; Case</b>	35,422	53,800
<b>Young Londoners Fund</b>	18,699	
<b>Youth Music Fund</b>	12,865	
<b>Zochonis Charitable Trust</b>	25,000	25,000
<b>Zurich Community Trust</b>	9,000	9,000

The Trustees wish to acknowledge with sincere gratitude all of the many donors and supporters whose generous financial help makes a considerable contribution to our ability to continue our work.



**You can find out more about KIDS by visiting our website:**

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