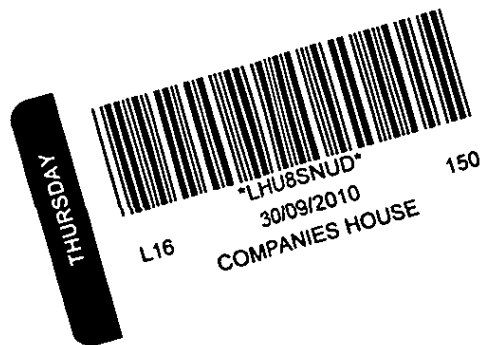




KIDSCOMPANY

ANNUAL REPORT & ACCOUNTS

YEAR ENDING DECEMBER 2009



CONTENTS

Legal and Administrative Information	2
Executive Summary	3
Report from the Trustees	8
Financial and Business Review	16
Auditor's Report	18
Statement of Financial Activities	20
Balance Sheet	21
Cash Flow Statement	22
Notes to the Financial Statements	23



KEEPING KIDS COMPANY¹ TRUSTEES AND ADVISERS

TRUSTEES

Alan Yentob (Chairman)
Richard Handover (Vice Chairman)
Sunetra Atkinson
Erica Bolton
Susan Chinn
Anita Nanda Khiara
Vincent O'Brien
Francesca Robinson
Anthony Frederick Simpson
Jane Tyler

SECRETARY

Sachin Mevada

CHIEF EXECUTIVE

Camila Batmanghelidjh

COMPANY REG. NO.

03442083

CHARITY REG NO

1068298

REGISTERED OFFICE

1, Kenbury Street
London, SE5 9BS

AUDITORS

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

BANKERS

NatWest Bank Plc
Bloomsbury Parr Branch, PO Box 158
214 High Holborn
London, WC1V 7BX

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

CafCash Ltd
Kings Hill
West Malling
Kent, ME19 4TA

Solicitors

Macfarlanes
10 Norwich Street
London, EC4A 1BD

Lovells
Atlantic House
50 Holborn Viaduct
London, EC1A 2FG

¹ Also known as Kids Company



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

We currently assist approximately 14,000 children with therapeutic and practical interventions, reaching the most deprived and traumatised children whose parents struggle to care for them due to their own disturbing life experiences. Often the roles of child and parent are reversed and, despite profound love, both struggle to survive.

The children we reach not only negotiate challenges within the family home, they also face immense threats in their neighbourhoods. From as young as 8 years old, many are pulled into drug courtering and before their teens will experience chronic abuse and be exposed to relentless violence and sexual perversion. The vulnerability of our client group is captured in the following table based on our street level centres where 97% of the children self-refer. If a child self-refers and does not have an adult or commissioning service behind them, we do not receive funds for the services they use.

Table 1 highlights the desperate vulnerability of our client group

Table 1

Characteristic	General Population ¹	Prison Population	Kids Company Population ²
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%

¹ 'Reducing re-offending by ex-prisoners', Social Exclusion Unit, 2002

² Statistics for Arches II & Urban Academy, compiled by 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 it 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's 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 2009 can be found below.



REVIEW OF PERFORMANCE

During 2009 Kids Company consolidated the developments and advances made in 2008 following the government recognition achieved for our work in the form of the YSDF grant. The grant, however, is ring-fenced to support 400 mainly highly vulnerable young people over the age of 14. Services to the remaining 13,600 children and young people are funded through charitable donations from major donors, trusts and foundations, individuals and fund-raising events. In particular, information management systems and procedures were strengthened, and the governance and risk management plan established in 2008 was implemented.

Following the economic downturn which began in 2007 and continues to date, raising the necessary funds to support the children was increasingly time-consuming, as was forecast. Nevertheless, with the support of one major donor, a new street-level centre, the Tree House, was opened in autumn 2009, enhancing our ability to provide educational as well as practical and emotional support for vulnerable children in north London.

KEY PRIORITIES 2010 - 2013

In the current economic climate, our clear priority is to maintain sufficient funding to operate our current service-delivery programmes, according to forecast needs, as follows:

2010 £12.7m	2011 £13.5m	2012 £14.5m	2013 £15m
-------------	-------------	-------------	-----------

Additional priorities include:

- Consolidate the fundraising and communication strategy to generate consistent sources of revenue
- Secure contingency funds of at least three months of running costs
- Secure additional government funding to replace the YSDF grant post 2011
- Continue to develop our service-delivery model for national replication
- Further develop our delivery of education both in house and with school partners
- Complete the planned research projects to inform the replication 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



OUR MISSION

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

OUR VISION

To see the Kids Company Service Delivery model adopted nationwide

OUR PHILOSOPHY

The child is at the heart of everything we do

OUR VALUES

Maternal, Paternal, Nurturing, Valiant

OUR APPROACH

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 2010 governance development plan are detailed below:

- systemic implementation of information systems within the organisation
- bottom-up review of all existing budgets to help inform both strategic and long-term business planning
- continued embedding of the assurance framework (including standards for better front-line care) within management procedures, and monitoring of progress
- strengthening our safeguarding procedures in line with the 'Working Together 2010' requirements of the London Safeguarding Children Board
- training/education planning to reflect the needs of the workforce

We will continue to campaign on behalf of vulnerable children and young people to instigate and improve the provision of statutory services in the fields of social care, child mental health and education, which will keep them safe from neglect and abuse, and enable them to become contributing members of society.



Camila Batmanghelidjh
Chief Executive



WHAT DO WE DO FOR YOUNG PEOPLE

HARRIET, AGED 4

HARRIET WAS FIRST REFERRED TO SOCIAL SERVICES BY OUR SAFEGUARDING TEAM IN 2007, AGED TWO SHE HAD BEEN COMING TO THE ARCHES II WITH HER OLDER BROTHER, OF TEN ARRIVING DIRTY, THIRSTY AND HUNGRY

We raised concerns about extreme neglect, bruising, developmental delay and emotional abuse

Kids Company staff undertook a home visit to explain the referral to Harriet's family, and assisted them in working with social services. When the family moved boroughs, our safeguarding team pursued her case while local authorities disputed responsibility. We continued to regularly report significant ongoing concerns, and facilitated social work home visits despite three changes of social worker within six months. Harriet continued to deteriorate, and by summer 2009 she was in hospital.

Now four, she had 36 injuries and was malnourished. She remained in hospital for a week before being moved into foster care.

Harriet is now a happier, brighter little girl who talks, laughs and is developing in line with her peer group. It took two years of reporting concerns, monitoring the family and working with social services and health professionals to keep this child on the radar of statutory services.

GEORGE, AGED 15

HAVING BEEN A REGULAR ATTENDEE AT THE ARCHES II, GEORGE SUDDENLY STOPPED COMING

When his mother arrived three weeks later, confused as to where her son was and displaying signs of mental illness, our safeguarding team referred George's case to social services and spent two days with police searching previous addresses for him.

Then, out of nowhere, George arrived at our Arches II centre for food. He said he had been left alone with a man his mother had met on the street, and was being made to sleep in his bed. The safeguarding team supported George as he was interviewed and put into care, and arranged for a mental health team to visit his mother. George was very distressed and frightened, so members of our staff went with him to meet his foster parents, and later took him out to buy clothes, a book and a football.

The safeguarding team and George's keyworker have spent months working with him to find a new school, arrange therapy and maintain general ongoing support to ensure that he continues to be safe and healthy.



REPORT FROM THE TRUSTEES

THE TRUSTEES, WHO ARE ALSO THE DIRECTORS FOR THE CHARITY LAW PURPOSES, SUBMIT THEIR ANNUAL REPORT AND THE FINANCIAL STATEMENTS OF KEEPING KIDS COMPANY FOR THE YEAR ENDED 31 DECEMBER 2009

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 primary carer, supplement their care, or substitute it if the parent/carer 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.

The Trustees are advised by a clinical board, used as needed, and chaired by Professor Graham J Towl, Chief Psychologist of the Home Office.

Company Reg No 03442083



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 re-election. 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', is 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.

Company Reg No 03442083



WHY KIDS COMPANY IS NEEDED

KIDS COMPANY SUPPORTS, STRENGTHENS OR SUBSTITUTES A CHILD'S PARENTING EXPERIENCE OUR STAFF WILL CARRY OUT BASIC CARE TASKS FROM BUYING A TOOTHBRUSH FOR A CHILD TO TAKING HIM/HER TO MEDICAL SERVICES (60% OF OUR CHILDREN ARRIVE AT OUR CENTRES NOT YET REGISTERED WITH GPs), AND WORKING TO FACILITATE THEIR RETURN TO MAINSTREAM SOCIETY

The centres' facilities are open seven days a week, with out-of-hours emergency phone access (on Christmas day 2009, we fed over 2,000 children and young adults who had nowhere else to go, as well as providing food hampers for a further 1,000 families) Where unsuitable housing is a problem, our team either find the children appropriate accommodation or try to ensure that the local authorities meet their statutory obligations, with the help of a team of pro-bono lawyers and local solicitor firms

Local authorities in the areas in which we work are often heavily under-resourced, meaning that it can be difficult to secure a child-protection plan for a given child, and that children are rapidly removed from their plan once secured Evidence of this is demonstrated by statistics from the Department for Children, Schools and Families, 'DCSF Referrals, Assessments and Children and Young People who are subject of a Child Protection Plan, England - year ending 31 March 2008' The statistics show that for that year, 538,000 children were referred to social services, of whom only 34,000 became subject to a child-protection plan, and 32,600 ceased to be subject to such a plan within the year

A 2009 evaluation by Action for Children and the Economic Foundation, using statistics from the government's Office for National Statistics, reported that 15 million children are enduring neglect and abuse throughout their childhood The annual report of the Children's Rights Alliance for England ('State of Children's Rights in England', 20 November 2009) confirms these figures, suggesting that Britain's children's services are 'not fit for purpose'

We believe that we are piloting a potential solution by devising new ways of working in challenging neighbourhoods and by creating a new paradigm of care, contrary to the current model which assumes that an individual's crisis is temporary, and can be resolved by short-term, prescriptive solutions Our proposed new paradigm takes account of individuals whose primary crisis is their struggle to manage their emotions or energy Neuropsychiatric research is now clearly demonstrating that there are structural and functional brain variations in individuals who have been deprived of a caring attachment in childhood

Attachment disruption presents the client with a 'thermostatic impairment' whereby the brain's facility to self-soothe and self-calm is unavailable due to interruptions in development

This type of individual requires re-parenting so that they can complete developmental tasks which trauma may have thrown off course Our proposed service would be one which functioned as a 'good-enough mother experience', initially giving the individual the resources to manage emotional energy, and then a 'good-enough father experience' to give him/her a positive drive towards the outside world In this service, the day-to-day care would be carried out by staff whose primary qualification is the ability to love and cherish and who are equipped with a basic neuropsychiatric understanding of disturbed behaviour, with the support, guidance and expert intervention of highly-qualified and specialist individuals

In recognition of our advocacy for vulnerable children, Kids Company was awarded The Human Rights Award in 2007 by Liberty and JUSTICE In 2003 and 2008 other charity leaders voted Kids Company as Best Small Charity and the Most Admired Chief Executive (Third Sector)



KIDS COMPANY'S SERVICE DELIVERY POINTS

1 Work in Inner-City Schools

Our schools programme delivers services through 38 (41 in 2010) schools in the boroughs of Lambeth, Southwark, Newham, Hackney, Islington, Waltham Forest, Camden, Brent and Harrow, reaching a total of around 12,000 children. We create welcoming playrooms in which a team of therapeutic workers in each school set about solving the children's problems, and ensuring that the local child protection agencies fulfil their safeguarding roles. Where possible, we strengthen the primary carer so that they can nurture their own child. Where needed, the children in our partner schools receive regular direct intervention from Kids Company staff, either self-referring or referred by school staff, whether in the form of individual, family or group therapy, social care support, or extended education in lunchtime and after-school clubs. The other children benefit from group activities in classroom support, art and drama workshops, day trips and experiential visits, refurbishment of school premises and other help organised by our staff with volunteers from our corporate supporters.

The University of London evaluated Kids Company over three years (2005-2008). One aspect of their research focused on 3,383 children who were receiving help in our schools programme, and the results showed 100% engagement with therapy, 83% positive engagement with education and 79% improvement in anger management. Teachers identified 89% efficacy in relation to our therapeutic programme.

2 Crisis Centres at Street Level

The Arches II

Arches II caters for 1,200 (2,000 in 2010) of the most vulnerable children, who have suffered neglect and/or multiple physical and emotional trauma. Many of the children have not attended school since the age of 11, so we provide educational facilities both for under-16s as a Pupil Referral Unit, and for over-16s as a therapeutic and extended educational unit.

For children who are struggling in school, or who are not in school either through exclusion or having dropped through the system, this street-level centre can become like a second family home. It is open seven days a week with staff on duty at all times to receive children and deal with their difficulties. Out of hours, service users can access Kids Company keyworkers and members of our safeguarding duty team by phone. The model offers all the professionals children may need on the premises. They are therefore immediately accessible and able to do meaningful assessments in the context of the child's everyday behaviour. For children who do not have a functioning adult figure in their lives, we offer an alternative secure and competent attachment relationship through our keyworkers. Keyworkers offer a single point of multiple service delivery, as they offer a responsible adult figure, who can enable children to access statutory provision and establish their needs. Should a young person need the intervention of other agencies, the keyworker will enable this to happen, ensuring appropriate support. Where necessary, centre staff will attend parents meetings, take children to appointments, and buy necessities while also endeavouring to engage the parent and help them strengthen the care they provide the child. This provision of loving care and the ability to greet children every day means that the vulnerable child doesn't have to create a crisis to get attention. It also allows the children to have adults in their lives who value and celebrate achievement, hence setting higher standards than might be available in the family home.

The Arches II offers a wide range of after-school activities, including various sports, cooking, arts and life skills, with the aim of building resilience for future life, and encouraging aspiration and ambition.



The Tree House

In autumn 2009, as part of our pilot replication programme, we opened a new centre, the Tree House in Camden, with the financial support of a major donor. The Tree House operates as an alternative educational unit for children with emotional and behavioural difficulties, referred by a neighbouring authority. In the short time since it opened, attendance levels at the education unit have risen from less than 20% before their referral to us, to over 80%. The children are returned to mainstream education provision as soon as they are ready.

In addition to the education provision, the Tree House also offers similar resilience-building programmes and after-school activities to those provided at the Arches II.

The Urban Academy – Post-16 Education College

In 2009 the Urban Academy supported 200 over-16s in education, either in external colleges and universities, including Universities of Oxford, Cambridge and London, or else with our specialist in-house educational provision, which achieved national accreditation in 2009 via the National Open College Network. In 2009, some 90 young people started university courses, despite backgrounds of limited educational achievement and career aspirations, and in the face of challenging circumstances.

The modular-based learning delivered at the Urban Academy is a pioneering new educational model (Path to Life) which specifically meets the needs of disturbed and hyperactive students, or those who have been excluded from the education system for some years. The modules are standardised to give nationally-recognised qualifications, and combine to give the equivalent of GCSEs or A-levels. More formal teaching of GCSE English and Mathematics is also available, along with a robust programme of Arts subjects, including music, film, fashion and fine art, as well as sports coaching qualifications. The Urban Academy is also registered as a centre for Arts Awards.

The Heart Yard Therapy Centre

Many of our young people are so traumatised by their experiences that they go on to develop mental health difficulties, including psychosis at the extreme end. To cater for their needs, our therapy centre, the Heart Yard, opened in autumn 2008, acting as a therapeutic adjunct to the services of the Arches II, and offering a varied range of therapies and activities to promote emotional and physical wellbeing, including individual and group/family therapy, complementary therapy, resilience clubs, and student study support. Childcare, which is often a barrier to access, is also available. In 2009, the numbers of all these sessions offered increased from around 100 each month to about 500 each month, with 30 paid and volunteer therapists providing services.

In addition to its close links with the Arches II, the Heart Yard is also the base for our Right 2 Health (R2H) team, which groups our clinical and medical staff into one team, and acts as a medical extension of the work of our Safeguarding team, advocating for children needing help from the statutory services. R2H currently monitors children and young people with conditions varying from ADHD to psychosis, many of whom are not receiving statutory medical help.



Safeguarding Team

The work of the service-delivery centres is overseen and enhanced by our Safeguarding team of social care, child protection and legal staff. The team also includes outreach workers who handle those young people who cannot attend our centres for various different reasons.

The Safeguarding team provides expert advice and guidance, and intervenes in the highest-risk cases to coordinate the involvement of the statutory services where necessary. They also centralise and monitor all the information surrounding each young person so that a full picture of their circumstances can be obtained, allowing appropriate action.

The work of the Safeguarding team is further informed by our Colour A Child's Life project (CCL), run with the kind support of our corporate partners who volunteer their services. On the recommendation of our staff following home visits, the CCL team redecorates and refurbishes the homes of our children and their families in order to alleviate some of the deprivation in which many of them live. CCL visits often reveal serious situations of abuse or neglect which are followed up by the Safeguarding team as appropriate.

3 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, distributed over three years from 2008 to 2011, is to enable us to continue to deliver services to 400 of our most vulnerable young people over the age of 14, who present with challenging behaviours. As a YSDF Pathfinder, Kids Company is endeavouring to become a Centre of Excellence in order to develop the most effective strategies for reducing violence among 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 is being informed by Kids Company's work with these 400 young people, and our learning will be disseminated to other professionals in the social care field.

Kids Company's ultimate aim is for children and young people to have the necessary skills to return to education, training and/or employment, and become valuable members of society. Of the YSDF sample, some 400 of the hardest-to-reach young people, the success rate for staying in, or returning to education, training and employment is extremely high, with 84% of YSDF service users engaging with education or training, work experience or employment since the beginning of the evaluation period.

In addition to this 84%, since the beginning of the YSDF pathfinder project evaluation, a total of 30 children and young people have "grown up". They were identified through an ongoing review of closure summaries (written by Keyworkers when a service user stops engaging with Kids Company). Of this group, four young people were successfully reintegrated into mainstream education, 10 have gained and retained employment and three have successfully completed their education. The remaining 13 were stabilised with regard to their housing, access to statutory support and involvement with other agencies.



SELECTED 2009 SUCCESSES

- In 2009 we held our first Achievement Awards ceremony at Banqueting House, Whitehall, to celebrate the many and various accomplishments of 60 of our children and young people, ranging from gaining university places, overcoming physical disability to achieve at school, to writing and performing their own work at the National Theatre Studios, and many others
- Our first pilot replication drop-in centre, The Tree House was opened in 2009, with the generous support of one major donor
- Kids Company was chosen as the Evening Standard's 2009 Christmas Charity, with an auction of celebrity prizes and promises, which combined with the proceeds of Coldplay's End of Decade auction of personal possessions and memorabilia, raised over half a million pounds for Kids Company

EVALUATIONS OF KIDS COMPANY

Kids Company has been evaluated 15 times since 2000. These evaluations have been carried out 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 interventions have success rates of between 80% and 100%.

YSDF RECOMMENDATION

As a result of its review of our work, the YSDF has issued a letter of recommendation as to the high quality of Kids Company's services and systems. Kids Company is the only YSDF pathfinder to have received such a recommendation.

CHARITY OF THE YEAR

Kids Company was selected as Charity of the Year 2009 by major corporate names including Random House and CMS Cameron McKenna. Significant revenue derived from these awards.

NATIONAL AND INTERNATIONAL REPLICATION OF KIDS COMPANY

We continue to receive many inquiries from private bodies and statutory authorities all over the UK as to the possibility of setting up Kids Company services in their localities. We have also been contacted by national and local government representatives from many other countries. In order to accede to these requests, we are preparing the replication manual for national and international dissemination.



KIDS COMPANY'S PROFESSIONAL DEVELOPMENT

Kids Company has developed two post-graduate training courses for those working with children and adolescents. 'Therapeutic Communication Skills for Work with Children' has been validated by London Metropolitan University, and will teach the theory and philosophy of emotional literacy and therapeutic communication to improve the outcomes of interventions with children in health, education, social care, private and voluntary sectors. It is delivered over nine weekends spread over three academic terms.

The second course has been developed in conjunction with the Tavistock Centre, accredited by the University of East London, and consists of teaching Kids Company's psychodynamic method of keyworking, with particular reference to the hard-to-reach. It will be piloted in autumn 2010.

GIFTS & SERVICES IN KIND

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, IT, media and legal advice, advertising campaigns, fashion workshops and auctioneer services, as well as celebrity prizes and promises.

We have also been lucky enough to have had considerable reduction in rent for our centres in Southwark and Lambeth.

Gifts in kind included a wide variety of goods, both new and second-hand, including household goods, books, clothes, theatre and cinema tickets, and sports and leisure equipment.

The aggregate value of gifts and services in kind in 2009 was **£1,273,866**.

2009 MEDIA COVERAGE – AVE VALUES

The advertising value equivalent (AVE value) of Kids Company's print and online media coverage is calculated for us by the press cutting agency the International Press Cutting Bureau.

In 2009 the total AVE value of our coverage was **£20,457,018** (excluding radio and TV broadcasts).

CHILD POVERTY CHAMPION

In 2009 Kids Company was nominated as Child Poverty Champion in the End Child Poverty London Project's Guide to Good Practice.



FINANCIAL AND BUSINESS REVIEW

IN 2009 KIDS COMPANY'S KEY PRIORITY REMAINED THE DELIVERY OF SERVICES TO VULNERABLE CHILDREN AND YOUNG PEOPLE AT A TIME OF GREAT ECONOMIC HARDSHIP WHICH RESULTED IN HIGHER DEMAND FOR OUR SERVICES

However this did not deter the charity from delivering planned changes such as the move of its central functions and the opening of a new drop-in centre in partnership with a major donor. The charity is still growing rapidly but as we have seen in the earlier parts of this report we have maintained our position in campaigning for policy change in children's services, and also in challenging societal views of these young people, and encouraging a different approach – particularly by statutory authorities. Kids Company was selected to undertake a pilot programme with Westminster City Council – one of twelve pilots in United Kingdom – to deliver under-sixteen education to excluded students. This pilot is proving extremely successful and the independent evaluation being carried out will be published in 2011.

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. This challenge will always remain as the children and young people refer themselves and therefore there is no funding that follows the increase in work load. We are in the process of implementing a comprehensive computer-based information system to allow better management of children and young people's care and as a by-product of this we will have a much clearer view of the extent of activities of Kids Company and the impact of these services if they were to be lost to the local communities.

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

INCOME AND EXPENDITURE

Total income for the year was, at £13.0m, an increase of 17% from financial year 2008 and this gives the charity confidence as we managed to exceed our income target for 2009 by 3% at a time when most other third sector organisations saw a drop in funding. This reflects the continuing grant from the Youth Sector Development Fund (YSDF) and further generous support from a wide group of charitable trusts, companies and individuals, without whom the charity would be unable to operate. Many individuals have contributed via our website, through Cafonline.org.uk and JustGiving.com. A list of the major donors appears in note 26 to the financial statements.

It must be noted that part of this increase was to pay for the opening of the new drop-in centre at Camden and early reviews have shown this to be a successful project which has highlighted a great unmet need in this area of our capital. Total spending for the year amounted to £13.3m (2008 £11.0m) and a breakdown by activity is given in note 10 to the financial statements.

The net incoming resources for the year were sadly a decrease in funds of £274,000 which has reduced the charity's small reserves even further.

RESERVES

At the end of the financial year Kids Company's free reserves were in deficit by £127,762. The Charity has a target of building up reserves equivalent to three months' running costs and is intending to make a start on reaching this goal in 2010. In calculating the free reserves the Trustees have excluded restricted reserves and the designated fund that represents fixed assets.

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 and 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,
- observed the methods and principles in the Charities SORP,
- 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 also responsible for keeping proper accounting records which are sufficient to show and explain the Charity's transactions and 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 2006. 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.

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

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

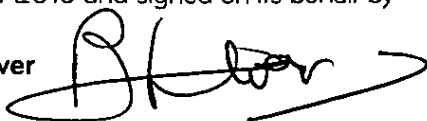
We, as the directors of the Charity who held office at the date of approval of these financial statements as set out on page 2, each confirm, so far as we are aware, that

- there is no relevant audit information of which the Charity'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 Charity's auditors are aware of that information.

AUDITORS

The Charity's auditors, Gotham Erskine LLP, have indicated their willingness to continue in office and offer themselves for re-appointment. This report was approved and authorised for issue by the Trustees on 1st September 2010 and signed on its behalf by

Richard Handover
Deputy Chair



AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEEPING KIDS COMPANY

We have audited the financial statements of Keeping Kids Company for the year ended 31 December 2009 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's trustees 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The responsibilities of the Trustees, who are the directors of Keeping Kids Company for the purposes of company law, for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

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 United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006. We also report to you if, in our opinion, the information given in the Report of the Trustees is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Trustees' remuneration specified by law are not made.

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



AUDITOR'S REPORT

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 directors 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

In our opinion

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been properly prepared in accordance with the Companies Act 2006,
- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2009, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended, and
- the information given in the Report of the Trustees is consistent with the financial statements

Peter Gotham LLP
(Senior Statutory Auditor)



Date: 30 September 2010

For and on behalf of Gotham Erskine LLP
Chartered Accountants and Registered Auditors
Friendly House
52 - 58 Tabernacle Street
London EC2A 4NJ



KEEPING KIDS COMPANY

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Unrestricted Funds 2009 £	Restricted Funds 2009 £	Total Funds 2009 £	Total Funds 2008 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	5,410,077	2,039,067	7,449,144	6,655,494
Activities for generating funds	3	693,506	-	693,506	395,838
Investment income	4	2,934	-	2,934	25,631
Incoming resources from charitable activities	5	4,891,579	-	4,891,579	4,083,949
TOTAL INCOMING RESOURCES		10,998,096	2,039,067	13,037,163	11,160,912
RESOURCES EXPENDED					
Costs of generating voluntary income	7	868,158	59,491	927,649	1,057,852
Costs of charitable activities	8				
Arches II -Kenbury Centre		4,699,390	482,093	5,182,483	4,288,880
Urban Academy		3,261,305	336,308	3,597,613	3,288,969
Camden		258,402	519,779	778,181	-
Schools		1,341,860	462,427	1,804,287	1,657,632
Special Projects		847,721	142,221	989,942	705,491
		10,408,678	1,942,828	12,351,506	9,940,972
Governance costs	9	34,273	150	34,423	28,196
TOTAL RESOURCES EXPENDED	10	11,311,109	2,002,469	13,313,578	11,027,020
NET INCOME / (EXPENDITURE)		(313,013)	36,598	(276,415)	133,892
TOTAL FUNDS AT 1 JANUARY 2009		287,614	5,882	293,496	159,604
TOTAL FUNDS AT 31 DECEMBER 2009		£(25,399)	£42,480	£17,081	£293,496

The annexed notes form part of these financial statements

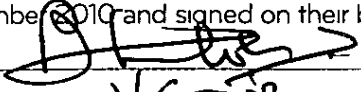


Company Registration Number 03442083

BALANCE SHEET AS AT 31 DECEMBER 2009

	Notes	£	2009 £	£	2008 £
FIXED ASSETS					
Tangible assets	15		102,363		130,812
CURRENT ASSETS					
Debtors	16	1,863,478		1,231,484	
Cash at bank and in hand		180,213		1,290,963	
		2,043,691		2,522,447	
CREDITORS amounts falling due					
within one year	17	(2,126,010)		(2,339,263)	
NET CURRENT ASSETS/(LIABILITIES)			(82,319)		183,184
TOTAL ASSETS LESS CURRENT LIABILITIES			20,044		313,996
CREDITORS amounts falling due					
after one year	18		(2,963)		(20,500)
NET ASSETS/(LIABILITIES)			£17,081		£293,496
FUNDS					
Restricted funds	20		42,480		5,882
Unrestricted funds					
Designated funds	20	102,363		130,812	
General fund	20	(127,762)		156,802	
			(25,399)		287,614
			£17,081		£293,496

The financial statements were approved, and authorised for issue, by the Trustees on 1st September 2010 and signed on their behalf by

 RICHARD HANDOVER (DEPUTY CHAIR)

 VINCE O'BRIEN (TRUSTEE)

The annexed notes form part of these financial statements



CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Net cash flow from operating activities	25	(1,018,426)	1,290,276
Returns on investments and servicing of finance		(36,119)	22,170
Capital expenditure (purchase of tangible fixed assets)		(45,587)	(89,921)
INCREASE/(DECREASE) IN CASH IN THE YEAR		(1,100,131)	1,222,525

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH BALANCES

For the year ended 31 December 2009

	2009 £	2008 £
Increase/(decrease) in cash for the year	(1,100,131)	1,222,525
Net cash balances at the start of the year	1,101,269	(121,256)
Net cash balances at the end of the year	1,138	1,101,269

The annexed notes form part of these financial statements



KEEPING KIDS COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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)'), applicable accounting standards and the Companies Act 2006

The effects of events relating to the year ended 31 December 2009 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 2009 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

All incoming resources, including donations are included in the Statement of Financial Activities based upon the stipulations made by the donor or provider of that income

Gifts in kind donated for distribution are included at market value which we believe represents value to the charity 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 on the basis of number of staff (full time equivalents) 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.

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 2009 £	Restricted Funds 2009 £	Total Funds 2009 £	Total Funds 2008 £
Donations				
Individual	2,336,895	121,424	2,458,319	2,110,620
Trustees	15,681	-	15,681	500
	<u>2,352,576</u>	<u>121,424</u>	<u>2,474,000</u>	<u>2,111,120</u>
Trusts and foundations	926,233	1,615,794	2,542,027	1,404,202
Corporate	852,513	301,849	1,154,362	1,835,307
Gifts in kind (Note 6)	1,273,866	-	1,273,866	1,301,720
Other	4,889	-	4,889	3,145
	<u>£5,410,077</u>	<u>£2,039,067</u>	<u>£7,449,144</u>	<u>£6,655,494</u>

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds 2009 £	Restricted Funds 2009 £	Total Funds 2009 £	Total Funds 2008 £
Universities placement fees	46,302	-	46,302	64,000
Corporate and events	635,525	-	635,525	328,496
Income from lectures and conferences	11,679	-	11,679	3,342
	<u>£693,506</u>	<u>£Nil</u>	<u>£693,506</u>	<u>£ 395,838</u>



4 INVESTMENT INCOME

	2009 £	2008 £
Interest receivable from		
Cash at bank	£ 2,934	£ 25,631

5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2009 £	Restricted Funds 2009 £	Total Funds 2009 £	Total Funds 2008 £
Central Government	4,354,566	-	4,354,566	3,731,367
Local Government	77,057	-	77,057	-
Schools therapeutic support	386,399	-	386,399	277,720
Social services	73,557	-	73,557	43,325
Education	-	-	-	-
Other	-	-	-	31,537
	£4,891,579	£Nil	£4,891,579	£4,083,949

The charity received a Youth Sector Development Fund Grant of £4,354,566 in 2009

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 £1,273,866 (2008 £1,301,720)

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

7 COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted Funds 2009 £	Restricted Funds 2009 £	Total Funds 2009 £	Total Funds 2008 £
Staff costs	482,306	55,000	537,306	386,094
Fundraising costs	330,063	-	330,063	600,411
Allocation of support costs	55,789	4,491	60,280	71,347
	£ 868,158	£ 59,491	£ 927,649	£ 1,057,852



8 COSTS OF CHARITABLE ACTIVITIES

	Unrestricted Funds 2009 £	Restricted Funds 2009 £	Total Funds 2009 £	Total Funds 2008 £
Staff costs	5,457,796	1,384,710	6,842,506	4,939,124
Direct costs	4,076,848	487,759	4,564,607	4,284,248
Support costs	874,034	70,359	944,393	717,599
	£ 10,408,678	£ 1,942,828	£ 12,351,506	£9,940,971

9 GOVERNANCE COSTS

	Unrestricted Funds 2009 £	Restricted Funds 2009 £	Total Funds 2009 £	Total Funds 2008 £
Staff costs	3,688	-	3,688	3,581
Auditors' remuneration – statutory audit	28,725	-	28,725	17,250
Legal and professional fees	-	-	-	5,071
Support costs	1,860	150	2,010	2,294
	£34,273	£150	£34,423	£28,196

There was an under provision of audit fees in the 2008 accounts of £2,875. This is now been included in 2009

10 RESOURCES EXPENDED

	Staff costs £	Direct costs £	Support costs £	Total 2009 £	Total 2008 £
Arches II - Kenbury Centre	2,789,557	2,166,880	225,047	5,181,484	4,288,880
Urban Academy	1,550,447	1,773,893	273,271	3,597,611	3,288,969
Tree House	308,678	320,811	148,692	778,181	-
Schools	1,435,150	216,427	152,710	1,804,287	1,657,632
Special Projects	758,674	86,596	144,673	989,943	705,491
Total charitable expenditure	6,842,506	4,564,607	944,393	12,351,506	9,940,972
Costs of generating funds	537,306	330,063	60,280	927,649	1,057,852
Governance costs	3,688	28,725	2,010	34,423	28,196
Support costs	562,014	444,669	(1,006,683)	-	-
	£7,945,514	£5,368,064	£ Nil	£13,313,578	£11,027,020

Details of Costs of Generating Funds and Governance are given respectively in Notes 7 and 9
Support costs are apportioned to different projects in proportion to the number of staff (full time equivalents) attributable to those activities



11 SUPPORT COSTS

	2009 £	2008 £
Staff	562,014	530,840
Premises	262,795	94,339
Depreciation	47,669	27,656
Other	134,205	138,405
	£1,006,683	£791,240

12 STAFF NUMBERS AND COSTS

	2009 £	2008 £
Wages and salaries	5,552,366	3,630,883
Social security costs	545,478	356,825
Recruitment	15,093	38,031
Training	59,194	74,926
Youth workers, therapists, practice teachers and special project workers	1,320,057	1,337,410
Supervision consultants	416,942	351,992
Termination payments	2,814	200
Other costs	33,570	69,373
	£7,945,514	£5,859,640

	2009	2008
The average weekly number of employees, calculated as full time equivalents, during the period was		
Costs of generating funds	12 0	9 0
Charitable expenditure	218 3	167 0
Governance costs	0 5	0 5
	230 8	176 5

One employee received remuneration of more than £60,000

13 TRUSTEES

During the year, no member of the Board of Trustees received any remuneration (2008 -£NIL) No member of the Board of Trustees received reimbursement of expenses (2008 -£NIL)

14 INDEMNITY INSURANCE

During the year, £1,335 60 (2008 -£1,501) indemnity insurance has been paid to indemnify the Trustees against damages and legal expenses for mistakes made in the actual running or governance of the organisation



KEEPING KIDSCOMPANY

15 TANGIBLE FIXED ASSETS

	Leased Equipment £	Equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2009	25,000	129,869	119,836	274,705
Additions	-	41,586	4,000	45,586
Disposals	-	-	(5,000)	(5,000)
At 31 December 2009	£ 25,000	£ 171,455	£ 118,836	£ 315,291
Depreciation				
At 1 January 2009	10,713	71,299	61,881	143,893
Charge for the year	3,572	36,783	28,680	69,035
On disposals	-	-	-	-
At 31 December 2009	£ 14,285	£ 108,082	£ 90,561	£ 212,928
Net book value				
At 31 December 2009	£ 10,715	£ 63,373	£ 28,275	£ 102,363
At 31 December 2008	£ 14,287	£ 58,570	£ 57,955	£ 130,812

16 DEBTORS

	2009 £	2008 £
Due within one year		
Trade debtors	104,031	185,794
Provision for bad and doubtful debts	-	(73,233)
Donations receivable	1,563,444	1,048,057
Other debtors	109,282	56,857
Prepayments	86,721	14,009
	£ 1,863,478	£ 1,231,484



17 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Overdrafts	179,076	189,695
Loans	120,000	50,000
Trade creditors	165,632	434,106
Social security and other taxes	1,000,358	291,246
Accruals	544,471	80,146
Pre-billed income	111,968	1,287,907
Leased equipment short term portion	-	2,207
Other creditors	4,505	3,956
	£ 2,126,010	£2,339,263
Deferred income		
Balance at 1 January 2009	1,287,907	111,432
Amount released to incoming resources	(1,287,907)	(111,432)
Amount deferred in the year	111,968	1,287,907
Balance at 31 December 2009	£ 111,968	£ 1,287,907

Deferred income is treated as a credit balance on the balance sheet while waiting to be recognised as income. This income is recognised into the Statement of Financial Activities on an accruals basis.

18 CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	2009 £	2008 £
Leased equipment	£ 2,963	£ 20,500

19 LOANS

The loans are repayable as follows	2009 £	2008 £
Within one year or on demand	£ 120,000	50,000
All the loans are unsecured		



20 STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expanded £	Transfers £	Carried Forward £
DESIGNATED FUND					
Fixed Assets Fund	£ 130,812	£ 40,586	£ (69,035)	-	£ 102,363
RESTRICTED FUNDS					
Urban Academy	-	174,834	(174,834)	-	-
Social work	-	97,081	(97,081)	-	-
Kenbury	-	158,923	(158,923)	-	-
Tree House	-	507,000	(507,000)	-	-
Schools	-	271,050	(271,050)	-	-
Special needs	-	160,722	(160,722)	-	-
Christmas	-	95,540	(95,540)	-	-
Special projects	3,026	294,716	(297,742)	-	-
Volunteers	-	48,721	(48,721)	-	-
Research	-	30,000	(30,000)	-	-
Administration	2,856	150,000	(152,856)	-	-
Capital expenditure	-	8,000	(8,000)	-	-
Other	-	42,480	-	-	42,480
	£5,882	£2,039,067	£(2,002,469)	£Nil	£42,480
SUMMARY OF FUNDS					
Designated Funds	130,812	40,586	(69,035)	-	102,363
General Funds	156,802	10,957,510	(11,242,074)	-	(127,762)
	287,614	10,998,096	(11,311,109)	-	(25,399)
Restricted Funds	5,882	2,039,067	(2,002,469)	-	42,480
	£ 293,496	£ 13,037,163	£ (13,313,578)	£ Nil	£ 17,081

Purpose of designated fund

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.



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 (YSFD)
Tree House	Provision of educational programmes and staff costs at Treehouse House
Schools	Provision of support and therapeutic services
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'
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 Funds 2009 £	Total Funds 2009 £	Total Funds 2008 £
	Designated Funds 2009 £	General Funds 2009 £			
Tangible fixed assets	102,363	-	-	102,363	130,812
Current assets	-	2,001,211	42,480	2,043,691	2,522,447
Creditors due within one year	-	(2,126,010)	-	(2,126,010)	(2,339,263)
Creditors due in more than one year	-	(2,963)	-	(2,963)	(20,500)
	£102,363	£(127,762)	£42,480	£17,081	£293,496

22 OTHER FINANCIAL COMMITMENTS

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

Operating leases which expire	Buildings	Equipment	2009 Total £	2008 Total £
within one year	-	13,575	13,575	39,236
within two to five years	329,309	18,615	347,924	52,722
in over five years	-	-	-	-
	£329,309	£32,190	£361,499	£91,958



23 RELATED PARTIES

At the year end one trustee had a balance outstanding on their loan to Kids Company of £20,000. This loan has been outstanding from previous years. During the year six trustees made, or were associated with, donations in cash or in kind totalling £15,680.81. No trustees were reimbursed for expenses. All transactions were made at arms length and full disclosure was made to the trustees of any related party transactions.

Two children of a trustee were employed, as full time staff, by the Charity during the year, at an aggregate total remuneration of £33,250. The decisions to engage these individuals were taken with the full knowledge of the Board, which considers the employment to be in the best interest of the Charity.

24 GOING CONCERN

As the charity has no endowed funds, the level of activities in the financial year starting 1 January 2010 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

	2009 £	2008 £
Net (outgoing)/incoming resources	(276,415)	133,892
Return on investment and servicing of	36,119	(22,170)
Depreciation of tangible fixed assets	69,035	83,294
Disposal of fixed asset	5,000	4,026
Decrease/(increase) in debtors	(631,994)	(310,740)
Increase/(decrease) in creditors	(220,171)	1,401,974
Net cash flow from operations	£(1,018,426)	£1,290,276



26 MAJOR DONORS

Corporate income

Abbott Mead Vickers BBDO Ltd
Aspen Insurance
Astra Zeneca UK Ltd
Aviva Plc
Barclays Global Community Investment
Berenberg Bank
Bloomberg
Burberry
C M S Cameron McKenna
Capital Generation Partners
Comedy Store
Control Risks
Covent Garden Group Foundation
Custom House Ltd
Davis Gregory Limited
Evening Standard
Falkner House School
GPT Halverton Limited
Hammerson Group Management Limited
HBOS
Hepburn Biocare
Heyday Films Limited
J P Morgan Cazenove
KMI Brands Limited
Lansdowne Partners Limited
Liquidnet Europe Ltd
Lotus Group Limited
M&G
Mindcom Internet Limited
Ocean Partners UK Limited
Orchid Advisory
Pacific Consultant
Peters&Peters
PSD Group
Rabobank International
Random House Group Limited
Redburn Partners
Rogavi Network Limited
Royal Mail
Sacred River Limited
Safinvest International SA
Schering Plough
Shell International
Shire Global Financial
Simmons&Simmons
Star Lizard Iceworks
Steepike Limited
T Styler Property Limited
The Harroldian School
This Works
Virgin Atlantic

Trust income

Alex and William De Winton Trust
Alfred Tankel Charitable Trust
Angus Lawson Memorial Trust
Bernard Sunley Charitable Foundation
Big Lottery Fund
CIBC World Markets Children's Foundation
Clothworkers Foundation
Comic Relief
Cullum Family Trust
Donald Forrester Trust
Drum Trust
Edward S Hogg Charitable Trust
Elizabeth & Prince Zaiger Trust
Elizabeth Franklin Moore and Star Foundation
Eranda Foundation
Esmee Fairbairn Foundation
Expat Foundation
HBOS Foundation
Hearn Foundation
Hon M L Astors 1969 Charity
JMG Foundation
John Thaw Foundation
JP Morgan Foundation
Light Fund
MacIntosh Foundation
Marchday Charitable Group
Mothers4Children Charity
National Philanthropic Trust Global Hyatt Foundation
Peter Alexander Cullum Family Trust
Peters Storrs Trust
Roan Charitable Trust
Sheepdrove Trust
Sigrid Rausing Trust
Sofronie Foundation
Sovereign Art Foundation
Specialist Schools and Academies Trust
St James Place Foundation
St Michael's Missions Committee
Talisman Charitable Trust
Terra Firma Capital Partners Trust
The Wheat Sheaf RIP
Tom AP Rhys Pryce Memorial Trust
Trustee A Holding J Van Mars
United St Saviour's Charity
Venture Partnership Foundation
Virgin Foundation - Virgin Unite
Vitol Charitable Foundation
Vodafone Foundation
Volant Charitable Trust
Weinbren Charitable Trust
William Wates Memorial Trust
Woodcock Family Charitable Trust

Individuals income

Adam Aicher
T R Attwood
Caroline Blakiston
Gregory I Bohn & Amy S Bohn
Gillian Mary Boothroyd
W J Bradley
Paul Brakspear
B Brown
D M Burney
Timothy John Curran
Michael R Debord
Philippe Deneef
V L Dumble
V Economou
Mark Ewing
Amanda Featherstone
Deborah Finkler
N W A Fitzgerald
Rachel Flaherty
Sir Phillip Green
Kahelee Grimm
Julia Hands
Carrie Lynne Hilgendorf
Patrick Hinsel
Andrew Howard
B H R M Lefebvre du Prey
Brian Linden
James and Beatrice Lupton
Jamie Macleod
R S & MRS F Martin-Jenkins
David Mickler
P B & Mrs H J Moorhead
Martin Nolan
Michael O'Mara
Sean Parker
J S Pearson
P Pearson
Violando Percival
Jill Pyrah
John Reilly
Andrew Reynolds
Stuart & Mrs Bianca Roden
L M Salisbury
David Shaffer
Diana Shamash
Elisabeth Smith
Trudie Styler
Tony Tabatznik
J P Vassallo
Emily & Mark Watson
Duncan Weston
Jennifer Woodley



THANK YOU

The children, staff and Trustees of Kids Company would like to express very grateful thanks for the kindness of everyone who donated to Kids Company during 2009.

Without the unceasing support and generosity of our donors, and the commitment of the government via its Youth Sector Development Fund, none of the work described here would have been possible