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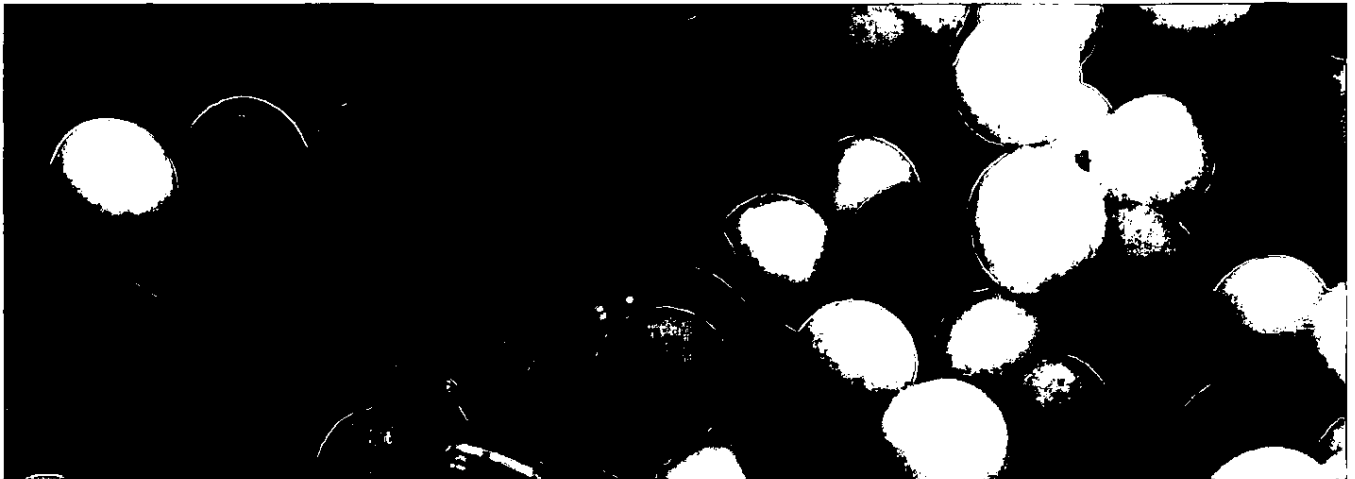
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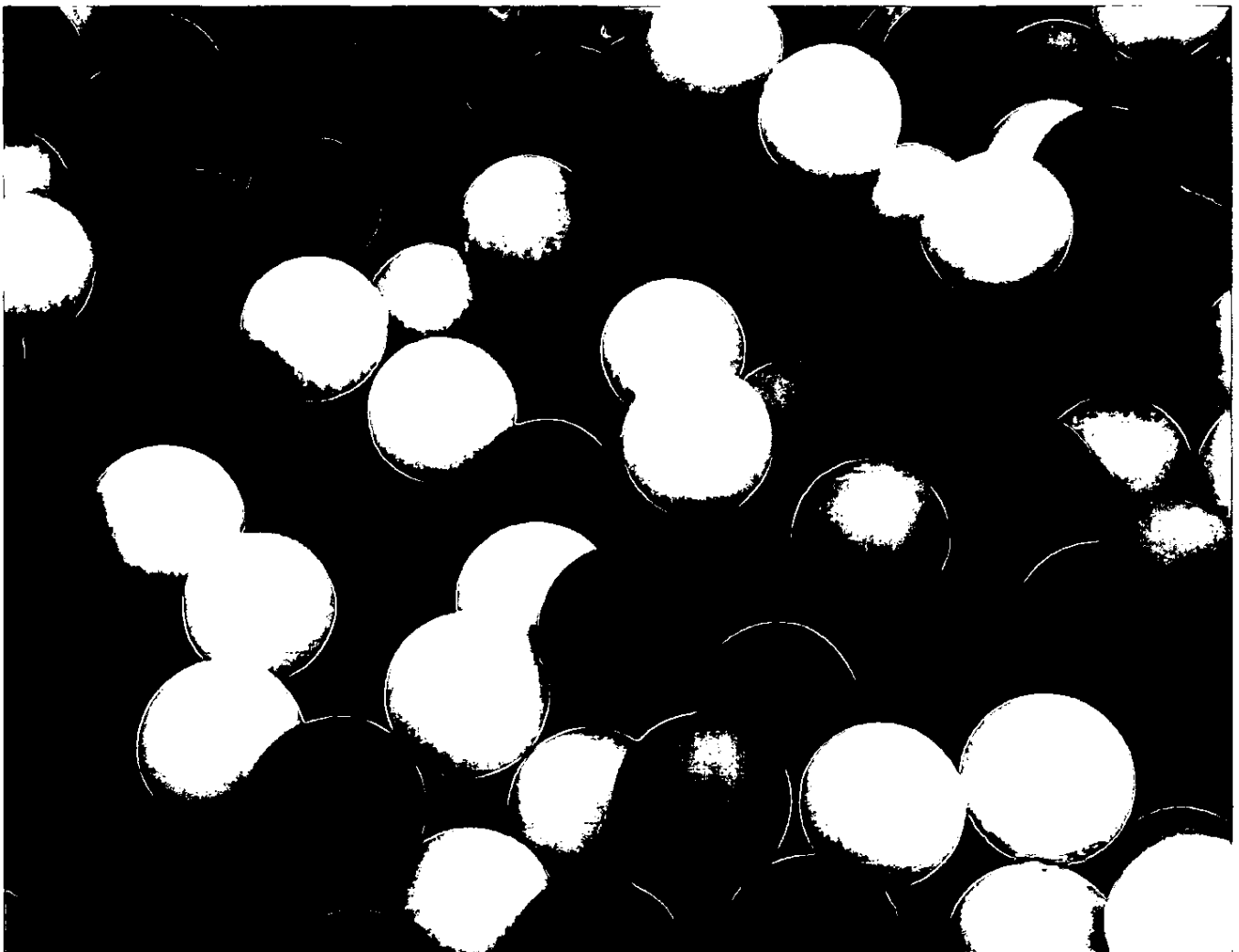
COMPANIES HOUSE



**KIDSCOMPANY**



## ANNUAL REPORT: YEAR ENDING DECEMBER 2008



# **KEEPING KIDS COMPANY**

(Company limited by guarantee no. 03442083, registered charity no. 1068298)

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## **REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 December 2008

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# REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

## Trustees

Alan Yentob (Chairman)  
 Richard Handover (Vice Chairman)  
 Jan Van Holstein (resigned December, 2008)  
 Anthony Frederick Simpson  
 Erica Bolton  
 Anita Nanda Khiara  
 Francesca Robinson  
 Sunetra Atkinson  
 Jane Tyler  
 Vincent O'Brien  
 Susan Chinn (appointed November, 2008)

## Secretary

Sachin Mevada

## Chief Executive

Camila Batmanghelidjh

## Company reg.no.

03442083

## Charity reg. no.

1068298

## Registered office

Sherborne House  
 34 Decima Street  
 London  
 SE1 4QQ

## Auditors

Gotham Erskine LLP  
 Chartered Accountants and Registered Auditors  
 Friendly House  
 52 -58 Tabernacle Street.  
 London EC2A 4NJ

## Bankers

NatWest Bank Plc	CafCash Ltd
Bloomsbury Parr Branch	Kings Hill
PO Box 158	West Malling
214 High Holborn	Kent
London	ME19 4TA
WC1V 7BX	

Abbey National Plc  
 Swiss Cottage Branch  
 8 Harben Parade  
 Finchley Road  
 London  
 NW3 6JN

## Solicitors

Macfarlanes	Lovells
10 Norwich Street	Atlantic House
London	50 Holborn Viaduct
EC4A 1BD	London
	EC1A 2FG



## EXECUTIVE SUMMARY

Keeping Kids Company (known as Kids Company) was founded by Camila Batmanghelidjh in 1996. Our aim is to provide practical, emotional and educational support to vulnerable inner-city children and young people.

Many of the 13,500 children reached by Kids Company's services have experienced severe and multiple trauma. Often these are 'lone children' living in chronic deprivation, with little or no support from the adults in their family. They live in areas where social work departments are at breaking point, schools are not able to meet their complex needs and mental health clinics do not have the capacity to accommodate them.

We provide a safe, caring, family environment where support is tailored to the needs of each individual. Our aim is to empower children who have experienced enormous challenges to lead meaningful lives. We offer unrelenting love for every child, whatever it takes.

Our innovative work is delivered through a street level drop in centre, educational academy, and in 37 inner-London schools. We also run volunteering and mentoring programmes which engage corporate partners, donors and individuals.

Our staff are constantly inspired by the courage and dignity expressed by vulnerable children in the face of overwhelming challenges, and in everything we do the child is put first. In 2007 Kids Company was awarded the Liberty and Justice Human Rights Award.

Table 1 highlights the desperate vulnerability of our client group:

Table 1

Characteristic	General Population <sup>1</sup>	Prison Population <sup>1</sup>	Kids Company Population <sup>2</sup>
Taken into care as a child	2%	27%	55%
Excluded from school	2%	41%	58%
Homeless	1%	32%	84%
Emotional difficulties	4%	71%	87%
Drug use in prior year	11%	62%	82%

Sources: 1) 'Reducing re-offending by ex-prisoners', Social Exclusion Unit, 2002.

2) 'Kids Company Help with the Whole Problem', Queen Mary, University of London, 2008.

### Public Benefit

The Trustees have complied with their duty in section 4 of the Charities Act 2006 and have paid due regard to public benefit when preparing this report. Providing educational, practical and emotional support to vulnerable young people has a direct benefit to both the children and the wider public as strengthens relationships, reduces crime, and creates responsible citizens capable of participating in their communities.

There are no unreasonable restrictions which would prevent children in London from benefiting from Kids Company services, and the charity does not charge children for services and support offered. The benefit provided to the public is consistent with the charitable aims of Kids Company. Further detail on the benefit and public impact of our actions in 2008 can be found below.

### Review of Performance

Kids Company achieved a great deal during 2008. We improved both organisational performance and service to the children. We have seen a significant increase in funds raised, and recognition of our work by the government. However, the demand for our services continues to increase. The Department for Children, Schools and Families (DCSF) awarded Kids Company a Youth Sector Development Fund (YSDF) grant of £12.7 million over the three fiscal years of 2008-9, 2009-10 and 2010-11. This funding is ringfenced to support 400 young people over the age of 16. Services to the remaining 13,000 children are funded through major donors, trusts and foundations, individuals and events.



## **Key priorities 2009 - 2012**

Looking at the three year plan, Kids Company's clear priority is to maintain sufficient funding to operate the existing Arches II street level centre, Urban Academy and Schools Programme. This requires funding levels of (excluding gifts in kind):

**2009 - £11.4m**

**2010 - £12.7m**

**2011 - £13.5m**

**2012 - £14.5m**

Kids Company has secured funding for a pilot scheme to open a new centre in Camden. Over the next three years we will evaluate this pilot with a view to developing four additional centres across the country. These pilot schemes will be replicas of the current Kids Company street level centre and will be funded outside the funding shown above. The Social Care Department of the University of East Anglia, will partner with us for the evaluation.

## **Additional priorities include:**

- Complete the successful relocation of Kids Company's Head Office to new accommodation with additional workplace facilities
- Consolidate the fundraising and communication strategy to generate consistent sources of revenue
- Secure contingency funds of £400000
- Open a pilot drop-in centre in partnership with a major donor and Camden Borough Council
- Secure additional government funding to replace the YSDF grant post 2011
- Establish a commissionable Centre of Excellence model for UK wide replication
- Develop economic models for replicating new centres through public/private partnerships
- Complete the planned research projects which feed into the Centre of Excellence model.

## **Strategic direction**

We will deliver on our key priorities in the following ways:

- Listening to our children's needs and continuing to design approaches that are effective in meeting these needs
- Keeping our staff informed, trained and motivated
- Remaining agile and innovative in our approach to the children and young people we support
- Structuring our approach to fundraising in the core areas: corporates, trusts and foundations, major donors, and events
- Building our campaigning voice in support of the children and highlighting the need for wider adoption of the Kids Company approach
- Building strong links with authorities and bodies to create the next pilot projects.



Empowering vulnerable children  
and young people to successfully manage  
the devastating effects of neglect and abuse.

To see the Kids Company Centre  
of Excellence model adopted nationwide.

The child is at the heart of everything we do.

Maternal, Paternal, Nurturing, Valiant

Campaigning, Pioneering,  
Expert, Unconventional

## GOVERNANCE

Kids Company is led by the children's needs. They have informed all of our clinical learning and continue to guide us towards improved service provision. The organisation's employees remain profoundly committed to improving children's lives. The courage and dignity of the children and young adults we support remain an example and an inspiration to all of our staff.

Effective integration of clinical, corporate and financial governance is fundamental to the provision of safe and effective services for children, young people and staff. The key elements of the 2009 governance development plan are detailed below:

- Systemic implementation of service-wide risk assessment
- Systematic approach to business planning which takes into account risks to funding due to the economic downturn
- Continued embedding of the assurance framework (including standards for better front-line care) within management procedures, and monitoring of progress
- Review of the safeguarding procedures implemented in 2008 to ensure compliance with accepted best practice
- Training/education planning to reflect the needs of the workforce.

We will continue to monitor Kids Company's development plan. This will be achieved through the governance structure established in 2008. These structures will allow us to ensure that all children looked after by Kids Company are cared for according to the statutory guidelines and the 'Every Child Matters' recommendations.



Camila Batmanghelidjh  
Chief Executive



## WHAT WE DO FOR CHILDREN AND YOUNG PEOPLE

### AMIE

*'When I arrived at Kids Company I was very angry and having lots of problems at school. My life at home was really hard too - I didn't have a relationship with my mother and didn't understand why she just didn't love me. At secondary school I was excluded 11 times in my first two years. By my third year I was school-less and homeless. My life was going on a very fast downward spiral, and it was only then that I admitted I needed help.'*

*'Kids Company were amazing. They got me back into school and provided everything I needed once I got there. School uniform, school trips, the lot. And it wasn't just financial support, it was everything in between. My keyworker took me to the dentist, the doctor, and was there when I needed a shoulder to cry on, too.'*

*'I now have 13 GCSEs, a handful of A levels and am at the start of a career in the media industry.'*

### LINFORD

*'I found out about Kids Company through a family member. At the time, I was on the street, homeless, and looking for an agency who could help me. I'd lost all my forms of ID, and it was the first time I'd had to deal with anything like this, so I had no idea what to do.'*

*'None of the agencies seemed welcoming or comforting, but Kids Company stood alone in offering supportive help. My keyworker Robert, and Cecilia who deals with housing helped me to sort things out and to arrange benefits. They really did all the extra things I needed: they helped me to arrange ID, they contacted all the agencies and the homeless unit, and got me back in the housing system. First of all I was put in a hotel, and then a hostel, and now I'm living in supported accommodation and I'm happy there.'*

*'Over the past year I think my greatest personal achievement is my personality, to be honest. If you'd seen me last year, I was a recluse. I wouldn't integrate with anybody, and I was very depressed, actually. Kids Company helped bring me out of my shell. I used to love art, but when I left school I wouldn't do any of it. I wouldn't put pen to paper, but Kids Company encouraged me to start drawing again. They helped me to find me, I suppose.'*

*'In the forthcoming year I'd like to be back in full time education, going to university to study art or science. The future looks bright. Obviously there have been some rocky parts in the last year, but it's been brilliant, and that's down to Kids Company.'*

### KELLY

*'[Kids Company] have been a lifeline for me and have supported me in continuing my degree. They gave me a space to be and let my pain be acknowledged. I have had a lot of NHS 'therapy', but nothing is as intimate and effective as what I have experienced there. It is holistic and not textbook, and it works.'*

*'I have been given a meal when I had absolutely no money. I had massage to get rid of some of the pain and rage that is in my cells. I want to give something back when I am strong enough as, without sounding sentimentally corny - I owe my health and life to their service.'*

### LAURA

*'Kids Company is like a mum and dad for me, because there's someone to talk to when you're upset... it's like somewhere you can go to take your mind off of, like, problems or stresses and everything. It's really relaxing.'*

Some names have been changed to protect the confidentiality of the individuals involved.



## ORGANISATIONAL MANAGEMENT

- The Chief Executive is accountable to the Chairman of the Board of Trustees. The Chief Executive ensures that there are effective performance management arrangements in place to monitor and if necessary take action should planned outcomes fail to be met.
- The Chief Executive has a senior management team responsible for the 300+ employees of Kids Company. The senior management team report to the Chief Executive and are responsible for delivering against the plan.
- The 2009 business plan will be performance-managed by the Trust Board through the Finance Committee and the Governance Committee.
- The business plan will be reflected in the individual performance objectives and the personal development plans of the service-delivery teams.
- Training – staff training is a key part of our effectiveness in dealing with children and young people who present with emotional challenges and traumatic experiences. Our aim is to continually develop our staff to keep their skills up to date and relevant. To achieve our aim we are piloting a number of training courses for different levels of worker, for which accreditation is being sought.
- Recruitment and retention – in order to ensure that there is a robust workforce ready to deliver support and services to emotionally traumatised children, we will be looking at the most effective management and support strategies. This will include protocols to select staff appropriately and to support them to ensure that they do not suffer from vicarious trauma reactions and consequently become depleted. We will be seeking advice from the most up-to-date experts in order to develop appropriate screening and support programmes for staff as well as volunteers, clinical trainees and mentors.
- Volunteers and clinical trainees – volunteers and clinical trainees are crucial to the functioning of any programme and its potential national dissemination. They bring into Kids Company a broad resource base, alongside gifts in kind, which is an example of best practice. We will further develop our strategy to engage with these groups.





## REPORT OF THE TRUSTEES

The Trustees, who are also the directors for the purposes of the Companies Act, submit their annual report and the financial statements of Keeping Kids Company for the year ended 31 December 2008. The Trustees confirm that the annual report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (revised 2005).

### COMPANY STATUS

Kids Company began operating in November 1996. Keeping Kids Company (known as 'Kids Company') was constituted as a charitable company limited by guarantee on 30 September 1997 under a Memorandum of Association and is governed by its Articles of Association. The liability of the members in the event of the company being wound up is limited to £1. The company was registered as a charity on 25 February 1998 and acts entirely as a non-profit-making organisation.

### KIDS COMPANY'S RAISON D'ETRE

Kids Company was set up as a service to support and advocate on behalf of exceptionally vulnerable children. The young people who seek our help often live with worry for their parents' well-being. Sadly, many survive their experiences of childhood confronted by parental vulnerabilities. We support children who survive parental addiction, sexual abuse, significant physical harm, emotional neglect and who have sometimes turned to crime and prostitution in order to meet their own and their families' needs. Our services are both preventative and reparative. We see the child as the primary client to whom we are accountable, and everybody else as a secondary client whose needs we will meet, provided they meet the needs of the child.

When possible, we will support parents and carers in order to strengthen the family unit. Kids Company operates through a combination of practical and therapeutic support, attempting to wrap around a vulnerable child a range of psychosocial interventions in order to afford them access to the centre of society as valued and valuing citizens. Our ultimate aim is to return to children an experience of a safer childhood. Kids Company also functions as an advocacy agency in order to ensure better service delivery to vulnerable children. In short, we either help strengthen the biological carer, supplement their care, or substitute it if the parent is completely unable to function.

### ORGANISATIONAL STRUCTURE

The Trustees of the charity are also Directors for the purposes of company law. The Board of Trustees (referred to in the company's Articles as the "management committee") consists of not more than ten and not less than five members. At present, the Board of Trustees has ten members from a variety of professional backgrounds relevant to the work of the charity and meets at least ten times per year.

Current Trustees of Kids Company, and their respective fields of expertise/interest are :

Alan Yentob (Chairman) - Media management and the arts

Richard Handover (Vice Chair) - Retail, publishing and education

Anthony Simpson Business and sports; experience of the issues faced by the children

Erica Bolton - Public relations and communication

Jan Von Holstein - Business and design (resigned December 2008)

Anita Nanda Khiara - Management and finance

Sunetra Atkinson - Emotional wellbeing

Francesca Robinson - Management

Vincent O'Brien - Finance

Jane Tyler - Law

Susan Chinn - The arts; youth justice (appointed November 2008)



The Trustees are advised by a clinical board, used as needed, and chaired by Professor Graham J. Towl, Chief Psychologist of the Home Office. They are assisted by a Finance Committee, members of which include: Richard Handover, Vincent O'Brien, Francesca Robinson and Jane Tyler.

Day-to-day management is delegated to the Chief Executive Officer, Ms Camila Batmanghelidjh, who founded the charity, and Mrs. Mozhy Chipperfield, who is a trained accountant and has run Mental Health Services within an NHS Trust.

### **Recruitment and Appointment of Trustees**

Trustees are appointed either by the members of the company in general meeting or by the Management Committee. At each Annual General Meeting all must retire and are eligible for reelection. The more traditional business and care skills are well represented on the Management Committee. In an effort to maintain this broad skill mix and in the event of particular skills being lost due to retirements, individuals with appropriate skills are approached to offer themselves for election to the Management Committee.

### **Trustee Induction and Training**

- New Trustees are invited to familiarise themselves with the charity and the context within which it operates. Briefing sessions jointly led by the Chairman of the Management Committee and the Chief Executive cover:
- The obligations of Management Committee members
- The main documents which set out the operational framework for the charity, including the Memorandum and Articles
- Resourcing and the current financial position as set out in the latest published accounts
- Future plans and objectives.

Information from the various Charity Commission publications, signposted through the Commission's guide 'The Essential Trustee' are distributed to new Trustees, together with the Memorandum and Articles and the latest financial statements.

### **Objectives and Activities**

The charity has been established to:

- Enhance the emotional health of young people through counselling, support and therapeutic use of the arts
- Support schools and other educational institutions in addressing the emotional needs of young people appropriately
- Undertake any other charitable activity.

These objectives are pursued through a number of activities, some of which are funded by central government and local authority grants, but the bulk of which are made possible through the generosity of charitable trusts, companies and individuals, including a large number of volunteers.



## HOW OUR SERVICES ARE DELIVERED

At any given time, Kids Company is staffed by over 300 individuals. The Chief Executive, Camila Batmanghelidjh, distributes her time between clinical work with the most disturbed children, fundraising, awareness-raising and staff management. Camila has training in psychotherapy and nineteen years of psychoanalytic experience. She has a first class degree in the arts, training in art psychotherapy and infant and child observation. Camila founded Kids Company and, prior to this, The Place 2 Be, now a national charity. Camila is supported by Business Manager, Mozhy Chipperfield.

The Kids Company staff are chosen for their commitment to children. They range in professional expertise between clinical psychologists, GPs, health workers, psychotherapists, special needs teachers, social workers, artists, youth workers and advocacy specialists; our staff speak 43 languages between them. The staff are supported by a range of voluntary professionals, including law firms such as Macfarlanes, Lovells and local solicitors and barristers, who assist with a variety of legal issues. A range of clinical specialists are also accessible as and when needed.

All staff at Kids Company are clinically supervised once a week by a senior mental health or social work specialist. Staff have regular access to alternative health therapies. Many staff benefit from continuous training paid for by Kids Company. Our child protection training is updated annually.

In addition to paid staff, the organisation makes use of approximately 5600 volunteers each year. Of these, 5000 are drawn from City companies and the other 600 are mentors and clinical trainees on social work or psychotherapy courses. Each clinical trainee gives the organisation between one and four days per week. Staff turnover is low, although we make use of some short-term contracts. Staff and volunteers deliver services via three main programmes: the Schools Programme, the Arches II and the Urban Academy.

## THE ARCHES II

### Services

The Arches II is a crisis centre in Lambeth, South London, where we support up to 2000 children and young people aged up to 23. Many of the young people who come to the Arches II have been drug couriers, members of gangs or involved in prostitution. These are exceptionally traumatised and disaffected individuals who have failed to engage with statutory provisions, invariably because of the level of fragmentation in their practical and emotional lives. Young people refer themselves to our services, or come on the recommendation of peers and family.

Kids Company provides a substitute family environment where vulnerable children's needs are comprehensively assessed, and each is given a tailor-made package of care shaped to meet their specific needs. We provide three meals a day, and each child has a keyworker and a support worker to act as their main points of contact and advocate on their behalf.

Our team of 96 staff includes a wide range of professionals, whose unique multidisciplinary approach combines health, housing, emotional wellbeing, mental health, arts, sports, youth justice, education and employment. These interventions are designed to strengthen, supplement or substitute the child's parenting experience.

*'[Kids Company staff] are more supportive than any social worker I've ever had - all of them lot, they haven't got a clue what real life is like. Whereas Kids Company have, you know, most have been there and done it, they've got a better perspective.'* Aaron, aged 23.

Our aim is to first stabilize each child by meeting their practical needs, before helping them to address emotional and behavioural difficulties. Once they have achieved some sense of stability and calm, we help each young person to identify talents and interests and so develop aspirations for the future.

### Activities

A full 'Club Time' programme of after school sports, art, music and drama activities was initiated at the Arches II in 2008, which aims to channel children's energy, to encourage the development of talents and aspirations, and to provide opportunities for children to learn to trust others.

*'This is the only place I come where adults are nice to me. I get to do loads of different activities and eat nice dinners.'* Dannyella, aged nine.



The centre also arranges trips in the evenings and during holidays. During the summer of 2008 we provided residential for approximately 300 children at the Arches II; a further 500 accessed our day activities. Many of these children had never left the city, and were enormously excited by the opportunity to visit the countryside and the beach, and to experience fresh air, camping and adventure sports.

*'I'm camping. Chloe was amazed on the way up because she'd never seen goats in real life... Camping is a fun way to learn new things and explore places.'* Mikaela, aged nine.

On Christmas Day, some 1800 children and young people who had nowhere else to go joined a team of 200 dedicated Kids Company staff and volunteers for Christmas lunch, celebrations and individually wrapped presents.

## **Under-16 Education Unit**

We run an alternative education unit at the Arches II drop-in centre for children aged under 16. These teenagers have been repeatedly excluded from schools and pupil referral units as a result of disruptive, hyperactive and violent behaviour, often stemming from experiences of trauma, and are referred to us by local authorities.

Kids Company's teachers help children to address the underlying emotional and behavioural issues preventing them from progressing academically, and support them as they re-engage with education. Working one-to-one or in small groups, staff create a varied educational timetable informed by the national curriculum, concentrating on students' strengths and interests to help develop their focus and self-esteem.

*'The teachers are calm and collected and they'll sit down and talk with you. They'll talk about your problems in school and outside school, and if there's a particular thing you like to do they'll base your lessons on that – it helps you grow what you're good at.'* Stephen, aged 15.

Our aim is to facilitate a return to mainstream education or vocational courses, and the unit has an 85% rate of reintegration into mainstream schools, compared to the national average for Pupil Referral Units of 32%. (Crime Concern 2003).

## **Basic Needs**

Due to their exceptional levels of vulnerability, many of the children who self-refer to us are forced into criminal activity to support themselves and their families. In order to address this issue and enable children to withdraw and refrain from criminal activity, our staff undertake a comprehensive assessment of each child's living conditions and access to basic resources.

Where homelessness is an issue, our primary step is to find the child somewhere safe to live. We do this by seeking hostel placements initially, but sadly these are in very short supply. Any young person over the age of eighteen will no longer be housed by the local authority in poor areas. In this case, they are often provided with a list of landlords who accept housing benefits, but this kind of accommodation is hard to come by and the local authority does not provide the deposit or the three months' rent which is often requested in advance because rent payments will be made from housing benefits. Consequently, in order to house these young people, Kids Company has to provide deposit and payments for rent in advance, as well as necessities such as bedding and basic furniture.

## **Allowances**

For young people who are living completely on their own, or who have parents and carers who are substance abusers, we provide food vouchers and a living allowance of £5 a day, on condition that they are on benefits and going to college. Some young people, despite being born in this country, discover aged eighteen that due to flaws in their parents' legal documents they are considered illegal immigrants. This results in their being denied housing, benefits, or the right to employment. While Kids Company seeks legal advice, we have to support these young people until their status is established; this means paying for all their expenses. We also have an emergency house, supervised by two foster carers, where emergency housing needs are dealt with overnight. When this option is inappropriate or unavailable, we continue to access hotels and bed and breakfast provisions for young people.

Expenditure on the children in the income statement represents basic support across food, clothing, accommodation, private drug rehabilitation, travel and living allowances.



## THE URBAN ACADEMY

Our Urban Academy offers educational opportunities and practical support to over 200 vulnerable young adults aged between 16 and 23, with the aim of helping them move on successfully into further education, training or employment.

These young people are typically too agitated and disruptive to sit in a conventional classroom due to complex emotional and behavioural problems. Many have had little or no consistent schooling, having rejected, or been excluded from, other educational provisions. Often they struggle with gang involvement, criminal activity and substance misuse.

*'Kids Company gives me something to do in the day... Instead of going out there to do crime or sell drugs to get money, I'd rather come here and get a bit of an education for life later, you get me?'*  
Jackson, aged 20.

We have nine qualified teachers on site, as well as alternative health practitioners, psychotherapists, youth workers, social workers and arts and sports workers. Young people can access three meals a day and have somewhere to go where they are welcomed.

In 2008 we developed and piloted our Path to Life programme, which has since been accredited by the Open College Network. A unique syllabus of education and life skills, Path to Life is designed to meet the needs of young people who present with an inability to settle and make use of standard educational settings. It covers 42 areas, including literacy, numeracy, cooking and budgeting, and students choose a package of modules to suit their needs and interests, being taught one-to-one or in small group settings.

The Urban Academy also offers access to a gym, sports activities and a range of creative projects in the arts, media and fashion. We also provide tutoring for external qualifications, and young people are offered ongoing support as they progress to college, university or employment. In autumn 2008, 150 of our young people had places at various universities and colleges, including the University of Oxford, the University of London, and UCL.

## THE SCHOOLS PROGRAMME

In 2008, Kids Company's Schools Programme reached 37 schools in some of London's most deprived areas, in the boroughs of Croydon, Hackney, Haringey, Harrow, Islington, Lambeth and Southwark.

Teams of psychotherapists, social workers, arts facilitators, in-class support workers and volunteers provide a programme of one-to-one and group therapy, drop-in counselling, lunchtime and after school clubs, arts workshops and day trips. These services support children with emotional and behavioural difficulties and help prevent many being excluded from or dropping out of school.

Our staff speak at whole school assemblies to tell children about our services and activities, and invite them to refer themselves for support. By taking services into schools in this way, we afford the most vulnerable children genuine access, enabling them to articulate their needs and seek help.

Programmes in each school are led by a team leader, who is based in a dedicated Kids Company space so that children always know where to find them. These rooms are beautifully decorated, equipped with toys, dressing up clothes and art materials, and designed to give the child a feeling of security.

*'Kids Company gives you an opportunity to carry all your stress and talk about all of it without the fear that it will be all over the school the next day. It's a huge help and gives you a sense of relief that someone cares to listen to your problem.'* Emma, secondary school child.

Where necessary we provide social work interventions and offer support services for parents, families, carers and teachers, our priority always being to create a positive outcome for the child. 88% of teachers describe our provisions in schools as 'effective' in meeting children's needs.

*'It depends on the needs of the child, but what you have to notice is that Kids Company doesn't just work with the child, they work to improve the emotional wellbeing of the school community. So they work with staff, parents... they go to their homes and work with the family.'* A primary school assistant headteacher.

Our work in schools reaches around 11,500 individual children annually. This is the total number of children attending schools supported by Kids Company in 2008; however, many children use a number of services.



## Volunteer and trainee support

In 2008 we worked with 97 companies to deliver a programme of events, activities and workshops focused on creating opportunities for the children in our Schools Programme. This included fun days, school trips, sports days, art workshops, drama workshops, school decoration and Christmas parties, all designed to help broaden children's horizons and enhance their experience of school life.

Student therapists, student social workers and student teaching assistants can apply to complete their work placements in our Schools Programme. Qualified psychotherapists and counsellors with experience of working with children also support our schools teams with as much time a week as they can spare.

General volunteers provide in-class support to teachers, focusing on: literacy, maths, art, behaviour and special educational needs. This support is incredibly valuable to teachers who often have little time or resources to give to activities outside of the curriculum. In our Schools Programme teachers have reported educational improvements in 83% of children.

To support the trainee counsellors and psychotherapists undertaking placements in Kids Company's schools, we have expanded our Therapeutic Use of the Arts training workshops. Over 200 people have benefited from weekly workshops including: 'Working with anger', 'Working with bereavement and loss', and 'The use of drama and movement in therapy with children'.

## SAFEGUARDING: THE CURRENT PICTURE

Over the past year Kids Company's Safeguarding Team has had to rapidly develop new areas of expertise, particularly in the fields of immigration, criminal justice, housing and benefits. Changes in national legislation and services being offered by statutory agencies have altered the demographic of clients we are receiving at our centres.

Local authorities in the areas in which we work are often heavily under-resourced, meaning that it can be difficult to secure a referral to the child protection register, and that children are frequently rapidly removed from the register once placed on it. Evidence of this is demonstrated by the fact that in 2008, although 538,000 children were referred to social services, only 34,000 became the subject of a child protection plan, and 32,600 children ceased to be the subject of a child protection plan within the year. (Figures are taken from the statistical release 'DCSF: Referrals, Assessments and Children and Young People who are subject of a Child Protection Plan, England – year ending 31 Mar 2008').

Kids Company's Safeguarding Team has spent the past year carefully building relationships with local authority workers in both child abuse investigation teams and social services to ensure referrals are responded to professionally and that cases are taken up despite resource pressures within these departments. This process has been very difficult, and will continue to be so. However, it is imperative that this delicate relationship-building continues, because as a charity organisation we do not have the authority to act alone in relation to safeguarding concerns, thus partnership working is the only way to ensure that children at risk of significant harm are protected.

Although safeguarding predominantly pertains to child protection, our Safeguarding Team currently oversees, monitors, advocates for and supports children and young people within several key areas:

- Child protection, including monitoring ongoing risks such as parental substance abuse or mental illness
- Homelessness
- Immigration
- Criminal justice.

In 2008, a quarterly audit showed that the Safeguarding Team (then two people) had dealt with 88 cases (individual children and their families). For those 88 children, 233 visits or meetings had been undertaken and a total of 128 referrals or reports had been written.

The Kids Company model works extremely effectively to help safeguard children in large numbers. However, this remains a significant challenge as our capacity is limited by a lack of statutory authority, while social services have entire departments dedicated to these children and families.



The structure of our safeguarding department has had to adapt organically in order to continue to accommodate the large number of children being referred to us. This model could be used as a learning tool for central government to enable them to effectively scale up their services to be able to safeguard greater numbers of vulnerable children.

We have continued to recruit social work trainees to undertake their placements with Kids Company. In the last year, some 24 trainees completed placements in our schools and at the Arches II. This resource has allowed us to provide a comprehensive social work intervention in local authorities where social work departments are chronically under-resourced.

## COLOUR A CHILD'S LIFE

Our staff find children living in conditions of extreme deprivation, in environments which are dirty, infested with rats and cockroaches, and lacking the most basic necessities such as clean bedding, cups, plates and simple furniture. It is common for children as young as three to be sleeping on a bare floor, or sharing a sofa or bed with siblings and/or parents. Often, young people leaving the care system are given their own flat, only to find that it is barely habitable. Living in such environments creates a sense of chaos for the child and diminishes their sense of dignity.

Kids Company aims to clean and refurbish these homes, painting them with fresh colours chosen by the children and young people who live there. Essential furniture is bought or repaired, and the project also benefits from many donated items. By offering this support we show our children and young people that they are cherished, instilling in them a sense of stability and hope.

Children and their families are referred to our Colour a Child's Life team for help by keyworking staff at our centres. A Kids Company worker then visits the home to assess what needs to be done to make it into a safe, healthy environment, and our team plan an appropriate programme of repair and refurbishment. Kids Company staff who specialise in cleaning, decorating and carpentry are assisted in renovating the home by volunteers, either as individuals or in corporate teams.

After work is complete our staff continue to keep in contact with the family and monitor the children's progress to ensure that they have adequate support in maintaining a healthy standard of living. Families respond positively to our interventions and ongoing support, which are always undertaken from a caring, non-judgemental perspective.

Kids Company's Colour a Child's Life project is uniquely effective in its service delivery:

- Our team are innovative and flexible in their approach, and each project is tailor-made to meet the needs of the family or young person involved.
- We are able to rapidly release funds for emergency work, which has proven crucial for children living in unsafe and exceptionally depleted conditions.
- Because of the wide-ranging services we provide across housing, childcare and health, we are able to address diverse issues quickly, without the need for referrals or waiting periods.
- Before, during and after the renovation project, children and families are supported by our staff, and any concerns about a child's wellbeing are robustly followed up by our safeguarding team.
- We rely largely on donations of paint, materials, furniture and time, which means that our overheads are low.
- The support of teams of volunteers means that we are able to deliver cost-effective interventions and complete work quickly. Entire homes can be renovated and made safe during a few days of intensive work.

Thanks to many kind sponsors, during 2008, Kids Company was able to renovate 34 homes with the vital support of 523 corporate volunteers.



## PROJECTS

In addition to the three main service-delivery programmes outlined above, we undertake many creative, therapeutic and leisure projects across all the programmes, including the arts, health and fitness, sports, social work, and therapy, among others.

### The Arts at Kids Company

The arts at Kids Company continue to deliver an essential part of the transformative support we provide for vulnerable children and young adults. We have developed a groundbreaking diverse arts programme which includes the visual arts, fashion, film, music, new media, drama, dance clubs and activities. By holding public exhibitions and arts events we provide opportunities for children to communicate their ideas and experiences to a wide audience, which can enhance the cathartic nature of the creative process.

*'I don't see myself as an artist. I just see myself as someone with a point of view that I wanted to get across, and that was the only way I knew how.'* Michael, aged 22.

The arts are not only a central therapeutic tool in helping children recover from trauma but they also provide strong vocational pathways and opportunities through which our children and young adults are able to re-engage with education. For example, our Bare Thread fashion label nurtures young designers and enables them to see their designs realised as professionally produced items, bringing to life the possibility of a career in the fashion industry.

We employ highly skilled, specialised artists, arts therapists and facilitators working in schools and at our centres. We have trained nine of our arts staff to deliver the nationally accredited QCA Arts Awards across our two centres and 20 students have registered to complete these awards. A further ten staff will be trained in 2009.

Our staff have helped young people to gain places at many arts colleges including the London College of Communication, Goldsmith's College and the London College of Fashion. The course we co-wrote at Camberwell College of Art continues to be so successful that there is a long waiting list for attendance.

Collaborations have been set up with a number of external arts providers, including The National Theatre, BBC, Channel Four, Dulwich Picture Gallery, Morley College, the Southbank Centre and the National Portrait Gallery, where young people have benefited from work experience and internships.

Arts-related partnerships have also been developed with a range of organizations, including the London College of Fashion, Tate Modern, Live Magazine, SOWF, SBEG, Cardboard Citizens, Somerset House, The Shakespeare Schools Festival and The Art Room (Oxford).

*'Music is a good way of letting us express ourselves without being judged. A good way to take the negatives and turn them into a positive. That's what I use music for, anyway.'* Jackie, aged 23.

Kids Company ran over 100 arts workshops throughout 2008 and developed a number of themed exhibitions from the work our children produced. One of the most powerful exhibits, Shoebox Living, was created by 125 children aged between eight and ten. This exhibition opened at HM Treasury in 2008 and will continue to allow children's voices to be heard by key decision-makers as it tours the Home Office and the Department for Children, Schools and Families in 2009, as well as having public showings at the Guardian Gallery and the Haunch of Venison.

Children's photography was displayed at the OUP/Field Fisher Waterhouse book launch and some of their art work was shown at the Hackney Empire, as well as a high profile ball attended by the Prince of Wales. One of our children's designs was selected to feature on the Christmas bag sold by the General Trading Company.

Two teams of young people worked with filmmaker Hope Dickinson-Leach to produce short films for Channel Four's 'Three Minute Wonder' series. The films, written and performed by the young people, and designed to raise awareness of some of the issues they face, were aired in January 2009.

In November, a team of young people from Kids Company launched the Rumble in the Jumble fashion sale, selling their own designs, created as part of the Bare Thread fashion label, as well as receiving donations from designers. The three-day event was opened by Gwyneth Paltrow. Our children also decorated the Mulberry flagship store in London, and five of their designs were chosen to be used on limited edition Mulberry t-shirts.

We were hugely appreciative of continued financial support from Damien Hirst and generous donations from ICAP and the Alasol Foundation, enabling us to continue to offer a varied and successful arts programme.





## HEALTH AT KIDS COMPANY

Over 60% of the children coming to Kids Company are not registered with a GP, and many struggle to access healthcare due to lack of information and inadequate personal documentation.

During 2008 Kids Company developed a partnership with a GP surgery local to our Arches II centre, in order to increase access to appropriate medical advice and treatment for vulnerable young people. Kids Company also approached Alan Johnson MP and Louis Appleby, National Director for Mental Health, initiating discussions relating to medical care and access for vulnerable young people.

Kids Company has a number of paid and volunteer health workers whose treatments are accessed by our young people. We have developed a Massage-in-Schools programme where, at the beginning of each day, children massage their classmates (over clothes). Teachers report that this has had a very beneficial impact on calming down their classrooms. Young people have greatly appreciated our osteopathic drop-in clinic and two massage therapists have been available to see them five days per week. Our complementary health programme has been generously funded by Shire Pharmaceuticals.

Kids Company continues to be drug-free on its premises. Sometimes young people challenge this boundary, but we have been able to maintain a healthy environment. We now do drug-testing on the premises in order to help our young people detox, and we pay for independent residential drug rehabilitation programmes for some of our most at-risk group.

## SPORTS AT KIDS COMPANY

Many of our young people struggle with a build-up of physical tension and aggression as a result of childhood experiences of trauma, and feeling powerless due to living under constant threat. Our sports and activities programme enables disturbed children to channel their energy through constructive means. By providing controlled 'adrenaline' activities such as climbing and go-karting, we help young people to achieve the rush, which they might otherwise look for in violence, criminal activity or substance misuse.

We have seen remarkable improvements in children's behaviour as a result of their involvement in physical activity. Regular participation in sport encourages discipline, teamwork and tolerance, as well as promoting self-esteem, motivation and leadership. On a physical level it helps to build up health and fitness, as well as contributing to mental wellbeing.

Kids Company's sports programme offers opportunities for children to get involved in around 30 different sports and activities. We support young people in accessing sports courses and activity weekends, and our summer programme of residential trips enables inner-city children of all ages to access outward bound experiences in the countryside.

*'Taking the kids out of London for the weekend and teaching them to surf took them out of their comfort zone and provided an opportunity to experience something totally different. They responded incredibly well. It was pouring with rain on the Sunday, but they did not complain at all. They got involved with cooking, fed the animals and really loved the surfing.'* Tom Hinton, Curl Curl Surf.

Kids Company's boxing programme is designed to foster focus, control, discipline and fun. It reaches between 70 and 100 children and young people each week, including sessions in schools, and our accredited boxing tutors are now teaching the Amateur Boxing Association's Awards Scheme. Young people who attend speak of how our challenging boxing training sessions help them to feel energized, to channel frustration and anger, to minimize damaging habits such as smoking, and simply offer a highlight to the week.

In 2008, Kids Company developed a rock climbing club. Our activity leaders work with young people to teach them a range of skills, from basic rope safety, belaying and communication to technical climbing skills. Due to its popularity we run rock-climbing trips twice a week, and all those involved have grown hugely in confidence and skill. In future, we aim to introduce a rock climbing safety course for young people, which will involve learning more about general safety issues.

Football is an enormously popular sport at Kids Company, and provides a valuable way for our young people to raise their confidence, develop their self-discipline and learn to channel their aggression. Our two squads (under-14 and under-16) train twice a week. As a result of this intensive work we are seeing a great improvement



in teamwork and discipline. We have seen several of our young men acting as excellent role models as they develop their coaching skills with the younger players. Our aim is for both our staff and several of our young people to achieve FA coaching qualifications.

*'I am very proud of what I have done and what the players have done themselves. I am grateful for the support that Kids Company have given me during the football season. This is my first time as a Manager, so this is the start of something big. Everyone is gelling together and we are going to go far.'*  
Anwar, Team Manager.

Our Sports Programme received a generous grant from Sport Relief.

## KIDS COMPANY'S THERAPEUTIC PROGRAMMES

We have continued to provide a diverse range of therapeutic interventions using trainees and trained psychotherapists, counselling psychologists, arts and drama therapists. Trainees have come from the Tavistock Clinic, the Lincoln Centre, Goldsmith's, Metropolitan and City universities, the Institute of Child Mental Health, the Central School of Speech and Drama, the University of Roehampton, the Psychosynthesis Institute and Metenoia.

In the past year, some 200 trainees undertook placements with us. Each trainee is supervised once a week by a mental health professional. The therapeutic work in the schools is vital because young children who would otherwise not have access to help are referring themselves and their peers.

Our clinical work has been recognised by Play Therapy International, and in 2004 we won an award for our contribution to the field. During the year we have spoken at some eighty professional settings in relation to therapeutic work with children. We provide regular in-house training for trainees and volunteers.

### The Heart Yard

In 2008, we formed the Right2Health team, which comprises senior clinical staff to whom the more severe cases of mental health disturbance are referred for treatment and monitoring. We also established the Heart Yard, a centre for psychotherapy and complementary health treatments for young people with particular emotional needs, located close to but separate from The Arches II.

The Heart Yard is a therapeutic sanctuary where the most vulnerable children receive intensive emotional and psychological support, provided by highly experienced clinicians. Under one roof we uniquely offer: specialized psychiatric care, child and adolescent psychotherapy, as well as dance and movement, play and arts therapies. We also provide complementary health treatments such as acupuncture, osteopathy, hand and facial reflexology, aromatherapy, massage, Reiki and yoga.

*'My therapist gave me breathing techniques and has helped me understand why I'm angry. I've stopped smashing things and I've begun to deal with some of the stuff in my past.'* Gemma, aged 20.

The Heart Yard also offers a childcare facility so that young mothers can benefit from its range of therapies in the knowledge that their children are being looked after. In addition to its therapeutic interventions, the Heart Yard's beautifully tended garden, family kitchen and playroom offer respite, peace and comfort, as well as laughter and fun. For many children, the Heart Yard provides their first experience of a safe, secure and loving home environment.

As it becomes more established, our Heart Yard team will be further bolstered by psychotherapy students, supervised and monitored by qualified staff.

## NEUROBIOLOGICAL RESEARCH

Through collaborative research, we are seeking to show that our young people are neuro-chemically terrorised and that their poor social skills and learning impairment are secondary to post-traumatic stress reactions. This research is important because it serves to shift the debate from one in which these children are perceived as 'morally flawed' to their being disadvantaged on a neuro-chemical level: unstable care and exposure to trauma and violence in childhood render them unable to self-regulate, self-soothe or to make rational decisions in



stressful situations. We have a robust programme of neuroscientific research, involving some 35 emotional trauma specialists. Ultimately, we would like to adapt and disseminate globally the findings of this research to improve the lives of traumatised children and promote recovery.

In 2008 Kids Company initiated a donor funded research project in collaboration with the Great Ormond Street Hospital for Children and the Institute of Child Health, University College London.

The project, Neurophysiological Markers of Antisocial Behaviour: a Pilot Study, intends to explore the neuropsychological, cognitive, neurological, endocrine and structural markers of antisocial behaviour in ten children aged 11-14.

This will help Kids Company to identify:

- Why troubled children find it difficult to control their behaviour.
- Possible causes of conduct disorder, and how services can be improved to meet the needs of these young people.
- What roles therapy, sports activities and other interventions might play in reducing antisocial behaviour.

The research will be published at the end of 2009.

## **ACADEMIC RESEARCH**

During 2008, Kids Company successfully secured two collaborative PhD studentships. Firstly, a studentship was awarded by the AHRC (Arts and Humanities Research Council) to Kids Company and the Central School of Speech and Drama (University of London) for a PhD student to undertake research into the possibilities of applied theatre in the development of children's rights. Secondly, a studentship was awarded by the ESRC (Economic and Social Research Council) to Kids Company and the University of Portsmouth for a PhD student to critically explore the cognitive deficit model of young offending.

## **YOUTH SECTOR DEVELOPMENT FUND**

In April 2008 Kids Company was granted £12.7 million from the Department for Children, Schools and Families, through its Youth Sector Development Fund, to act as a YSDF Pathfinder. The grant, to be distributed over three years, will enable us to continue to deliver services to 400 of our most vulnerable young people, aged 14 upwards, who present with challenging behaviours. As a YSDF Pathfinder, Kids Company will endeavour to become a Centre of Excellence in order to develop the most effective strategies for reducing violence amongst disturbed young people. The Centre will help young people exposed to abuse to manage their behaviours and emotions more appropriately, and will function as an advice resource for other agencies. The Centre of Excellence project will be informed by Kids Company's work with our 400 most disturbed young people, and our learning will be disseminated to other professionals in the social care field through a website, training and publications.

This grant represents a secure and predictable source of income for part of our funding needs, which is of assistance when seeking other grants and donations, as we will need to continue to raise funding for 11,500 children aged under 14.

## **EVALUATIONS OF KIDS COMPANY**

Kids Company has been independently evaluated 15 times since 2000. These have included evaluations conducted by Crime Concern for the Home Office, The National Children's Bureau, The Camelot Foundation, BBC Children in Need, and most recently, The University of London on behalf of HM Treasury. All of these evaluations have found that Kids Company's intervention has success rates of between 80% and 100%.

2008 represents the starting point for a new research and evaluation programme being undertaken at Kids Company. As a Youth Sector Development Fund (YSDF) Pathfinder, Kids Company receives a grant of £12.7m over three years to fund our work with 400 medium and high risk young people aged over 14. Our researcher Johanna Schmitz is tracking the progress of these young people during the course of the grant. Preliminary findings are below.



## Level of Need

- Kids Company clients are exceptionally vulnerable: 52% of the YSDF sample presented with potentially life-threatening circumstances, identified as immediate risk issues, when they first referred themselves. Of the YSDF clients, 83% reported having had an experience of at least one significant trauma in their life.
- Prevalence of mental health issues among the YSDF sample is dramatically higher than the national average: 67% of YSDF clients reported mental health issues such as diagnosed difficulties, aggressive behaviours, and self-harming behaviours compared to 10% to 16% of the population nationally.

## Outcomes for clients

### Housing:

- Of those in need of rehousing, 60% were rehoused.
- Of those in need of more stable housing, 77% had their living conditions improved.

### Education and training:

- Of the YSDF sample, 53% set and achieved the goal of returning to education or training.

### Engagement in therapy:

- Of YSDF clients, 24% regularly engaged in a range of therapies.

## Conclusions

Kids Company's holistic and individually-tailored interventions continue to be effective. Client outcomes as captured by this evaluation report supersede the targets set under the YSDF agreement.

## KIDS COMPANY GIFTS AND SERVICES IN KIND 2008

Kids Company benefits from the services of many volunteers who donate their time as individuals, or who participate via corporate partners in organised activities. Many of the largest corporate names in the UK discharge their corporate social responsibility obligations by supporting Kids Company's projects and programmes. Our dedicated group of individual volunteers donate their time as mentors, or offer their professional expertise in our Schools Programme, or in our centres. In addition, services in kind which Kids Company would otherwise have had to pay for have included management consultancy services, IT and legal services, media advice and training, advertising campaigns, fashion workshops and auctioneer services by well known celebrities. We have also been lucky enough to have had considerable reduction in rental fees for our two drop-in centres in Southwark and Lambeth.

Gifts in kind included a wide variety of goods, both new and second-hand, including household goods, books, clothes, tickets to events and theatre shows, sports equipment, vehicles, musical instruments and high value art pieces.

Gifts, auction/raffle prizes and services in kind 2008 (estimated £ value)	
Gifts in Kind	108,327
Christmas Gifts in Kind	147,964
Art pieces, auction and raffle prizes	988,061
Services in kind	1,034,504
Mentor expenditure	19,020
Corporate volunteering days	10,925
Corporate volunteer hours	437,400
<b>TOTAL VALUE 2008</b>	<b>2,746,201</b>



## **INFLUENCE IN THE CHARITY SECTOR AND BEYOND**

In order to widen understanding of the needs of our client group and the efficacy of our working practices, Kids Company co-operates with the media and attempts to provide up-to-date information for both businesses and charities.

We endeavour to work closely with a number of social justice charities and volunteer bureaux, and in particular with the Prince's Trust and with Liberty, although we elicit support from as wide a range of third sector organisations as possible.

As part of our awareness-raising exercise we have facilitated visits to our projects from a diverse group of MPs and local and national civil servants, including members of the Home Office and the Department for Children, Schools and Families, enabling them to see at first hand the issues which affect vulnerable children's wellbeing. Local authority threshold and barriers to access issues were discussed with Beverley Hughes MP on her visit to Kids Company on 30th April 2008 and links with Southwark and Lambeth local authorities are being developed by our Safeguarding Team. In October, officers from Herne Hill police station, Lambeth, and a doctor from King's College Hospital visited the Arches II for a Q&A session on gun and knife crime with Kids Company young people.

### **External lectures and presentations**

In 2008 Camila Batmanghelidjh and Kids Company staff delivered over 80 talks and lectures to external audiences, from the charity, business, education, science, health and social care and local authority sectors. These included guest lectures by at the Royal Institution and the Children's Society, as well as presentations at the Buckinghamshire Safeguarding Children Board Conference, the NHS Alliance Annual Conference, the Child Centre for Mental Health Conference, the Teach First Conference, the Inside Government Safer Communities Conference, and the University of Brighton.

Staff also continued our programme of speaking at public schools, including the City of London School for Girls, Dulwich College, James Allen's Girls School, Haberdashers' Aske's Federation and The Royal School Hampstead, while Camila spoke to a national audience at the Association of Maintained Girls' Schools in October 2008.

## **MEDIA OVERVIEW**

As part of our ongoing work to promote positive images of vulnerable children and young people and to change societal attitudes towards the children we work with, we have continued to pursue positive ongoing relationships with members of the media.

In addition to influencing political debate, working with the media enables us to fundraise and secure resources for our work. It also provides a platform for our young people to air their views directly by writing articles and blogs and giving media interviews. This is not only vital in terms of giving voice to young people who are so often left out of media debate, but is also an excellent skills development opportunity. We have achieved coverage across the board, in print, broadcast and online media.

### **Television**

In 2008 Kids Company spokespeople (both staff and young people) regularly took part in local, national and international television interviews and debates around the themes of social care, youth violence and children's issues. Key television appearances included: Sky News, ITN News, BBC Breakfast, The Politics Show (BBC), This Morning (ITV), Channel 4's 'Disarming Britain' debate, Newsnight (BBC), CNN, Rai (Italian State Television), ITV London, BBC London News. In April we hosted a full ITV London Tonight broadcast from our Arches II premises, and the year ended with a five-minute feature on BBC Breakfast on Christmas morning, focussing on preparations for our Christmas day party for hundreds of vulnerable children.

### **Radio**

We were frequently represented in radio debates and features, including appearances on the Today Programme and World Tonight on BBC Radio 4, the BBC World Service, Radio Five Live, Talksport, BBC Radio 1Xtra and BBC London Radio, as well as various local and international radio interviews.



## Print

In terms of print media, Kids Company appeared in over 500 articles in 2008. These ranged across the full spectrum of print media, including broadsheets, tabloids, local newspapers, international news magazines, financial papers, women's magazines, and trade papers, including: The Times, Sunday Times, Daily Telegraph, The Sun, Independent, Guardian, The Guardian Weekend Magazine, Observer, Observer Woman magazine, Daily Mirror, Daily Mail, Daily Express, Sunday Express, The Daily Star, Financial Times, City AM, Real Business, Director Magazine, PR Week, TIME Magazine, Evening Standard, London Paper, Marie Claire, Cosmopolitan, In Style, Good Housekeeping, Red, Psychologies, Vanity Fair, Third Sector Magazine and The Big Issue, as well as numerous local newspapers across London and the country.

The advertising value equivalent (AVE value) of Kids Company's print and online media coverage is calculated for us by press cutting agency the International Press Cutting Bureau. In 2008 the total AVE value of our coverage was £ 4,476,913 (excluding radio and TV broadcasts). This figure is calculated on the basis of the cost per centimetre of advertising in each publication, multiplied by the area taken up by each article in which we are featured. Below is the breakdown by month, showing the number of articles, circulation and readership.

Month	No. of articles	Circulation	Readership	ACE Value (£'s)
January	20	12,994,000	38,982,000	119,012
February	13	5,404,000	16,212,000	125,696
March	44	9,265,000	27,795,00	224,830
April	44	17,228,000	51,684,000	313,760
May	50	34,484,000	103,452,000	596,817
June	43	11,687,000	35,061,000	354,825
July	27	18,950,000	56,850,000	117,200
August	26	10,964,000	32,892,000	77,646
September	56	17,989,000	53,967,000	370,750
October	67	26,261,000	78,783,000	1,067,542
November	84	32,675,000	98,025,000	641,468
December	38	21,370,000	64,110,000	467,367
Total	512	219,271,000	657,813,000	4,476,913

Key news articles in 2008 included:

- 20th July 2008 – Sunday Express: 'Help Parents Do Their Best' – an opinion piece by Camila Batmanghelidjh in response to comments by Barack Obama and David Cameron about absent black fathers' responsibilities towards their sons.
- 24th August 2008 – Observer Magazine: 'Because They're Worth It' – extended photo piece on the Good Works aromatherapy range launch, in association with Vogue Director Kathy Phillips, from which proceeds go to Kids Company; focus on the Kids Company massage therapy programme.
- 26th September 2008 – Independent: 'When a Child Commits a Crime, the Truth is We're All Responsible' – opinion piece by Camila Batmanghelidjh appealing to society to take collective responsibility for social breakdown.
- 7th October 2008 – The Evening Standard: Camila Batmanghelidjh and Kids Company keyworker David Gustave listed in 'The 1000: London's Most Influential People 2008', with Camila listed in the top five society figures and the top fifty overall.
- 2nd December 2008 – The Times: 'The Moral Darkness that Engulfed Baby P'. Extended opinion piece written by Camila, outlining the issues behind the Baby P case and social service failings, based on Kids Company's experiences with vulnerable children.



## REPLICATION

Kids Company is frequently approached by governments from all over the world for help in setting up similar services for exceptionally disturbed children. In addition, we receive requests from local authorities and statutory services throughout the UK to replicate our model, either as a whole or in part, and we host many visits from these parties to demonstrate our work.

Major replication projects which were in advanced stages of development at the end of 2008 include:

- Pupil Referral Unit, Medway, Kent – established for one year; a therapeutic/social work unit is now fully operational on the premises. The impact of the unit has been extremely positive, as reflected in a recent OFSTED report; active efforts are being made to promote preventative support structures in the PRU's feeder schools, in order to reduce referral numbers;
- Kids Inspire, Chelmsford, Essex – despite being relatively new, the organization is thriving, with the number of pupils supported growing daily; cash flow challenges are significant; Kids Company is lending assistance with advice and other forms of support (e.g. facilitating fundraising contacts) wherever possible;
- The Big Issue Scotland, Glasgow – from September 2008, The Big Issue Scotland established the With Kids project in the East End of Glasgow, an almost complete replication of Kids Company's services, beginning with a programme in four local primary schools, with the aim of also opening a drop-in centre. Kids Company has lent its professional expertise and fundraising knowledge to the development of the project.

## EXCEPTIONAL SUCCESSES

Many of our young people struggle against a sense of deep depression and emptiness. Their poor concentration and specific learning difficulties have a huge impact on their lives. Success for them is defined on the basis of individual gains and distance travelled, although a number do go on to succeed significantly. All the high achievers have had to negotiate experiences of neglect, abandonment and abuse, but their levels of trauma do not overpower their sense of resilience.

With the support of Kids Company interventions, our young people are able to overcome many of the difficulties that they face. Most importantly for them is (re)integration into education, training and employment. Of the 400 most vulnerable children and young people attending Kids Company 100% are now in some form of education, including 52% attending university or college.

Many young people have made significant progress in accessing or sustaining drug rehabilitation placements, managing their psychotic illnesses, or learning to cope with their anger and depression. Their starting points are bleaker and therefore their fight to achieve based on accepted social norms is far greater. Nevertheless, at Kids Company their efforts are validated, whilst our ultimate aim is to help them achieve within the centre of society as valued and valuing citizens.

The achievements of Kids Company on behalf of its children are only made possible through the dedication and commitment of its staff and trustees. We are deeply indebted to all our funders and supporters.

## THE FUTURE

Our aim for the future is to continue to seek secure income streams as a basis for our street-level work, while also consolidating our working models and practices into a format which can be replicated nationally and internationally.

The children continue to be a source of inspiration and learning.



## **FINANCIAL AND BUSINESS REVIEW**

The foregoing paragraphs show how successful we have been in 2008 both with respect to increasing our delivery of therapeutic and practical support for our kids, but also in challenging societal views of these young people, and encouraging a different approach - particularly by statutory authorities.

The charity is still growing rapidly - this year substantially because of the support from the DSCF Youth Sector Development Fund Grant. However, the demand for our services, and the need to constantly maintain and indeed improve both the quality of that service and our monitoring systems means that the costs continue to absorb the majority of the income. We have come a very long way since the 'hand to mouth' start of our work in 1996, but the building of reserves sufficient to enable the charity to comfortably manage the business continues to be a challenge. The clear priority in our 2009-2012 business plan is to maintain sufficient funding to operate the existing street level centre, urban academy and schools programme. This requires funding levels to increase by approximately £1m each year.

Funding continues to be probably the greatest uncertainty the charity is seeking to manage.

### **Income and expenditure**

Total income for the year was, at £11.1m, considerably higher than the £7.8m achieved in the previous year. This reflects the continuing generous support from a wide group of charitable trusts, companies and individuals, without whom the charity would be unable to cooperate. Many individuals have contributed via our website through Cafonline.org.uk and JustGiving.com. A list of the major donors appears in note 25 to the financial statements.

Higher income enabled spending on charitable activities to be increased not only at the Arches II, but at the Urban Academy, and in other areas. Total spending for the year amounted to £11.0m (2007: £7.4m) and a breakdown by activity is given in note 10 to the financial statements.

The net incoming resources for the year were £118,000 (2007: £357,000) and the computation of this figure is shown in the Statement of Financial Activities below.

### **Reserves**

It is reassuring that the 'free' reserves continue to grow (2008 £157,000, 2007 £5,000). This compares to substantially negative reserves in previous years - although these are still modest compared taking account of the size and complexity of the charity. Designated reserves were equal to the net book value of fixed assets and stood at £131,000 (2007: £128,000). Restricted reserves are modest at £6,000 (2007, £26,000)

### **Investment Policy**

The trustees have considered that the most appropriate policy at present is to maintain all surplus funds in the form of bank deposits. This policy is kept under review, having regard to the level of funds available.

### **Risk review**

The Trustees have considered the risks to which the charity is exposed, and have taken steps to mitigate those risks. External factors have been managed by the adoption of an annual budget and income forecast backed by a fundraising strategy, which is reviewed every autumn for the coming year. Efforts are underway to diversify the sources of funding by developing statutory and corporate funding. Internal risks are controlled by implementing procedures for authorising transactions, projects, etc. and introducing processes to ensure consistent quality of delivery for all operational aspects of the charity. Clinical risks are managed through the practice of providing therapeutic supervision for all staff in regular contact with children, in addition to line management. All staff dealing with the most challenging children have received training in non-confrontational restraint practices. The Trustees review these procedures periodically.





## **Statement of Trustees' responsibilities**

Company and charity law applicable to charities in England/Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements the Trustees have:

- selected suitable accounting policies and applied them consistently,
- made judgements and estimates that are reasonable and prudent,
- stated whether applicable accounting standards have been followed, subject to any material, departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the charity will continue in operation).

The Trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. They are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

## **Statement of disclosure of information to auditors**

We, as the directors of the Company who held office at the date of approval of these financial statements as set out on page 2, each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Company's auditors are unaware; and,
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## **Auditors**

The auditors, Gotham Erskine, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

## **Small company special provisions**

The report of the Trustees has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Trustees on 27th October 2009 and signed on its behalf by:



**Alan Yentob**

**Chairman**



## **Independent auditors' report to the Members of Keeping Kids Company**

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Responsibilities of Trustees**

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company and charity law applicable to charities in England/Wales 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis (unless it is inappropriate to presume that the Company will continue in operation).

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

### **Responsibilities of Auditors**

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

"We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed."

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.



## Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the Company's affairs as at 31 December 2008, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.



## Gotham Erskine LLP

Chartered Accountants and Registered Auditors

Friendly House

52 - 58 Tabernacle Street

London EC2A 4NJ

Date: 19/10/2009



# KEEPING KIDS COMPANY

## STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating Income and Expenditure Account)

For the year ended 31 December 2008

	Note	Unrestricted Funds 2008 £	Restricted Funds 2008 £	Total Funds 2008 £	Total Funds 2007 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income	2	5,232,430	1,423,064	6,655,494	6,386,279
Activities for generating funds	3	395,838	-	395,838	259,563
Investment income	4	25,631	-	25,631	6,517
Incoming resources from charitable activities	5	3,878,449	205,500	4,083,949	1,150,831
<b>TOTAL INCOMING RESOURCES</b>		<b>9,532,348</b>	<b>1,628,564</b>	<b>11,160,912</b>	<b>7,803,190</b>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds	7	1,030,360	27,492	1,057,852	607,031
Costs of charitable activities:	8				
Arches II - Kenbury Centre		3,582,974	705,906	4,288,880	2,994,246
Urban Academy		3,005,895	283,074	3,288,969	1,361,021
Schools		1,133,499	524,133	1,657,632	1,837,379
Special Projects		597,287	108,204	705,491	612,460
		8,319,655	1,621,317	9,940,972	6,805,106
Governance costs	9	28,196	-	28,196	34,193
<b>TOTAL RESOURCES EXPENDED</b>	10	<b>9,378,211</b>	<b>1,648,809</b>	<b>11,027,020</b>	<b>7,446,330</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>154,137</b>	<b>(20,245)</b>	<b>133,892</b>	<b>356,860</b>
<b>TOTAL FUNDS AT 1 JANUARY 2008</b>		<b>133,477</b>	<b>26,127</b>	<b>159,604</b>	<b>(197,256)</b>
<b>TOTAL FUNDS AT 31 DECEMBER 2008</b>		<b>£ 287,614</b>	<b>£ 5,882</b>	<b>£ 293,496</b>	<b>£ 159,604</b>

The annexed notes form part of these financial statements



# KEEPING KIDS COMPANY

Company registration number 03442083

## BALANCE SHEET

As at 31 December 2008


	Notes	£	2008 £	£	2007 £
<b>FIXED ASSETS</b>					
Tangible assets	15		130,812		128,210
<b>CURRENT ASSETS</b>					
Debtors	16	1,231,484		920,744	
Cash at bank and in hand		<u>1,290,964</u>		<u>330,670</u>	
		2,522,448		1,251,414	
<b>CREDITORS: amounts falling due within one year</b>	17	<u>(2,339,263)</u>		<u>(1,190,195)</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			183,185		61,219
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>313,997</u>		<u>189,429</u>
<b>CREDITORS: amounts falling due after one year</b>	18		(20,500)		(29,825)
<b>NET ASSETS/(LIABILITIES)</b>			<u>£ 293,497</u>		<u>£ 159,604</u>
<b>FUNDS</b>					
Restricted funds	20		5,882		26,127
Unrestricted funds:					
Designated funds	20	130,812		128,210	
General fund	20	<u>156,803</u>		<u>5,267</u>	
			287,615		133,477
			<u>£ 293,497</u>		<u>£ 159,604</u>

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements were approved, and authorised for issue, by the Trustees on 27th October 2009 and signed on their behalf by:-

 ALAN YENTOB (CHAIR)

 FRANCESCA ROBINSON (TRUSTEE)

The annexed notes form part of these financial statements



## KEEPING KIDS COMPANY

### Cashflow Statement

For the year ended 31 December 2008

	Notes	2008 £	2007 £
Net cash flow from operating activities	25	1,024,019	361,804
Returns on investments and servicing of finance		22,170	(1,264)
Capital expenditure (purchase of tangible fixed assets)		(85,896)	(99,904)
INCREASE/(DECREASE) IN CASH IN THE YEAR		<u>960,293</u>	<u>260,636</u>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH BALANCES

For the year ended 31 March 2003

	2008 £	2007 £
Increase/(decrease) in cash for the year	960,293	260,636
Net cash balances at the start of the year	330,670	70,034
Net cash balances at the end of the year	<u>1,290,964</u>	<u>330,670</u>

The annexed notes form part of these financial statements



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2008

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**1. ACCOUNTING POLICIES**

***Basis of preparation of financial statements***

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, the Charities SORP (Statement of Recommended Practice: "Accounting and Reporting by Charities (published February 2005)")

The effects of events relating to the year ended 31 December 2008 which occurred before the date of approval of the financial statements by the Trustees have been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 December 2008 and the results for the year ended on that date.

***Company status***

Keeping Kids Company is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

***Fund accounting***

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

***Income tax recoverable***

Income tax recoverable in relation to investment income or Gift Aid donations is recognised at the time the relevant income is receivable.

Income tax reclaimed on donations from individuals is included as unrestricted unless the donor requests that it is also restricted as part of the donation.

***Incoming resources***

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

***Resources expended***

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Support costs, which cannot be directly attributed to particular activities, have been apportioned proportionately to the direct staff costs allocated to the activities. Governance costs include the costs of servicing Trustees' meetings, audit and strategic planning.

As the charity is not VAT registered, all costs are shown as inclusive of VAT.



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2008**
**Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

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 following bases:

Office equipment	-	Straight line basis over 3-5 years
Motor vehicles	-	Straight line basis over 5 years
Leased equipment	-	Straight line basis over period of lease

**2. VOLUNTARY INCOME**

	Unrestricted Funds 2008 £	Restricted Funds 2008 £	Total Funds 2008 £	Total Funds 2007 £
Donations:				
Individuals	2,067,820	42,800	2,110,620	1,583,105
Trustees	500	-	500	10,000
	<u>2,068,320</u>	<u>42,800</u>	<u>2,111,120</u>	<u>1,593,105</u>
Trusts and foundations	548,699	855,503	1,404,202	2,492,398
Corporate	1,310,546	524,761	1,835,307	774,638
Gifts in kind (Note 6)	1,301,720	-	1,301,720	1,392,497
Other	3,145	-	3,145	133,641
	<u>£ 5,232,430</u>	<u>£ 1,423,064</u>	<u>£ 6,655,494</u>	<u>£ 6,386,279</u>

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted Funds 2008 £	Restricted Funds 2008 £	Total Funds 2008 £	Total Funds 2007 £
Universities placement fees	64,000	-	64,000	33,734
Corporate and government	328,496	-	328,496	41,504
Income from lectures and conferences	3,342	-	3,342	184,325
	<u>£ 395,838</u>	<u>£ Nil</u>	<u>£ 395,838</u>	<u>£ 259,563</u>

**4. INVESTMENT INCOME**

	2008 £	2007 £
Interest receivable from:		
Cash at bank	<u>£ 25,631</u>	<u>£ 6,517</u>





**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2008

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds 2008 £	Restricted Funds 2008 £	Total Funds 2008 £	Total Funds 2007 £
Central Government	3,525,867	205,500	3,731,367	897,750
Schools therapeutic support	277,720	-	277,720	190,028
Social services	43,326	-	43,325	31,800
Education	-	-	-	25,000
Other	31,537	-	31,537	6,253
	<u>£ 3,878,449</u>	<u>£ 205,500</u>	<u>£ 4,083,949</u>	<u>£ 1,150,831</u>

The Charity received a Youth Sector Development Fund grant of £3,525,867 commencing in April 2008. This was spent supporting identified young people based at both the Arches II - Kenbury Centre and the Urban Academy.

**6. GIFTS IN KIND**

The Charity receives a number of gifts in kind and gifts in service each year.

Gifts in kind in the form of second hand donated goods were valued with second hand resale values; all new donated goods in kind were valued per the suggested value from the donors or per equivalent value from suitable catalogues.

Gifts in service were valued per written advice from the service companies, premises provided rent free were valued by the landlord on the basis of their commercial rental value. Professional gifts in kind (e.g. legal services) have been valued on a reasonable basis and included as income for the year.

The Financial Statements have included an aggregate value of £1,301,720 (2007: £1,392,497).

Under the Statement of Recommended Practice 2005 ("Accounting and Reporting by Charities (published 2005)") these costs have been included in both incoming and outgoing resources.

In addition, the Charity receives significant assistance from volunteers, which is not reflected in the financial statements. The Trustees' report refers to the value of this time.

**7. COSTS OF GENERATING FUNDS**

	Unrestricted Funds 2008 £	Restricted Funds 2008 £	Total Funds 2008 £	Total Funds 2007 £
Staff costs	379,922	6,172	386,094	268,400
Fundraising costs	587,167	13,244	600,411	261,838
Allocation of support costs	63,271	8,076	71,347	76,793
	<u>£ 1,030,360</u>	<u>£ 27,492</u>	<u>£ 1,057,852</u>	<u>£ 607,031</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2008**
**8. COSTS OF CHARITABLE ACTIVITIES**

	Unrestricted Funds 2008 £	Restricted Funds 2008 £	Total Funds 2008 £	Total Funds 2007 £
Staff costs	3,739,536	1,199,588	4,939,124	3,556,053
Direct costs	3,972,925	311,323	4,284,248	2,817,303
Support costs	607,193	110,406	717,599	431,750
	<u>£ 8,319,654</u>	<u>£ 1,621,317</u>	<u>£ 9,940,971</u>	<u>£ 6,805,106</u>

**9. GOVERNANCE COSTS**

	Unrestricted Funds 2008 £	Restricted Funds 2008 £	Total Funds 2008 £	Total Funds 2007 £
Staff costs	3,581	-	3,581	3,477
Auditors' remuneration - statutory audit	17,250	-	17,250	29,375
Legal and professional fees	5,071	-	5,071	1,341
Support costs	2,294	-	2,294	-
	<u>£ 28,196</u>	<u>£ Nil</u>	<u>£ 28,196</u>	<u>£ 34,193</u>

**10. RESOURCES EXPENDED**

	Staff costs £	Direct costs £	Support costs £	Total 2008 £	Total 2007 £
Arches II - Kenbury Centre	1,994,428	1,985,250	309,202	4,288,880	2,994,246
Urban Academy	1,301,559	1,754,776	232,634	3,288,969	1,361,021
Schools	1,317,130	218,782	121,720	1,657,632	1,837,379
Special Projects	326,007	325,441	54,043	705,491	612,460
Total charitable expenditure	4,939,124	4,284,249	717,599	9,940,972	6,805,106
Costs of generating funds	386,094	600,411	71,347	1,057,852	607,031
Governance costs	3,581	22,321	2,294	28,196	34,193
Support costs	530,840	260,400	(791,240)	-	-
	<u>£ 5,859,639</u>	<u>£ 5,167,381</u>	<u>£ Nil</u>	<u>£ 11,027,020</u>	<u>£ 7,446,330</u>

Details of Costs of Generating Funds and Governance are given respectively in Notes 7 and 9.

Support costs include central staff costs and overheads. They are apportioned to projects based upon direct costs for the project.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

## 11. SUPPORT COSTS

	2008 £	2007 £
Staff	530,840	383,810
Premises	94,339	84,610
Depreciation	27,656	33,335
Other	138,405	10,265
	<u>£ 791,240</u>	<u>£ 512,020</u>

## 12. STAFF NUMBERS AND COSTS

	2008 £	2007 £
Wages and salaries	3,630,883	2,350,809
Social security costs	356,825	300,935
Recruitment	38,031	28,126
Training	74,926	60,149
Youth workers, therapists, practice teachers and special project workers	1,337,410	1,109,618
Supervision consultants	351,992	283,514
Termination payments	200	-
Other costs	69,373	75,112
	<u>£ 5,859,639</u>	<u>£ 4,208,263</u>

The average weekly number of employees, calculated as full time equivalents, during the period was:

	Number	Number
Costs of generating funds	9.0	9.0
Charitable expenditure	167.0	86.5
Governance costs	0.5	0.5
	<u>£ 176.5</u>	<u>£ 96.0</u>

No employee received remuneration of more than £60,000.

## 13. TRUSTEES

During the year, no member of the Board of Trustees received any remuneration (2007 - £NIL). No member of the Board of Trustees received reimbursement of expenses (2007 - £79).

## 14. INDEMNITY INSURANCE

During the year, £1,501 (2007 - £1,244) indemnity insurance has been paid to indemnify the Trustees against damages and legal expenses which arise by reason of any wrongful act committed in their capacity as a Trustee.



**NOTES TO THE FINANCIAL STATEMENTS**  
 For the year ended 31 December 2008
**15. TANGIBLE FIXED ASSETS**

	Leased Equipment £	Equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2008	25,000	97,459	66,350	188,809
Additions	-	36,435	53,486	89,921
Disposals	-	(4,025)	-	(4,025)
At 31 December 2008	<u>£ 25,000</u>	<u>£ 129,869</u>	<u>£ 119,836</u>	<u>£ 274,705</u>
<b>Depreciation</b>				
At 1 January 2008	7,142	39,237	14,220	60,599
Charge for the year	3,571	32,174	47,661	83,406
On disposals	-	(112)	-	(112)
At 31 December 2008	<u>£ 10,713</u>	<u>£ 71,299</u>	<u>£ 61,881</u>	<u>£ 143,893</u>
<b>Net book value</b>				
At 31 December 2008	<u>£ 14,287</u>	<u>£ 58,570</u>	<u>£ 57,955</u>	<u>£ 130,812</u>
At 31 December 2007	<u>£ 17,858</u>	<u>£ 58,222</u>	<u>£ 52,130</u>	<u>£ 128,210</u>

**16. DEBTORS**

Due within one year

	2008 £	2007 £
Trade debtors	185,794	189,233
Provision for bad and doubtful debts	(73,233)	(33,000)
Donations receivable	1,048,057	668,168
Other debtors	56,857	54,132
Prepayments	14,009	42,211
	<u>£ 1,231,484</u>	<u>£ 920,744</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Overdrafts	189,695	451,926
Loans	50,000	70,000
Trade creditors	434,106	242,136
Social security and other taxes	291,246	226,282
Accruals	80,146	73,008
Pre-billed income	1,287,907	111,432
Leased equipment: short term portion	2,207	12,318
Other creditors	3,956	3,093
	<u>£ 2,339,263</u>	<u>£ 1,190,195</u>
<b>Deferred income</b>		
Balance at 1 January 2008	111,432	127,059
Amount released to incoming resources	(111,432)	(127,059)
Amount deferred in the year	1,287,907	111,432
Balance at 31 December 2008	<u>£ 1,287,907</u>	<u>£ 111,432</u>

**18. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	2008 £	2007 £
Leased equipment	<u>£ 20,500</u>	<u>£ 29,825</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2008**
**19. LOANS**2008  
£2007  
£

The loans are repayable as follows:  
 Within one year or on demand

£ 50,000      £ 70,000

All the loans are unsecured.

**20. STATEMENT OF FUNDS**

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers £	Carried Forward £
<b>DESIGNATED FUNDS</b>					
Fixed Assets Fund	£ 128,210	£ 85,896	£ (83,294)	-	£ 130,812
<b>RESTRICTED FUNDS</b>					
Urban Academy	-	175,952	(182,461)	6,509	-
Social work	-	102,091	(111,354)	9,263	-
Kenbury	-	245,960	(254,022)	8,062	-
Schools	-	202,000	(211,129)	9,129	-
Special needs	-	18,396	(21,186)	2,790	-
Christmas	-	100,955	(105,610)	4,655	-
Special projects	-	532,210	(703,760)	171,550	-
Volunteers	-	10,000	(30,898)	20,898	-
Research	-	121,000	(162,420)	41,420	-
Administration	-	70,000	(67,144)	-	2,856
Capital expenditure	-	40,000	(42,304)	2,304	-
Other	26,127	10,000	(35,110)	2,009	3,026
	<u>£ 26,127</u>	<u>£ 1,628,564</u>	<u>£ (1,927,398)</u>	<u>£ 278,589</u>	<u>£ 5,882</u>
<b>SUMMARY OF FUNDS</b>					
Designated Funds	128,210	85,896	(83,294)	-	130,812
General Funds	5,267	9,442,315	(9,012,191)	(278,589)	156,802
	<u>133,477</u>	<u>9,528,211</u>	<u>(9,095,485)</u>	<u>(278,589)</u>	<u>287,614</u>
Restricted Funds	26,127	1,628,564	(1,927,398)	278,589	5,882
	<u>£ 159,604</u>	<u>£ 11,156,775</u>	<u>£ (11,022,883)</u>	<u>£ Nil</u>	<u>£ 293,496</u>

**Purpose of designated funds**

Fixed Asset Fund - The fixed assets of the Charity are considered to be not easily realisable. In accordance with SORP 2005, once the funding conditions of the assets have been satisfied, an amount equal to the cost of the assets is transferred to the designated reserve and reduced annually by depreciation. The fund carried forward is equivalent to the net book value of the fixed assets.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

### Purpose of restricted funds

Social work -	Costs of social workers.
Urban Academy -	Provision of education programmes and staff costs at Sherborne House.
Kenbury -	Costs of running the Arches II drop-in centre (ISB grant).
Special needs -	Cost of employing a special needs teacher.
Christmas -	Purchase of presents, provision of meals, special outings and extra staff at Christmas time.
Special projects -	Provision of a music facility and staff and material costs associated with 'Colour a Life' (ITV programme).
Volunteers -	Cost of managing volunteers resource.
Research -	Contribution towards the external evaluation of work done at the drop-in-centre.
Capital expenditure -	Cost of acquiring new fixed assets (IT equipment).
Administration -	Costs of certain central office staff.
Other -	Costs of materials and staff associated with various smaller programmes.

### 21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted	Total	Total
	Designated	General	Funds	Funds	Funds
	Funds	Funds	Funds	Funds	Funds
	2008	2008	2008	2008	2007
	£	£	£	£	£
Tangible fixed assets	130,812	-	-	130,812	128,210
Current assets	-	2,516,566	5,882	2,522,448	1,251,414
Creditors due within one year	-	(2,339,263)	-	(2,339,263)	(1,190,195)
Creditors due in more than one year	-	(20,500)	-	(20,500)	(29,825)
	<u>£ 130,812</u>	<u>£ 156,803</u>	<u>£ 5,882</u>	<u>£ 293,497</u>	<u>£ 159,604</u>

### 22. OTHER FINANCIAL COMMITMENTS

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	2008		2007	
	£		£	
Operating leases which expire:	<i>Buildings</i>	<i>Equipment</i>	<i>Total</i>	<i>Total</i>
within one year	21,250	17,986	39,236	39,236
within two to five years	20,532	32,190	52,722	91,958
in over five years	-	-	-	-
	<u>£ 41,782</u>	<u>£ 50,176</u>	<u>£ 91,958</u>	<u>£ 131,194</u>

### 23. RELATED PARTIES

At the year end one trustee had a balance outstanding on their loan to Kids Co of £20,000. During the year five trustees made, or were associated with, donations in cash or in kind totaling £112,328. No trustees were reimbursed for expenses. A relative of one trustee was employed by the charity during the year.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2008**

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**24. GOING CONCERN**

As the charity has no endowed funds, the level of activities in the financial year starting 1 January 2009 will depend almost entirely on its ability to secure continuing grant income. Whilst significant grants have been awarded, the organisation continues to grow very fast, and has low reserves relative to its size. The Charity's history of delivering the maximum possible charitable objectives with the resources available have often put a strain on the Charity's cash flow. The Trustees are confident sufficient funding will be secured and are monitoring the situation. The Trustees consider that debts will continue to be paid as they fall due.

**25. CASH FLOW STATEMENT**

	2008 £	2007 £
Net (outgoing)/incoming resources	133,892	356,860
Return on investment and servicing of	(22,170)	1,264
Depreciation of tangible fixed assets	83,294	31,385
Decrease/(increase) in debtors	(310,740)	(402,642)
Increase/(decrease) in creditors	1,139,743	374,937
Net cash flow from operations	<u>1,024,019</u>	<u>361,804</u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2008

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**26. MAJOR DONORS**

**Corporate income**

Arcadia Group Plc  
Ashoka  
Aviva  
B&Q  
Barclays Capital  
Berenberg Bank  
Bloomberg BLG  
BMRB Ltd  
C S Charitable Trust - Per Pro Rothschild  
Carnival UK/P&Q Cruises  
Channel 4TV C4TV  
CitiGroup  
Colin McFadyean's Estate Legacy  
Control Risk Group Ltd  
Curr Direct  
Eon  
Euroclear SA  
Frank Smythson Limited  
GPT Halverton  
Hilton Nathanson Business Account  
ICAP  
Iris London  
J P Morgan  
JP Morgan Cazanowe  
Lansdowne Partners Limited  
Linklaters  
London Comedy Store  
M & G Investments  
Mulberry Company Limited  
Nabarro LLP  
Nike UK Ltd  
Nokia  
Orchard Advisory Limited  
P & Q Cruises  
Pure Sale Consulting  
Rabobank International  
Reuters  
Royal Bank of Scotland  
Shire Plc  
Simmonds & Simmonds  
Stichting Benevolentia  
Superdrug Stores Plc  
Telegraph Media Group  
The Comedy Store Ltd  
The Daily Telegraph

The Mercers Company  
The Random House Group Limited  
Virgin  
Virgin Money

**Individuals income**

A Afriyie  
A Altous  
A C Holmes  
A E Howard  
A L Dawson  
Brian Linden  
C Irvine & C Bibby  
C L Lagrange  
CTT Services Limited Individual donations  
Damien Hirst  
Deborah Finkler  
Hilton Nathanson  
I McMullen  
J E Palmer & N J L Palmer  
J J Shinebourne  
J R C Lupton  
J S Pearson  
John R Pearson  
Jonathan Davies  
L M Salisbury  
Lousie Nathanson  
M A Leeson & J M Shaw  
Nasser Azam  
Nick Lawson  
P N Pulmann & J Pulmann  
P W Brakespear  
Richard S Sharland  
S & B Roden  
S Edwards  
S H Nadar & D K Nadar  
S P Clemmow  
W D Winton





**NOTES TO THE FINANCIAL STATEMENTS**  
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**Trust income**

Alex & William de Winton Trust  
Caron Trust  
CIBC World Markets Children Charity  
City of London School for Girls Appeal Fund  
Comic Relief - Charity Projects OP/As Sport Relief  
Cullum Family Trust  
Donald Forrester Trust  
Esmee Fairbairn Foundation  
G L C Charitable Trust  
Hearn Foundation  
J P Morgan  
Jack Petchey Foundation  
JMG Foundation  
Marchday Charitable Trust  
Mhango Trust  
NSPCC  
Peters Storrs Trust  
PP Elizabeth & Prince ZaigerTrust  
PSD Charity Fund  
Sherbourne House Trust  
Sofronie Foundation  
St Anthony's School  
The Accenture Foundation

The Aim Foundation  
The Alasol Foundation  
The Angus Lawson Memorial Trust  
The Chris Brasher Trust  
The Devonshire Foundation  
The Drum Trust  
The Elizabeth Frankland Moore & Star Foundation  
The Expat Foundation  
The Hands Trust  
The John Thaw Foundation  
The Lake Foundation  
The President Club Charitable Trust  
The Roan Charitable Trust  
The Terra Firma Capital Partners  
The Walter Fund  
The White Benevolent Fund  
Trustees of the Chelmswood  
Venture Partnership Foundation  
Vitol Charitable Foundation  
Woodcock Charitable Trust

