



# KIDS CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS YEAR END 31 MARCH 2018

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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	(Joined 21 November 2017)
Chris Blackhurst	(Joined 3 July 2017)
Steven Clarke	(Joined 1 October 2017)
Kerry Crichlow	
Teresa Culverwell	
David de Paeztron	
Austin Erwin	
Baroness Gabby Grist	
Benet Middleton	
Zoe Peden	
Richard Pogrel	
Lindsay Thomas	
Sue Turner	(Resigned 25 July 2017)

**Company Secretary:** Caroline Stevens

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

**Auditor:** Moore Stephens LLP  
35 Calthorpe Road  
Birmingham  
B15 1TS

## CHIEF EXECUTIVE'S INTRODUCTION



It gives me great pleasure to introduce you to our Annual Report for 2017-18.

KIDS is a national charity, founded over 48 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 130 different services and works with 80 local authorities throughout England. In 2017-18 we supported over 15,500 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 estimated to reach £2bn by the end of the decade for social care services for vulnerable children. Our role remains to support parents as they navigate these challenging times, in order to access the best possible care for their children.

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:

- The successful merger of Support Education and Respite Care for Children (Smile) into the KIDS family on 1 October 2017
- The opening of the KIDS Smile Centre on 1 March 2018
- Substantially increasing the numbers of disabled children and young people that we support to over 15,500
- Independent Support supported 3,000 families with professional, flexible, friendly guidance as they went through the new Education, Health and Care plan assessment process
- Continuing to have a voice at government and other sector forums
- Introducing a new online staff recruitment system to significantly streamline a previously lengthy process
- Implementing a new finance system across our multisite operation to improve efficiency and reduce costs
- Laying the groundwork for an Outcomes Framework for KIDS

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, John Ellerman Foundation, and Sandra Charitable Trust 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

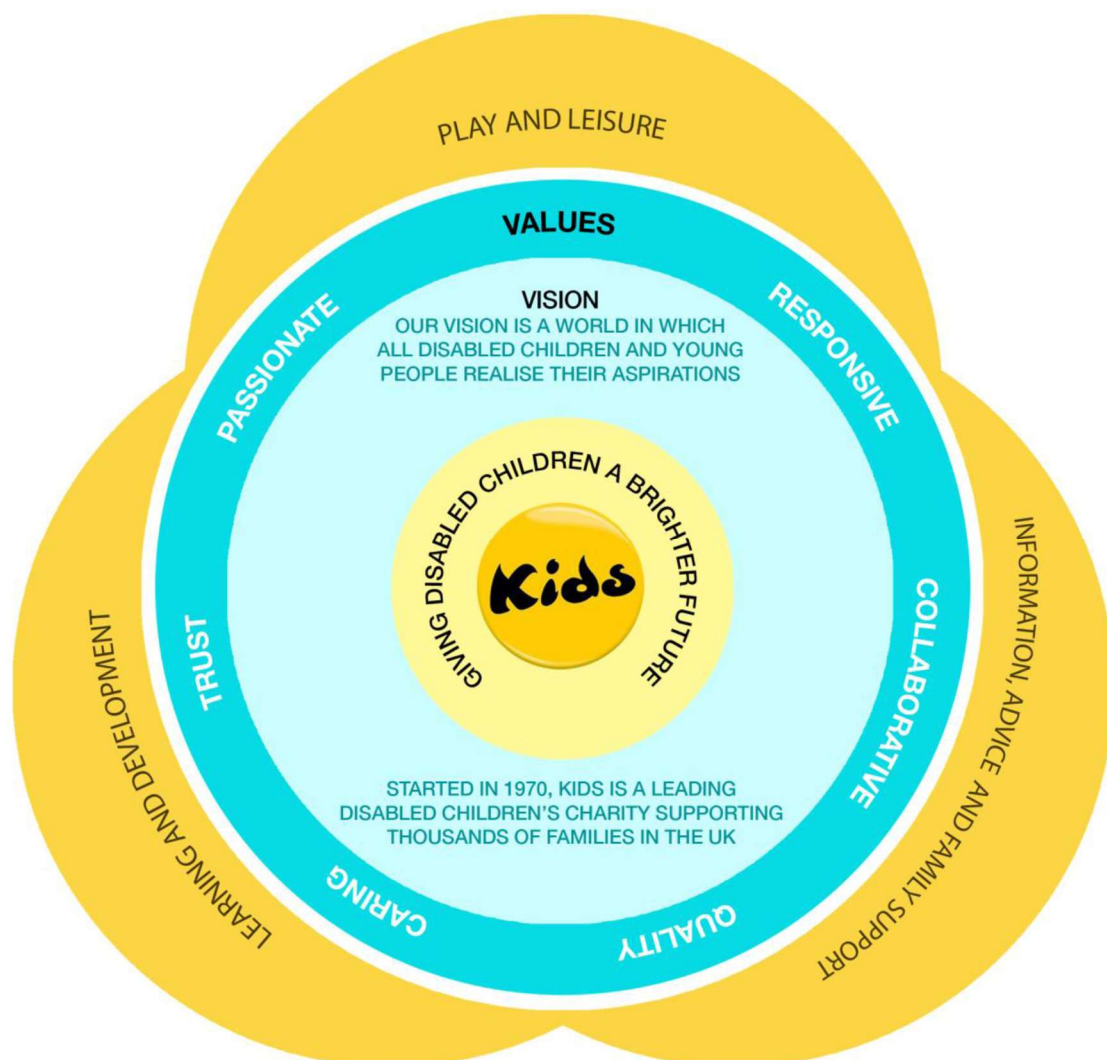
## Objectives and Activities

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 15,500 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.

For the majority of our direct services, working with the children and young people, there have not been any discernible changes to date. Our focus remains the same; a passion for the children and young people we work with regardless of their disability, assisting to develop their skills and abilities so they can fulfil their aspirations. Cuts to local government budgets have continued, which has the knock on effect of reducing funding for services commissioned by local authorities however we managed to limit the number of services which we had to completely stop to no more than a handful and even increased delivery for certain services.

During 2017-18 we had over 130 projects and worked with over 80 local authorities.

### **Support Education and Respite Care for Children**

On the 1st October 2017 Smile formally became a wholly owned subsidiary of KIDS and this new relationship demonstrated the commitment of both charities to work in partnership with each other to further enhance their charitable objectives. Both organisations have strengths on which to build; KIDS has a wealth of expertise, commitment and passion and Smile have a long track record of high quality specialist interventions and a purpose built high tech centre designed to the highest specification to meet the requirements of disabled children with a wide range of complex needs.

### **The KIDS Smile Centre**

On Thursday 1st March 2018, the KIDS Smile centre in Waterlooville officially opened its doors.

The £5m centre comprises purpose built accommodation provides overnight respite and day short breaks for children and young people with complex needs in Waterlooville, Hampshire. It enables KIDS to expand and broaden the services we offer, providing more support and care for disabled children and their families.

The centre has state of the art equipment and facilities including five en-suite bedrooms, a physiotherapy and treatment room and specially planted gardens to encourage sensory stimulation.

### **Making Participation Work – Young People's Participation Conference**

On 12th February 2018, The Making Participation Work programme, jointly delivered by the Council for Disabled Children and KIDS and funded by the Department for Education,



delivered a free Children and Young People's Participation Conference for young people with SEND from across the country.

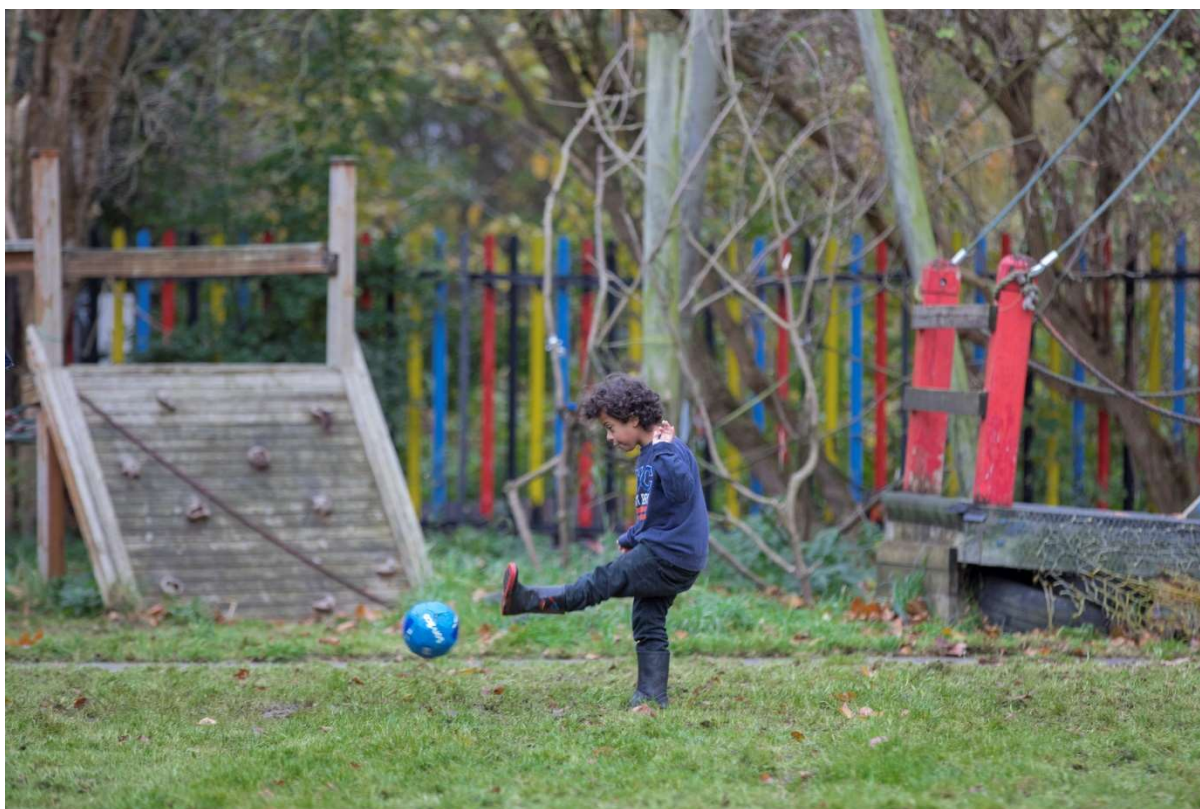
This event brought young disabled people and those with Special Educational Needs (SEN) together to learn about why having a voice matters, discuss their experiences of participation, and inspire each other to get involved in decision-making.

The conference was developed with young people's input, and a range of fun, accessible workshops were delivered by different disabled children and young people's organisations working in the sector.

### *Increasing Voluntary Income*

Voluntary funding was strong during the year. Highlights from the year include our partnership with Selfish Mother, Paperchase and Arsenal FC.

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 20 regulated settings – 16 are registered with Ofsted and 4 are registered with the Care Quality Commission (CQC).

Four regulated activities were closed over the year following the Southern regions relocation to the SMILE Centre and closure of the Wakefield Hub. All services users were consulted about the changes and supported in finding alternative provision.

KIDS has sixteen services registered with Ofsted; seven were subject to inspection in the 2017/18 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, 2 overnight short break residential settings, 1 holiday scheme and 1 short break service (home care).

KIDS continues to demonstrate high standards of delivery and effectiveness across different settings and regulated activities. Four services were judged to be 'good' and three met all the requirements of the childcare register.

All three social care settings regulated by CQC sustained effectiveness achieving an overall rating of 'good' for a second inspection cycle - Russell House, KIDS House, Delta House Holiday Schemes

## *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 partnerships include:

- Equal partnership with Council for Disabled Children April 2016 to March 2018 to deliver Young People's Participation nationally for Department for Education (DfE) Participation Works
- KIDS has been sub-contracting to Rehab Without Walls since 2014 to provide complex health support and direct payments services to individual families inside and outside the home.
- Delivering information for families via our hubs in Hertfordshire partnering with Action for Children.
- Islington Play association playgrounds – running a specialist adventure playground on their behalf Hayward Adventure Playground
- KIDS has led on Inclusion for many years establishing the Young People's Inclusion Network, and running the national KIDS Playwork Inclusion Project, and always keen to work with, and signpost to, expert partners.
- Members of SENDIRECT consortium, Council for Disabled Children, Communication Trust 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 2018.

## Financial Review

The statement of financial activities is shown on page 19.

Income for the group has increased from £10.47 million to £15.72 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.

The cost of the acquisition of Smile to KIDS was £0. The acquisition of Smile's net assets is predominantly the building in Waterlooville (KIDS Smile Centre) which is an illiquid asset. The valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors Valuation – Professional Standards UK January 2014 (revised April 2015) (the 'Red Book'); the valuation has also been prepared in accordance with the current requirements of UK Generally Accepted Accounting Principles (UK GAAP); The property has been valued as a 'specialised' property and accordingly, adopted the Depreciated Replacement Cost (DRC) approach which is defined in the RICS Valuation – Professional Standards UK January 2014 (revised April 2015), as:- "The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation."

The net assets at 1 October 2017 comprised of

	£
Fair value of land and buildings (Revalued at 1 October 2017)	5,070,000
Other Fixed assets at net book value	42,103
Current assets	88,225
Current liabilities	(20,039)
<b>Total assets acquired</b>	<b>5,180,289</b>

KIDS charity income excluding Smile was up by £75,000 with an increase in Donations and Legacies and drop in Charitable Activities.

Overall the net asset position of the group has increased from £2.76 million to £7.99 million, an increase of £5.23 million which has been caused by Smile's Net Assets of £5.18 million, Restricted Reserves increasing by £0.26 million with unrestricted reserves reducing from £2.54 million to £2.49 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 and the cash position has remained stable enabling us to be in a stronger position.

As local authorities continue to both reduce their expenditure and give themselves flexibility to reduce funding quickly, most new contracts are based on payment in arrears rather than in advance.

Local authorities have also moved many services from block contracts to framework agreements, which move more of the financial risk to KIDS as it removes the guarantee of certain volumes of referrals.

### *Safeguarding*

KIDS 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). KIDS has done a significant amount of work in the run up to the GDPR go live date of 25<sup>th</sup> May 2018 where Privacy Statements were improved to be clearer and more transparent on what we use data for as well training across the organisation on GDPR and on new and improved policies.

## 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 for growth.

To be able to grow, and to continue to provide the quality of care we offer now, the next three years will be vital as we must ensure that we are in a stable position that supports confident expansion.

For this reason our strategy for 2016-2020 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 are half way through this strategy and in 2018-19 we will review our progress against these 6 goals.

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

Our core services are broad and diverse; they include work with new babies through to young adults embarking on independent living.

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 2018)

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 2018. 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 2018 was 14 (2017: 12).

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 2018 the members of the Finance and Audit Committee were:

Chris Stefani (Chair of Finance and Audit Committee)  
Stephen Unwin  
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 a Senior Management Team comprising of the Director of Finance and IT

(Emma Teviotdale), Director of Fundraising (Fidelma Hatton), HR Director (Sally Storton) and three Operational Directors (Bridget Bevis, Sue Cawkwell and 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 / Working Capital – the charity's cash balance must not fall below £500,000. The level of unrestricted reserves must contain a minimum level equal to 60 days of anticipated expenditure.
2. 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.



3. Cessation of business – Although unlikely to happen an ongoing analysis of the going concern of the business will be conducted and unrestricted reserves will be allocated when deemed necessary.
4. 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 2018-19, and taking into account the 4 principles, a minimum reserves monetary amount has been set at £1.57 million. It is estimated that at 31 March 2019 the unrestricted reserves will at least meet our minimum requirement and KIDS will also be able to designate funds for the Digital Transformation project and also a property maintenance fund; however, we remain prudent in our approach considering the uncertainty over the next 4 years.

### **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 £2.54 million to £2.49 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.

### **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> July 2018

## INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF KIDS

### Opinion

We have audited the financial statements of KIDS (the 'charitable company') for the year ended 31<sup>st</sup> March 2018 which comprise Statement of Financial Position, Balance Sheet, Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

### Basis for opinion

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

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in 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 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit [or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime [and] [take advantage of the small companies exemption in preparing the trustees' report]].

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities Statement set out on page 13, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the

trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

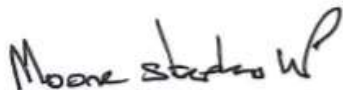
### **Auditor's responsibilities for the audit of the financial statements**

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

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

### **Use of our report**

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



Nicholas Simkins, Senior Statutory Auditor

For and on behalf of Moore Stephens LLP, Statutory Auditor

Moore Stephens LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

35 Calthorpe Road  
Edgbaston  
Birmingham  
West Midlands  
B15 1TS

Date: 21 July 2018

## STATEMENT OF FINANCIAL ACTIVITIES

(including consolidated income and expenditure account) for year ending 31 March 2018)

Notes	2018			2017			
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £	
<b>Income:</b>							
Donations and legacies	3	438,495	744,265	1,182,760	321,169	709,435	1,030,604
Charitable Activities	4	9,129,716	0	9,129,716	9,201,458	49,791	9,251,249
Other Trading Activities	5	177,510	7,466	184,976	156,301	0	156,301
Investments	6	695	0	695	1,082	0	1,082
Other		46,321	0	46,321	29,478	0	29,478
Acquisition of Smile Assets	26	5,155,289	25,000	5,180,289	0	0	0
<b>Total Income</b>		<b>14,948,026</b>	<b>776,731</b>	<b>15,724,757</b>	<b>9,709,488</b>	<b>759,226</b>	<b>10,468,714</b>
<b>Expenditure:</b>							
Raising Funds	7	655,001	0	655,001	560,031	0	560,031
Charitable Activities	7	9,567,344	512,004	10,079,348	8,966,084	781,874	9,747,958
<b>Total Expenditure</b>		<b>10,222,345</b>	<b>512,004</b>	<b>10,734,349</b>	<b>9,526,115</b>	<b>781,874</b>	<b>10,307,989</b>
<b>Net Income / (Expenditure)</b>		<b>4,725,681</b>	<b>264,727</b>	<b>4,990,408</b>	<b>183,373</b>	<b>(22,648)</b>	<b>160,725</b>
Gains Losses on Disposal of Fixed Assets		234,540	0	234,540	0	0	0
Transfers		7,146	(7,146)	0	0	0	0
<b>Net Movement in Funds</b>		<b>4,967,367</b>	<b>257,581</b>	<b>5,224,948</b>	<b>183,373</b>	<b>(22,648)</b>	<b>160,725</b>
<b>Reconciliation of Funds:</b>							
Total Fund brought forward		2,537,341	222,943	2,760,284	2,353,968	245,591	2,599,559
<b>Total funds carried forward</b>		<b>7,504,708</b>	<b>480,524</b>	<b>7,985,232</b>	<b>2,537,341</b>	<b>222,943</b>	<b>2,760,284</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 22 to 37 form part of these financial statements.

## BALANCE SHEET

For the year ended 31 March 2018

	Note	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
<b>Fixed assets</b>					
Tangible assets	13	6,044,391	1,775,884	6,044,391	1,775,884
Investments	14	0	0	100	100
<b>Total Fixed assets</b>		<b>6,044,391</b>	<b>1,775,884</b>	<b>6,044,491</b>	<b>1,775,984</b>
<b>Current assets</b>					
Debtors	15	1,685,841	1,412,049	1,685,841	1,412,049
Cash at bank and in hand	23	1,309,946	913,162	1,309,946	913,162
<b>Total Current assets</b>		<b>2,995,787</b>	<b>2,325,211</b>	<b>2,995,787</b>	<b>2,325,211</b>
<b>Liabilities</b>					
Creditors falling due within one year	16	(918,835)	(765,247)	(918,935)	(765,347)
<b>Net Current assets</b>		<b>2,076,952</b>	<b>1,559,964</b>	<b>2,076,852</b>	<b>1,559,864</b>
<b>Total assets less current liabilities</b>		<b>8,121,343</b>	<b>3,335,848</b>	<b>8,121,343</b>	<b>3,335,848</b>
Creditors: falling due after more than one year	18	(136,111)	(575,564)	(136,111)	(575,564)
<b>Net assets</b>		<b>7,985,232</b>	<b>2,760,284</b>	<b>7,985,232</b>	<b>2,760,284</b>
<b>The funds of the charity:</b>					
Restricted income funds		480,524	222,943	480,524	222,943
Property Reserve		5,019,300	0	5,019,300	0
Unrestricted income funds		2,485,408	2,537,341	2,485,408	2,537,341
<b>Total charity funds</b>	21	<b>7,985,232</b>	<b>2,760,284</b>	<b>7,985,232</b>	<b>2,760,284</b>

The consolidated financial statements of KIDS, registration number 01346252 on pages 22 to 37 were approved by the Board on 25<sup>th</sup> July 2018 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 2018

	Notes	Group 2018	Group 2017	Charity 2018	Charity 2017
		£	£	£	£
<b>Net cash provided by (used in) operating activities</b>	25	<b>4,952,181</b>	<b>(162,120)</b>	<b>4,901,181</b>	<b>(162,120)</b>
<b>Cash flows from investing activities</b>					
Interest Received		695	1,082	695	1,082
Payments to acquire fixed assets		(118,849)	(61,532)	(118,849)	(61,532)
Proceeds from sale of fixed assets		1,050,000	0	1,050,000	0
Acquisition of Smile		(5,112,103)	0	(5,061,103)	0
<b>Net cash provided by (used in) investing activities</b>		<b>(4,180,257)</b>	<b>(222,570)</b>	<b>(4,129,257)</b>	<b>(222,570)</b>
<b>Cash Flows from Financing activities</b>					
Receipt of loan finance		350,000	0	350,000	0
Repayment of loans		(699,353)	(26,881)	(699,353)	(26,881)
Interest Paid		(25,787)	(22,116)	(25,787)	(22,116)
<b>Net cash provided by (used in) financing activities</b>		<b>(375,140)</b>	<b>(48,997)</b>	<b>(375,140)</b>	<b>(48,997)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>396,784</b>	<b>(271,567)</b>	<b>396,784</b>	<b>(271,567)</b>
Cash and cash equivalents at the beginning of the reporting period		913,162	1,184,729	913,162	1,184,729
<b>Cash and cash equivalents at the end of the reporting period</b>	23	<b>1,309,946</b>	<b>913,162</b>	<b>1,309,946</b>	<b>913,162</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 2017 to 31 March 2018

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.

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	2% straight line
Leasehold property and improvements	* Over the period of the lease
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 over 50 years remaining on the lease, the property and improvements are depreciated at 2% straight line.

\*\* 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

	2017-18			2016-17
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Donations	277,155	195,267	472,422	526,027
Grants	112,607	523,898	636,505	503,706
Legacies	48,733	25,100	73,833	871
	<b>438,495</b>	<b>744,265</b>	<b>1,182,760</b>	<b>1,030,604</b>

Details of significant donations received in the year are provided on page 38.

#### 4. Income from charitable activities

	2017-18			2016-17
	Unrestricted	Restricted	Total	Total
	£			
Work with disabled children and young people	9,122,009	0	9,122,009	9,244,266
<b>Associated charitable work</b>				
Training Courses and Products	7,707	0	7,707	6,983
	<b>9,129,716</b>	<b>0</b>	<b>9,129,716</b>	<b>9,251,249</b>

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

	2017-18	2016-17
	£	
National Contracts	280,504	210,320
London	3,001,373	3,155,687
South	3,347,769	3,442,276
Midlands and North East	1,264,221	1,183,126
Yorkshire and Humber	1,186,904	1,244,357
Smile	40,634	0
Other	604	8,500
	<b>9,122,009</b>	<b>9,244,266</b>

#### 5. Income earned from other activities

	2017-18			2016-17
	Unrestricted	Restricted	Total	Total
	£			
Events Income	175,983	7,466	183,449	136,056
Sale of Donated Goods	0	0	0	134
Commission from the sale of Christmas cards	0	0	0	20,111
Smile	1,527	0	1,527	0
	<b>177,510</b>	<b>7,466</b>	<b>184,976</b>	<b>156,301</b>

#### 6. Investment Income

Investment Income is Bank Interest Received 2017-18 £695 (2016-17 £1,082) held in Unrestricted Funds.

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

	2017-18			2016-17	
	Direct Staff Costs	Other Direct Costs	Support Costs	Total	Total
	£	£	£	£	£
Generating Voluntary Income	289,955	98,381	28,582	416,918	414,927
Activities for generating funds	154,840	68,468	14,775	238,083	145,104
<b>Raising Funds</b>	<b>444,795</b>	<b>166,849</b>	<b>43,357</b>	<b>655,001</b>	<b>560,031</b>
Work with disabled children and young people	7,471,826	1,880,488	708,488	10,060,802	9,712,224
Associated charitable work	0	17,273	1,273	18,546	35,734
<b>Charitable Activities</b>	<b>7,471,826</b>	<b>1,897,761</b>	<b>709,761</b>	<b>10,079,348</b>	<b>9,747,958</b>

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

	2017-18			2016-17	
	Direct Staff Costs	Other Direct Costs	Support Costs	Total	Total
	£	£	£	£	£
National Contracts	200,875	38,196	17,702	256,773	201,847
London	2,503,819	551,623	225,680	3,281,122	3,209,059
South	2,639,105	749,426	249,036	3,637,567	3,599,228
Midlands and North East	958,746	208,304	86,220	1,253,270	1,161,154
Yorkshire and Humber	1,026,086	269,309	95,358	1,390,753	1,421,052
Ops and Business Support	102,376	11,543	8,496	122,415	119,884
Smile	40,819	52,087	25,996	118,902	0
	<b>7,471,826</b>	<b>1,880,488</b>	<b>708,488</b>	<b>10,060,802</b>	<b>9,712,224</b>

## 8. Analysis of governance and support costs

	2017-18			2016-17	
	Staff Costs	Other Costs	Total	Total	
	£	£	£	£	
Chief Executive Office	122,481	22,605	145,086	171,621	
Finance and Payroll	242,528	58,356	300,884	287,289	
Human Resources	114,343	28,477	142,820	114,704	
IT Infrastructure	81,802	23,541	105,343	182,176	
Smile Support Costs	12,330	13,266	25,596	0	
Governance	13,609	19,780	33,389	29,195	
	<b>587,093</b>	<b>166,025</b>	<b>753,118</b>	<b>784,985</b>	

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

	2017-18	2016-17
	£	£
Wages and salaries	7,532,705	7,418,914
Social security costs	531,618	504,922
Pension contributions	71,544	72,512
Agency and contract staff	356,658	302,305
	<b>8,492,525</b>	<b>8,298,653</b>

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

	2017-18 FTE	2017-18 Headcount	2016-17 FTE	2016-17 Headcount
Staff engaged in generating funds	13	16	10	13
Staff engaged in direct charitable activities	216	278	207	270
Management and support staff	23	22	19	23
	<b>252</b>	<b>316</b>	<b>236</b>	<b>306</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 85 (2017:84).

One employee received emoluments greater than £60,000 for the current year.

	2017-18	2016-17
£90,000 to £100,000	1	1

Total contributions made to defined contribution schemes on behalf of the higher paid employee in 2017-18 was £12,907 (2016-17 £11,525). At 31 March 2018 retirement benefits were accruing to one higher paid employee under defined contribution schemes.

The total cost of key management is £394,534 (2016-17 £401,615).

No Trustee of the charity received any remuneration for services performed on behalf of the charity or group. During the year ended 31 March 2018 there were one trustee that received reimbursed travel and subsistence expenses £71 (2016-17 Four Trustees £272).

## 10. Pension Costs

The charity participates in a defined contribution pensions 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 £71,410 (2017 £72,512). At the year end there were £10,060 in unpaid contributions (2017:£9,623).

## 11. Auditor Fees

The auditor fees include only audit fees for 2017/18 they were £19,380 inclusive of VAT, (2016/17 £16,992).

## 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.

There are no related party transactions from 1 April 2017 to 31 March 2018. During the 2016-17 financial year there was no related parties.

## 13. Tangible Fixed Assets

Summary of Tangible fixed assets of the charity.

	Land and Buildings	Assets Under Construction	Other	Total
	£		£	£
<b>Cost</b>				
At 1 April 2017	2,141,090	14,700	1,338,350	3,494,140
Additions	2,244	0	116,605	118,849
Transfer of Asset	0	(14,700)	14,700	0
Transfers In	5,070,000	0	180,581	5,250,581
Disposals	(947,501)	0	0	(947,501)
At 31 March 2018	6,265,833	0	1,650,236	7,916,069
<b>Depreciation</b>				
At 1 April 2017	480,994	0	1,237,262	1,718,256
Charge for year	46,184	0	50,813	96,997
Transfer of Asset	0	0	0	0
Transfer In	42,250	0	147,228	189,478
Disposals	(133,053)	0	0	(133,053)
At 31 March 2018	436,375	0	1,435,303	1,871,678
<b>Net book value</b>				
At 31 March 2018	5,829,458	0	214,933	6,044,391
At 31 March 2017	1,660,096	14,700	101,088	1,775,884



Land and Buildings of the charity.

	Freehold land and buildings	Long Lease- hold property	Short Lease-hold improvements	Total Land and Buildings
	£	£	£	£
<b>Cost</b>				
At 1 April 2017	1,555,241	412,096	173,753	2,141,090
Additions	0	2,244	0	2,244
Transfer of Asset	1,696	(1,696)	0	0
Transfers In	5,070,000	0	0	5,070,000
Disposals	(947,501)	0	0	(947,501)
At 31 March 2018	5,679,436	412,644	173,753	6,265,833
<b>Depreciation</b>				
At 1 April 2017	222,751	111,793	146,450	480,994
Charge for year	32,433	6,560	7,191	46,184
Transfer of Asset	204	(204)	0	0
Transfers In	42,250	0	0	42,250
Disposals	(133,053)	0	0	(133,053)
At 31 March 2018	164,585	118,149	153,641	436,375
<b>Net book value</b>				
At 31 March 2018	5,514,851	294,495	20,112	5,829,458
At 31 March 2017	1,332,490	300,303	27,303	1,660,096

Other Fixed assets of the charity.

	Motor Vehicles	Playground structures	Office equipment, fixtures and fittings	IT equipment and software	Total Other
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2017	94,664	385,671	559,683	298,332	1,338,350
Additions	0	14,700	16,757	85,148	116,605
Transfer of Asset	0	14,700	0	0	14,700
Transfers In	0	0	119,902	60,679	180,581
At 31 March 2018	94,664	415,071	696,342	444,159	1,650,236
<b>Depreciation</b>					
At 1 April 2017	56,179	383,588	527,020	270,475	1,237,262
Charge for year	14,380	6,589	13,014	16,830	50,813
Transfers In	0	0	86,549	60,679	147,228
At 31 March 2018	70,559	390,177	626,583	347,984	1,435,303
<b>Net book value</b>					
At 31 March 2018	24,105	24,894	69,759	96,175	214,933
At 31 March 2017	38,485	2,083	32,663	27,857	101,088

## Summary of Tangible fixed assets of the group

	Land and Buildings	Assets Under Construction	Other	Total
	£		£	£
<b>Cost</b>				
At 1 April 2017	2,141,090	14,700	1,338,350	3,494,140
Additions	2,244	0	116,605	118,849
Transfer of Asset	0	(14,700)	14,700	0
Transfers In	5,070,000	0	181,410	5,251,410
Disposals	(947,501)	0	(829)	(948,330)
At 31 March 2018	6,265,833	0	1,650,236	7,916,069
<b>Depreciation</b>				
At 1 April 2017	480,994	0	1,237,262	1,718,256
Charge for year	88,434	0	58,734	147,168
Transfer In	0	0	139,307	139,307
Disposals	(133,053)	0	0	(133,053)
At 31 March 2018	436,375	0	1,435,303	1,871,678
<b>Net book value</b>				
At 31 March 2018	5,829,458	0	214,933	6,044,391
At 31 March 2017	1,660,096	14,700	101,088	1,775,884

### Land and Buildings of the group

	Freehold land and buildings	Long Leasehold property	Short Leasehold improvements	Total Land and Buildings
	£	£	£	£
<b>Cost</b>				
At 1 April 2017	1,555,241	412,096	173,753	2,141,090
Additions	0	2,244	0	2,244
Transfer of Asset	1,696	(1,696)	0	0
Transfers In	5,070,000	0	0	5,070,000
Disposals	(947,501)	0	0	(947,501)
At 31 March 2018	5,679,436	412,644	173,753	6,265,833
<b>Depreciation</b>				
At 1 April 2017	222,751	111,793	146,450	480,994
Charge for year	74,683	6,560	7,191	88,434
Transfer of Asset	204	(204)	0	0
Disposals	(133,053)	0	0	(133,053)
At 31 March 2018	164,585	118,149	153,641	436,375
<b>Net book value</b>				
At 31 March 2018	5,514,851	294,495	20,112	5,829,458
At 31 March 2017	1,332,490	300,303	27,303	1,660,096

## Other Fixed assets of the group

	Motor Vehicles	Playground structures	Office equipment, fixtures and fittings	IT equipment and software	Total Other
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2017	94,664	385,671	559,683	298,332	1,338,350
Additions	0	14,700	16,757	85,148	116,605
Transfer of Asset	0	14,700	0	0	14,700
Transfers In	0	0	120,112	61,298	181,410
Disposals	0	0	(210)	(619)	(829)
At 31 March 2018	94,664	415,071	696,342	444,159	1,650,236
<b>Depreciation</b>					
At 1 April 2017	56,179	383,588	527,020	270,475	1,237,262
Charge for year	14,380	6,589	20,484	17,281	58,734
Transfers In	0	0	79,079	60,228	139,307
Disposals	0	0	0	0	0
At 31 March 2018	70,559	390,177	626,583	347,984	1,435,303
<b>Net book value</b>					
At 31 March 2018	24,105	24,894	69,759	96,175	214,933
At 31 March 2017	38,485	2,083	32,663	27,857	101,088

## 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)		Surplus (deficit)	
	2018	2017	2018	2017
	£	£	£	£
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	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	1,346,696	917,991	1,346,696	917,991
Other Debtors	11,247	5,765	11,247	5,765
Prepayments and accrued income	327,898	488,293	327,898	488,293
	<b>1,685,841</b>	<b>1,412,049</b>	<b>1,685,841</b>	<b>1,412,049</b>

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

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Bank Loan	116,667	26,567	116,667	26,567
Trade Creditors	75,894	91,068	75,894	91,068
Amounts owed to group undertakings	0	0	0	0
Social Security and other taxation	164,433	152,110	164,433	152,110
Other creditors	26,818	32,994	26,918	33,094
Accruals	328,055	233,643	328,055	233,643
Deferred Income*	206,968	228,865	206,968	228,865
	<b>918,835</b>	<b>765,247</b>	<b>918,935</b>	<b>765,347</b>

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

## 17. Deferred Income

	Group	Charity
	2018	2018
	£	£
Balance as at 1 April 2017	575,564	575,564
Amount released to income earned from charitable activities	(575,564)	(575,564)
Amount deferred in year	206,968	206,968
<b>Balance as at 31 March 2018</b>	<b>206,968</b>	<b>206,968</b>

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

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Bank Loan	136,111	575,564	136,111	575,564

During the year the loan with Charity Bank that commenced in September 2009, secured on the Fareham property was paid from the sale of the property. During the year 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	
	2018	2017	2018	2017
	£	£	£	£
Due within 1 year	116,667	26,567	116,667	26,567
Due within 1 – 2 years	116,667	27,375	116,667	27,375
Due within 2 – 5 years	19,444	87,177	19,444	87,177
Due after 5 years	0	461,012	0	461,012
	<b>252,778</b>	<b>602,131</b>	<b>252,778</b>	<b>602,131</b>

## 20. Analysis of net assets between funds

### Group

	Restricted Funds	Unrestricted Funds	Total 2017-18	Total 2016-17
	£	£	£	£
	Tangible fixed assets	0	6,044,391	6,044,391
Net current assets	480,524	1,596,428	2,076,952	1,559,964
Creditors falling due after one year	0	(136,111)	(136,111)	(575,564)
	<b>480,524</b>	<b>7,504,708</b>	<b>7,985,232</b>	<b>2,760,284</b>

### Charity

	Restricted Funds	Unrestricted Funds	Total 2017-18	Total 2016-17
	£	£	£	£
	Tangible fixed assets	0	6,044,391	6,044,391
Investments	0	100	100	100
Net current assets	480,524	1,596,328	2,076,852	1,559,864
Creditors falling due after one year	0	(136,111)	(136,111)	(575,564)
	<b>480,524</b>	<b>7,504,708</b>	<b>7,985,232</b>	<b>2,760,284</b>

## 21. Analysis of charitable funds

### 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>

The Restricted Income in the regions 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. Northwest includes money to be spent on into employment. The South includes money for the garden at the KIDS Smile Centre. Midlands includes money for the Orchard Centre and Early Years nursery. Yorkshire and Humber includes money to be spent on Youth Groups and Inclusion Behaviour Support. The ICAP Charity Day restricted fund is for improving support for parents of disabled children through the use of digital and on-line technology. The money received in the subsidiary Smile and then transferred into KIDS is for spend on the KIDS Smile centre garden, music therapy and Overnight stays.

Designated funds carried forward represent the amount for substantial unrestricted donation to be used to fund investment in the fundraising capacity and improved infrastructure. A transfer of £450,000 into designated includes a £100,000 for maintenance as well as £350,000 to be spent on the KIDS digital project.

## Group and Charity

	Fund 1 April 2016	Income	Expenditure	Transfers/ Other gains	Funds 31 March 2017
	£	£	£	£	£
<b>Restricted funds</b>					
Relationships and sexuality	10,000	0	(10,000)	0	0
London	72,535	151,490	(153,942)	0	70,083
North West	26,889	37,410	(33,403)	0	30,896
South	12,112	139,879	(137,047)	0	14,944
Midlands	839	50,356	(32,782)	0	18,413
Yorkshire and Humber	50,588	225,786	(213,160)	0	63,214
Big Lottery Fund Grant	7,750	0	(7,750)	0	0
ICAP	64,878	0	(39,485)	0	25,393
Capital Expenditure	0	56,281	(56,281)	0	0
Operations and Business support	0	98,024	(98,024)	0	0
	<b>245,591</b>	<b>759,226</b>	<b>(781,874)</b>	<b>0</b>	<b>222,943</b>
<b>Unrestricted funds</b>					
Designated funds	88,826	0	(41,828)	50,000	96,998
Capital reserve fund	56,298	65,148	(21,922)	(15,654)	83,870
General fund	2,208,844	9,644,340	(9,462,365)	(34,346)	2,356,473
	<b>2,353,968</b>	<b>9,709,488</b>	<b>(9,526,115)</b>	<b>0</b>	<b>2,537,341</b>
<b>Total funds</b>	<b>2,599,559</b>	<b>10,468,714</b>	<b>(10,307,989)</b>	<b>0</b>	<b>2,760,284</b>

## 22. Operating lease commitments

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
<b>Land and buildings</b>				
Expiring within one year	182,693	111,021	182,693	111,021
Expiring within two to five years	351,101	329,225	351,101	329,225
Expiring after five years	69,338	114,238	69,338	114,238
	<b>603,132</b>	<b>554,484</b>	<b>603,132</b>	<b>554,484</b>
<b>Other</b>				
Expiring within one year	20,009	16,728	20,009	16,728
Expiring within two to five years	76,427	60,351	76,427	60,351
Expiring after five years	4,239	0	4,239	0
	<b>100,675</b>	<b>77,079</b>	<b>100,675</b>	<b>77,079</b>

During the year £197,139 (2016-17 £133,833) was spent on operating lease commitments.

## 23. Analysis of cash and cash equivalents

Cash and Cash equivalents is all cash in hand £1,309,946 (2017 £913,162).

## 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 2018	Charity 2017
	£	£	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	5,224,948	160,725	5,224,948	160,725
<b>Adjustments for:</b>				
Depreciation charges	147,168	95,374	96,997	95,374
Loss/(profit) on sale of fixed assets	(234,541)	0	(235,370)	0
Loss on the demerger of a subsidiary charity	0	0	0	0
Interest from investments	(695)	(1,082)	(695)	(1,082)
Interest payments	25,787	22,115	25,787	22,115
(increase)/decrease in debtors	(273,792)	(429,063)	(273,792)	(429,063)
increase/(decrease) in creditors	63,306	(10,189)	63,306	(10,189)
<b>Net cash provided by (used in) operating activities</b>	<b>4,952,181</b>	<b>(162,120)</b>	<b>4,901,181</b>	<b>(162,120)</b>

## 26. Acquisition of Smile

The consideration paid for the acquisition of Smile was nil.

Net Assets acquired on 1 October 2017 are represented by:

	£
Land and Buildings (Net Book Value)	4,221,843
Other Fixed Assets (Net Book Value)	42,103
Current Assets	88,225
Current Liabilities	(20,039)
	<b>4,332,132</b>
Increase for Fair Value adjustment	848,157
<b>Total Assets acquired</b>	<b>5,180,289</b>

The increase in fair value represents the valuation undertaken on the KIDS Smile Centre prior to acquisition.

## 27. Contingent Liability

During the year KIDS was an admitted body in the West Yorkshire Pension Fund. A bond and indemnity between KIDS, Barclays and City of Bradford Metropolitan District Council was agreed for £32,800 in respect of potential sums due or arising if the contract is prematurely terminated. This was ended at the end of the financial year.



## 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.

	2017-18	2016-17
29th May 1961 Charitable Trust	8,000	8,000
ACT Foundation		5,000
A D Charitable Trust	34,833	
Anonymous	5,000	5,000
Anonymous	6,400	
Arsenal Foundation	9,000	
Bailey Thomas Fund	16,000	
Battersea Power Station Foundation		5,000
BBC Children in Need	38,515	25,601
Blagrove Trust	35,000	35,000
BNP Paribas		7,719
CHK Charities		5,000
Clover Trust	5,000	5,000
Clothworkers Foundation		15,000
Cranswick Foods		53,698
Credit Suisse	6,000	5,000
DM Thomas Foundation		12,552
E&V Export Ltd	6,000	
Elizabeth & Prince Zaiger Charitable Trust	6,000	6,000
Eveson Charitable Trust	8,000	8,000
Expat Foundation	15,600	
Garfield Weston Foundation		7,500
Glebe Charitable Trust	5,000	7,500
Glencore	30,000	25,000
Goldman Sachs	10,000	10,000
Greystar	20,157	
Groundwork UK		9,000
Hertfordshire Community Foundation	5,000	
Hull and East Riding Trust	10,000	
Irwin Mitchell	9,000	
John Ellerman Foundation	38,947	38,337
Leathersellers Company		10,000
Masonic Charitable Foundation	15,000	
Nexen Petroleum	7,500	
Office Agents Society	17,415	
Operation Happy Child		10,000
Peter Harrison Foundation	5,000	5,000
Post Code Community Trust		17,400
Royal Navy and Royal Marines Charity	35,000	25,000

<b>S&amp;W Investment Service</b>	5,000	
<b>Sandra Charitable Trust</b>	50,000	50,000
<b>Santander</b>		5,000
<b>Selfish Mother</b>	33,060	24,963
<b>Simplyhealth Foundation</b>	29,592	
<b>Sir James Reckitt Charity</b>	6,000	
<b>St Andrew Holborn Charities</b>	15,665	
<b>Swire Charitable Trust</b>	15,928	
<b>The Albert Hunt Trust</b>		5,000
<b>The Band Trust</b>		10,000
<b>The Childwick Trust</b>	6,000	
<b>The Light Fund</b>		5,000
<b>The MacRobert Trust</b>	9,399	
<b>The Portman Foundation</b>	5,000	
<b>The Presidents Club Charitable Trust</b>		10,100
<b>The Three Guineas Trust</b>	15,000	14,000
<b>The Walt Disney Company</b>	14,070	25,170
<b>The Wimbledon Foundation</b>		5,000
<b>True Colours Trust</b>	5,000	
<b>Tula Trust</b>	5,000	
<b>White &amp; Case</b>	53,800	
<b>Zochonis Charitable Trust</b>	25,000	22,000
<b>Zurich Community Trust</b>	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:**

[www.kids.org.uk](http://www.kids.org.uk)

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