



KIDS COMPANY

ANNUAL REPORT & ACCOUNTS
YEAR ENDING 31 DEC 2013



TRUSTEES ANNUAL REPORT AND STRATEGIC REPORT



Kids Company's vision is to stabilise, nurture, and ultimately foster the resilience of children and young people, reintegrating them into society.

Children are our primary clients, whose needs we always put first.

Parents and carers are our secondary clients, whose needs we address in order to facilitate their support of the child.

We recognise children's vulnerabilities without attributing blame.

We see challenging behaviour in the context of emotional hurt.

We encourage children to recognise their rights and their responsibilities.

We aim to help children grow into gentleness and compassion through our own example of care and empathy towards others.

We recognise that every child has a talent, which we help develop and express.



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KEEPING KIDS COMPANY TRUSTEES AND ADVISERS

TRUSTEES

Alan Yentob (Chairman)
Richard Handover (Vice Chairman)
Sunetra Atkinson
Erica Bolton
Susan Chinn (resigned 1 October 2013)
Vincent O'Brien
Francesca Robinson
Jane Tyler
Andrew Webster (appointed 10
December 2013)

CHIEF EXECUTIVE

Camila Batmanghelidjh

DIRECTOR OF FINANCE

Mozhy Chipperfield (left July 2013)
Ruth Jenkins (appointed July 2013)

SECRETARY

Sachin Mevada

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03442083

CHARITY REG. NO.

1068298

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West Malling,
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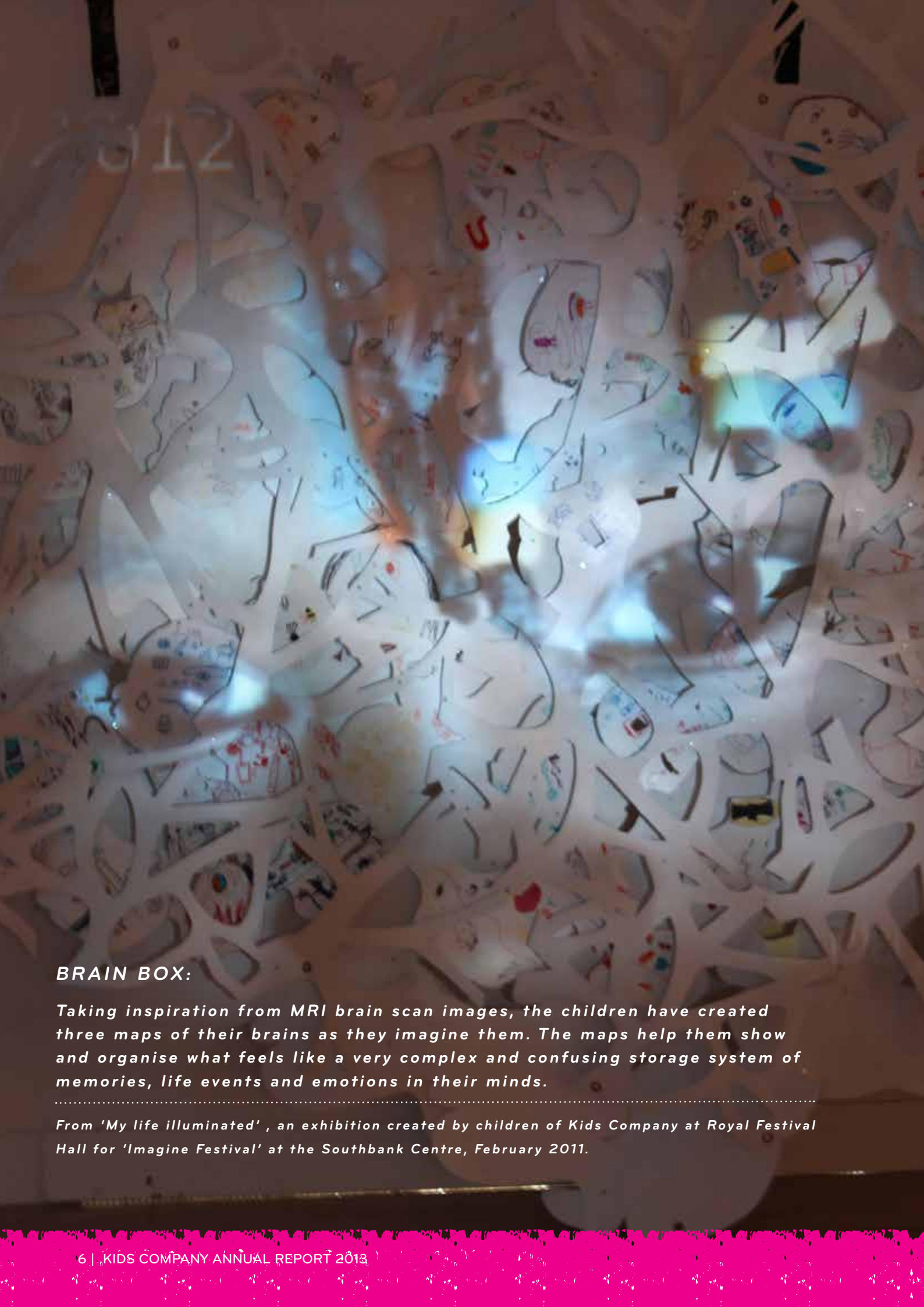
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AUDITORS

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Chartered Accountants and Statutory
Auditors,
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London EC1M 7AD



BRAIN BOX:

Taking inspiration from MRI brain scan images, the children have created three maps of their brains as they imagine them. The maps help them show and organise what feels like a very complex and confusing storage system of memories, life events and emotions in their minds.

From 'My life illuminated', an exhibition created by children of Kids Company at Royal Festival Hall for 'Imagine Festival' at the Southbank Centre, February 2011.



Representing the Children and Young people



I am a young person at kids company, I have been attending kids company from the age of 11 years old, I am now 24. I think Camila and many of the staff would acknowledge and quite openly admit that I've been one of the more difficult & complex young people that they have worked with throughout the years and to say the least it has been a fluctuating journey. kids company has been the family structure that I never had & the stability that I was lacking, I am proud to be a member of this community, I have seen many of my peers with similar challenges that I have faced achieve incredible changes like going to university, getting jobs and on a simplistic level getting stable accommodation. Out of all the youth agencies I've been referred to throughout my life kids company is the only place that hasn't told me (even if in the politest way possible) not to come back. The staff have been loyal & tolerant & helped me recognise things about myself, when I was a teenager I was incarcerated on three different occasions and at the time I didn't have stable housing, I didn't have a family support but I didn't care about getting locked up because I didn't really have much else going on & I realise now how easily I could've become institutionalised the criminal justice was just containing and housing my self destruction, it didn't rectify or change my behaviour. What helped me was the opportunities that kids company offered me to realise my potential and they basically bridged the gap between what's seen as the underclass & what I would've called tight collared suits. By showing me compassion & encouragement I'm now supportive & accepting of other people. I have achieved things I wouldn't even have considered, I got my GCSEs, I worked for the festivals for a year & I am currently studying film as a way to make thought provoking film. So on behalf of all the young people I'd like to thank all the supporters of kids co. ••

LETTER FROM THE CHIEF EXECUTIVE

In November 2014 Kids Company will be eighteen years old. It has felt like an unrelenting marathon across a terrain challenged by neighbourhood violence, lack of social capital and lack of consistent funding.

As children and young people continue to self-refer, we are delivering help to them without being paid for the services we provide. Local authorities do place children with complex educational needs with us and pay us for this service, however, in 18 years we have not received any local authority funding for the social care or mental health services we deliver.

To address this gap in funding, central government initially gave us a grant of **£4** million, and then a further **£500,000** as a result of our campaigning. This funding represents **20%** of our income, with the other **80%** coming from over **75,000** different sources each year. This grant runs out in March 2015. We are, therefore, campaigning to get further and more robust funding. We are very grateful to the government, who have been incredibly understanding, and have acknowledged that Kids Company serves a uniquely disadvantaged group of children and young people. The government has pledged to identify structures through which we could get more sustainable income.

In the meantime, generous and visionary philanthropists, alongside thoughtful companies, have ensured Kids Company's survival, helping us sustain the organisation as a sanctuary for some of the bravest and most traumatised children, young people and families.

We have seen the number of children turning to us at our street level centres double since 2011. The majority are asking for food and shelter. Many have been repeatedly sexually assaulted and physically harmed through knife attacks and firearm incidents. The perversion and depletion they endure is shockingly bleak and a dark contrast to the accumulated wealth ten minutes drive away from the ghettos we work in.

I thought, after 35 years of working with traumatised children in London, that I had seen the worst of it. As we opened our services in Liverpool and Bristol, however, the disclosures of abuse and neglect which came from very young children were as gut-wrenching. We found a ten year old sleeping on a urine-soaked mattress on the floor. During this home visit our staff member discovered the paedophile who was abusing the children in this house hiding in a cupboard.

Bristol City Council are hugely motivated and visionary on behalf of their children, so they are working collaboratively with us to address the level of need which is unfolding before our eyes.

As always, the children and young people's willingness to recover, their resilience and courage remains an inspiration. As they emerge from the grip of adversity their beautiful and poignant artistic communications continue to inspire, and remind us that hope is the special gift which makes the difference in all our lives.

Kids Company lives in hope that it can sustain its services for the children we have grown to love and cherish. We are also profoundly grateful for the hope and the belief all our donors have shared with us over the years. In our collective resolve to give children resilience we have helped thousands rediscover their joy for living. As they transform their personal lives, they go on to positively influence their peers. We are changing lives one at a time, but it's leading to multiple transformations. So many of our young people have gone on to university,

graduating with medical and health qualifications. Some have joined the financial industries or gone on to work in arts institutions. We have endeavoured to nurture talents: We've got a tree surgeon; a patisserie chef; film makers; playwrights; paramedics; housing and employment advisers; social workers and we've even helped some young people set up their own businesses.

Success was especially sweet for Michael and Daniel who, having been in prison and former gang-members, have now established a successful removal company and social enterprise, All in All Transit, supported by the Evening Standard. One of the most poignant moments for me was attending the graduation ceremony of Michelle who, years before, had been in a coma following a suicide attempt. When I visited her in hospital where she was being treated for a bipolar disorder, I promised her that she would make it to university. We worked hard together to make her dream come true and she graduated with a Masters in Social Policy, and won an award alongside it. She had no parent to celebrate this achievement as she'd grown up in local authority care but, believe me, I screamed loud enough for a crowd! It's because of children and young people like her that this turbulent journey has been amazingly worthwhile.

Every minute of a child's recovery is a gift to all of us, so thank you to the kids and to our supporters for making it possible.

Kids Company is determined to remain a safety net and a source of hope for its children, so our survival is non-negotiable. See you next year.



Camila Batmanghelidjh

Chief Executive



Camila
Batmanghelidjh
by Sita,
11 years old



Introducing Kids Company

In 1996, Camila Batmanghelidjh founded Kids Company in some railway arches in Camberwell. A group of dispossessed children and young people heard about this local provision as it opened, and hundreds of them poured in, bringing with them their profound vulnerabilities as well as their extraordinary courage. They decided to call their new organisation Kids Company, but when we went to get it registered we found that there was a clothing retailer who went by the same name. So we kept the children's chosen title but had the organisation registered as Keeping Kids Company, charity number 1068298.



So, for the last 18 years, that's exactly what we've been doing – keeping company with kids who have taught us how to best help them. Even though our services are supported by exceptional clinical and educational expertise, what we deliver can be boiled down to one profound principle: **compassionate companionship.**

We function as substitute parental carers for children who have been devastated by poverty and/or maltreatment. For some children our role is to **strengthen** their parents so that they can care for their children as they would like to. For others we **supplement** the care and, sadly, for too many we are **substitute** parents.

Kids Company currently supports some 36,000 children, young people and vulnerable adults. We deliver our services through a partnership with some 40 schools across Bristol and London and a centre in Liverpool. In addition, we have 12 street-level centres where children drop in and receive a range of services. All our centres are structured to respond to children and families' needs, addressing poverty, health, social care and educational issues as well as providing inspiring experiences. Our primary aim is to help people discover their resilience and go on to thrive.







'Child Waiting'
Painting by a young person from
Kids Company

WHY KIDS COMPANY IS NEEDED

There is an unspoken understanding between government and local authorities in which the real numbers of children and young people who require help are not captured. Consequently, some children receive help but the majority do not. The NSPCC in its report "How Safe Are Our Children" (2014) suggested that for every child on the child protection register there should be another eight. Millions of children are surviving childhood in Britain. Many are desperately alone because they don't have functioning parents in their lives. And the agencies that are supposed to reach out to them are profoundly depleted. The right level of funding is not provided to local authorities.

At Kids Company's invitation, the independent think tank Centre for Social Justice investigated the problem throughout 2013. They have produced a 416-page report called *Enough is Enough* in which the levels of need and the failure to meet it has been captured through a national study. They concluded the following:

'Unscrupulous and unlawful practice [on the part of local authorities] has reared its ugly head repeatedly throughout our Review. We have been astounded by the number and nature of legal failings and missed opportunities which were identified by the legal professionals' review of Kids Company cases.' – p.362, CSJ Report

'Some (local authorities) are flagrantly disregarding, circumventing and contravening the very legislation and statutory guidance which provides for the protection and/or support of vulnerable children and young people' – Ch.4, p.288, CSJ Report

The majority of the children and young people who turn to Kids Company should be cared for by state provision, but they are not. And as they self-refer to our services, they are not financially recognised by the local authorities to pay us for the help we give them. Consequently, we have

been reliant on one-off exceptional grants from central government which cover 20% of our expenditure. Kids Company is a sanctuary for children and young people with very complex needs. The data below – gathered through a range of independent evaluations – gives you a snapshot of what our children and young people are having to cope with.

Snapshot Of Needs

Kids Company staff record every significant interaction with the children and young people on our custom-built database – which a government minister described as being better than anything he had seen nationally. However, to evaluate our work we have historically and regularly brought in independent assessors. Recently, the government, as part of their due diligence in relation to the grant they give us, appointed the independent auditors, Methods, to oversee the results related to the grant and its impact on the children we work with.

In 2013, to internally audit our government grant we worked with 750 exceptionally vulnerable young people, of whom:

- **47%** experienced unstable accommodation
- **60%** of those living at home suffered disrepair, overcrowding or lack of basic necessities
- **79%** suffered trauma or were diagnosed with mental health issues
- **41%** suffered from anxiety
- **38%** suffered from physical illnesses
- **40%** were out of education
- **36%** had been excluded from schools or college
- **1 in 5** had no bed

Within this group, a smaller group of young people aged 16 to 24 were further assessed by the Department of Neuroscience at University College London. Key preliminary findings from this research showed that in comparison to a control group from the same neighbourhood:

- **50%** have seen someone being shot or stabbed in their communities within the past year
- **1 in 4** have seen a friend or relative being shot or stabbed in the past year
- **1 in 5** reported being shot at or stabbed in their lifetime
- **Are 5.2** times more likely to have experienced severe to extreme levels of emotional abuse
- **Are 15** times more likely to have experienced severe to extreme levels of emotional neglect
- **Are 4.6** times more likely to have experienced severe to extreme levels of physical abuse
- **Are 13** times more than control participants to have experienced severe to extreme levels of sexual abuse

The Centre for Social Justice looked into the lives of some of these children. They should have been helped by statutory services when they were much younger:

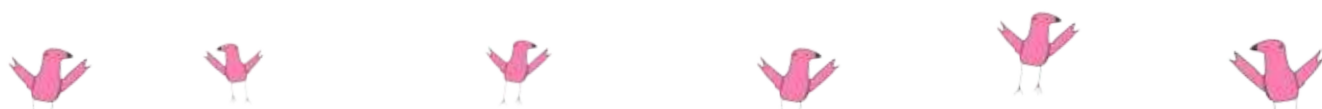
- **A SEVEN-YEAR-OLD BOY BEING FORCED BY HIS MOTHER TO STEAL MILK FOR HIS BABY SIBLING, AND ABANDONED BY SOCIAL CARE FOLLOWING HIS ARREST – LEFT TO LIVE WITH HIS MOTHER (ADDICTED TO CRACK COCAINE) FOR A DECADE IN CONDITIONS OF EXTREME NEGLECT, AND IN A CHRONICALLY CHAOTIC AND VIOLENT ENVIRONMENT, WHILE HIS YOUNGER SIBLINGS CONTINUE TO LIVE WITH HER TO DATE. HE DEVELOPED ANGER AND SUBSTANCE MISUSE (CANNABIS) DIFFICULTIES.**

'Dad used to fight with [my mum's partner] a lot. My mum used to hit dad all the time with severe blows. She stabbed him, put a cup in his face, dashed him in the skull with rollerblades. But daddy was an angel. He never used to...hit my mum back...It was very bad because I used to go to school and when I came back I always used to see blood on the wall or on my dad's face.'

- **A TEENAGE GIRL, SEXUALLY ABUSED FROM WHEN SHE WAS A YOUNG CHILD – LEFT TO EXPERIENCE SERIOUS PHYSICAL, EMOTIONAL AND SEXUAL ABUSE OVER YEARS, AND FOR PERIODS LIVING WITH HER FATHER WHO INTRODUCED HER TO EACH OF THE MEN WHO SEXUALLY ABUSED HER; SHE SELF-HARMED, MADE A NUMBER OF SUICIDE ATTEMPTS AND WAS HOSPITALISED IN AN ADOLESCENT PSYCHIATRIC UNIT – BEFORE FINALLY BEING PLACED IN CARE AT THE AGE OF 14.**

'I want to be a little girl. I did not have the chance as I had to grow up and look after myself...'

- **A SIX-YEAR-OLD BOY, FOUND BY CAMILA IN HIS UNDERPANTS IN THE SNOW – LEFT LIVING WITH HIS MOTHER (ADDICTED TO CRACK COCAINE), LOSING HIS FATHER TO AN ALCOHOL OVERDOSE AT THE AGE OF EIGHT, SUFFERING SEVERE NEGLECT – WITHOUT FOOD, WITH ROTTING TEETH, AND SURVIVING OFF THE FOOD AND SHELTER PROVIDED BY NEIGHBOURS; HE WITNESSED A VIOLENT INCIDENT IN HIS HOME BETWEEN DRUG DEALERS, BEFORE BEING RENDERED HOMELESS AT THE AGE OF 17 AFTER HIS MOTHER REPORTEDLY SET FIRE TO THE HOME. NOW, AT 23, HE IS RECOGNISED AS HAVING OBSESSIVE COMPULSIVE DISORDER (OCD), HIGH LEVELS OF ANXIETY AND DELAYED EMOTIONAL DEVELOPMENT.**

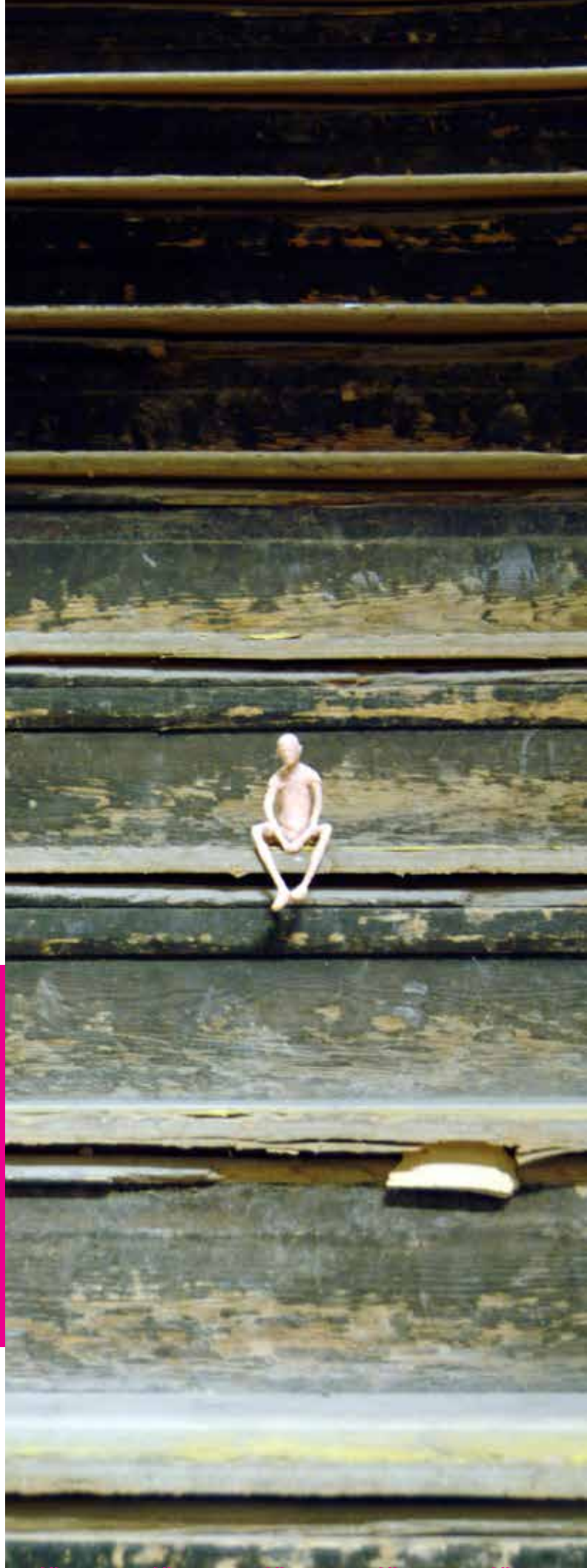


'There was no fun in my childhood. To be honest, there was no childhood...I literally feel like I was born an adult, just...smaller.'

- A YOUNG GIRL – SEVERELY NEGLECTED AND PHYSICALLY ABUSED BY HER MOTHER, REPEATEDLY SEEN WITH HER SIBLINGS SEARCHING FOR FOOD IN RUBBISH BINS, RAPED IN HER EARLY TEENS BY A MAN IN HER COMMUNITY AND ENCOURAGED BY HER MOTHER TO FIND MONEY TO HELP FEED HER MOTHER'S DRUG ADDICTION – 'EVEN IF SHE HAD TO SELL HERSELF' – UNTIL FINALLY BEING PLACED IN CARE AT THE AGE OF 14, AFTER REPEATEDLY ATTEMPTING SUICIDE.

Chronic exposure to harm is structurally and/or functionally changing these children's brains. It is also having an impact on their physical health. In partnership with leading neurodevelopmental experts we are capturing the nature of this damage and piloting reparation programmes. In addition to significant harm the children are impacted by severe poverty. Of children who attended one of our street-level centres, 200 under-14s received home visits. The home visits showed that:

- 92% LIVED WITH A SINGLE PARENT
- 47% HAD HEALTH ISSUES
- 58% HAD A PARENT WITH HEALTH ISSUES
- 1 IN 4 HAD NO TABLES AND/OR CHAIRS IN THE HOUSE
- 1 IN 4 NEEDED FOOD
- 1 IN 3 NEEDED A BED





KIDS COMPANY AND THE ARTS

Over the years Kids Company has developed a pioneering arts programme which was recognised with an award by the Royal Society of Public Health in 2012 for 'innovative and outstanding contributions to the field of Arts and Health Practice with children and young people'.

The arts provision at Kids Company assists children and young people through therapeutic use of the arts and then goes on to help them develop careers in the arts if they wish. Highlights of the year have included two art exhibitions at The Royal Academy of Arts and the Freud Museum together with a performance of original plays at The Soho Theatre.

Hide And Seek – The Freud Museum

The Freud Museum has come to host some of the most exciting works of modern art relating to the mind and mental health. For the first time in the Museum's history children and young people were invited to display their artwork in the main galleries. In a brave and powerful exhibition, the young artists explored their emotional responses to unimaginable trauma and neglect and told their stories from their brutal pasts.



In 2013, 54 Kids Company young people achieved the nationally-recognised Arts Award



Holding Up Childhood – Royal Academy Of Arts

Supported by Bloomberg and Tony Tabatznik, this exhibition from the children and young people was opened by Grayson Perry during the Christmas period. The children wanted to explore how lonely they felt in having to cope with the challenges of childhood, often on their own. So, a child in the middle of the carousel attempts to 'hold up' their childhood and balance the demands.

Since 2007, the RA and Kids Company have built a unique partnership which has enabled thousands of vulnerable and disadvantaged children and young people to access the arts, progress their own talent and build resilience through creative play. Holding Up Childhood featured a range of works by children and young people who have benefited from the RA's partnership with Kids Company, either via workshops across London, in schools and Kids Company centres, or through on-site activities as part of the RA's learning programme. The children and young people are also robustly supported by a dedicated team of therapeutically trained artists from Kids Company.

"The RA shares with Kids Company a belief in the value of engaging children in the practice of art through hands-on, creative experiences. We know that the arts are a powerful tool in helping young people express themselves and develop a stronger sense of self. The RA is delighted to be working with Kids Company and is committed to a long-term partnership that allows children and young people to have a safe place in which to create art." Beth B. Schneider, Head of Learning at the RA

Our exhibitions have attracted a loyal following and public, celebrity and media support.



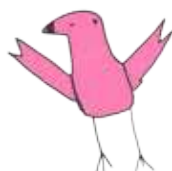
'Works show a raw energy... inventiveness that can move more than a Jackson Pollock'

Time Out



'The kids' artwork is incredible. It is clear not only how powerfully therapeutic the creative process can be, but also how important it is to give these kids a visual voice when all else fails.'

Damien Hirst



HOW DOES KIDS COMPANY DELIVER ITS SERVICES

Kids Company's primary aim is to foster a sense of safety and generate attachment so that children and young people can feel secure. Once they've been helped to recover from a state of alert and emergency, we hope to help them develop a reflective attitude of mind with which they can empathise, behave pro-socially and go on to lead fulfilling lives.

We recognise that managing the repercussions of childhood maltreatment is a life-long task. At best, young people acquire mastery over their trauma. And whilst they have been harmed by it we help them understand that in facing adversity they have also been given the possibility to discover their resilience, deepen their insights and hopefully use both to achieve. So our culture is one of accepting the repercussions of abuse but not being blocked by it. We expect every single one of our children and young people to be engaged in something positive and life-affirming whilst looking to develop economic self-sufficiency and contribute to their community.

We meet children as they self-refer to our therapy rooms in the schools in which we provide services. We also have twelve street-level centres which function like a second home. Some of them are accessible seven days a week, often from the morning until late at night. A range of experts are on duty – psychiatrists, psychiatric nurses, occupational therapists, psychotherapists, clinical and educational psychologists, social workers, teachers, arts and sports workers and anyone who loves children and has a unique talent. The adults and the children generate a nurturing community where adversity is not perceived as a source of shame and where success is recognised as an ongoing developmental journey.

Our staff speak over 50 languages. They are economically and culturally diverse, but they are united in their commitment to the children. They give the children their love as a gift and their expertise as a skill. In evaluating Kids Company, the London School of Economics found that there is

'very high overall job satisfaction amongst Kids Company's staff and volunteers. Very high satisfaction was found in relation to the following items, with respondents strongly agreeing to:

- PRIDE IN WORK (97%)
- JOB DYNAMISM (94%)
- STAFF CAPACITY IN DOING A GOOD JOB (96%)
- KIDS COMPANY'S ORGANISATION PARTICIPATORY APPROACH (95%)
- BEING PROACTIVE (92%)'



The LSE's research also described Kids Company's model of intervention as an exemplary case of 'psychosocial scaffolding'. These scaffolds refer to action and structures of support that provide stability to the self against multiple individual and contextual barriers. They enable vulnerable people to draw on social solidarity and social support to re-write identity and construct healthy individual trajectories.

Our Positive Experiences department helps our older kids get work experience, find jobs and get into education, with many going on to university. This year, through a grant from the National Lottery, we provided our most vulnerable young people with a job therapy programme which enabled them to identify and develop their talents.

Some of our young people are profoundly traumatised. They need more intensive and specialised interventions. So, our Morgan Stanley Heart Yard – which was created in 2013 as a result of an extraordinary fundraising initiative by Morgan Stanley – enables us to provide reparative therapies for our most vulnerable clients.



*Morgan Stanley Heart Yard,
Therapeutic Center*

Urban Champions

After 18 years many of our children are now adults. The majority have gone on to create their own families and become completely independent of Kids Company. But for approximately 1% of them there is no other family. We are often down as next of kin when they need medical treatment. Therefore we've had to create an adult therapeutic programme called Urban Champions in order to be able to maintain our commitment to those young people who are mentally ill or too traumatised to achieve full independence.

ADVOCACY FOR VULNERABLE CHILDREN

Vulnerable children and their needs are often negated and/or denied in political discourse, as well as policy making, so we pledged to make the needs of vulnerable children visible by generating partnerships with the media. In 2013 we had partnerships with the Evening Standard, a range of women's magazines, and we represented the children's needs across print and digital media and broadcast television and films. This included a documentary aired on ITV which followed a group of young people who were preparing for an apprenticeship programme.

We also provide pathways to legal support for a range of families and children whose rights to safety are being violated.

SIGNIFICANT CAMPAIGNS THROUGH THE YEAR INCLUDE:

The Plate Pledge

Kids Company's Plate Pledge campaign, launched in 2012, continues to help provide much needed hot, nutritious meals for vulnerable children and young people. The campaign continued to generate coverage in major media throughout 2013 such as Channel 4, ITN and the BBC as well as attracting many new significant corporate partnerships to help us feed our children. New partnerships in 2013 included: The Innocent Foundation; Restaurant Associates; Whole Foods Markets; and the Hawksmoor Restaurant Group. As a result of our new partnerships we will be working on improving our kitchens in order for us to be able to deliver even tastier meals to greater numbers of children who turn to us for help.

2013 saw the release of important nutritional epidemiology research – funded by Kids Company – at Leeds University. This study measured the food intake of over 2,392 primary-school-aged children. It established that a substantial proportion of primary-school children in eight London boroughs have experienced poor nutrition:

- 40% of boys and 29% of girls did not meet the recommended energy levels
- Between 7% and 18% do not meet the required levels for iron, zinc, calcium and folates²

This was covered in a special feature by Jackie Long, Channel 4's Social Affairs Editor.¹

Since 2012 the Plate Pledge has helped us raise enough donations and pledges of food to cover the cost of over 500,000 meals, food vouchers and crisis food parcels.



1) <http://blogs.channel4.com/jackie-long-on-social-affairs/growing-number-hungry-children-poverty-britain/858>

2) Evans et al, 2013

Frontline London



September 2013 saw the launch of Kids Company's partnership with The London Evening Standard for the award winning "FRONTLINE LONDON" campaign. Kids Company and The London Evening Standard worked together to help ex-gang members and vulnerable hard-to-reach young people establish social enterprises as a means of escaping life on the streets. Three businesses, started by young people who have received intensive support from Kids Company, were each awarded a £10,000 start-up grant from The London Evening Standard's Dispossessed Fund. Kids Company provided ongoing support for each of the businesses by providing keyworkers, business-development mentors and in-kind support. The open-ended campaign aims to help many more young people get out of gangs and into work by starting their own businesses.

The campaign was designed to dramatically reshape the stereotypical perceptions of young people as "threatening, dangerous and lacking ambition", held by Londoners, through telling the real and inspirational stories of Kids Company's young people. With our care and support this amazing young people have transformed their lives from gang membership and crime to owning and operating their own social enterprises.

The campaign has engaged senior politicians including the Prime Minister David Cameron, who commended it for its "bold lead". As a result of the political pressure generated by the campaign the Government has pledged an additional £3.8million to help grassroots charities tackling gangs and at-risk young adults countrywide.

As a result of the huge success of the campaign and the flood of inquiries Kids Company received, we were able to support the successful launch of Kids Company's first three social enterprises. They include transport company ALL IN ALL TRANSIT, drama and arts company FAB ARTS and community event planning company NEWBIGGZ. For his work on the campaign the journalist David Cohen was given the Paul Foot Award which described the campaign as having a 'remarkable degree of success' for becoming truly interactive and championing social change.



We Share Our Learning

Often children who present with violent and disturbed behaviours are perceived as bizarre and excluded for fear that they might cause harm. So we wanted to take the children's wisdom about how best to care for them and share it with the scientific community to both enhance their learning and enable them to give society a framework with which to better comprehend the children's needs. It is in this context that we launched **kidspaceofmind.org**, under the umbrella of which we were able to bring together some of the leading minds of the scientific community to carry out neurodevelopmental psychiatric and psychosocial research. (For a more detailed portfolio of results, please access the website or contact us directly.)

The research has demonstrated that the children who turn to Kids Company and who have been traumatised suffer from significant neurodevelopmental adversity which has resulted in changes impacting their abilities to read facial queues appropriately or to respond to sanctions. They have great difficulties regulating emotion and energy, making them in most cases highly impulsive and quick to rage. Some of the children's neuronal pathways mimic those of soldiers suffering from combat stress. Currently we are looking at how this level of adversity may or may not have impacted genetic expression. The extraordinarily hopeful news from the research is that, after an average of 15 months, children who have been in the care of Kids Company show dramatic improvements in emotional processing, which is then reflected in their brain scans.

As a result of the partnerships we've had, we are beginning to refine our clinical intellectual property which then enables us to improve practice and share learning with the sector. In recognition of these cutting-edge findings, as well as the practical knowledge we've accumulated, Kids Company has been able to develop, in partnership with London Metropolitan University, a professional development course which trains students to work therapeutically using creative and relational practices in challenging neighbourhoods. Through our partnerships we have collaborated with over 275 different organisations and charities, providing bespoke training for many of them.

In September 2013, we shared and discussed our knowledge at our conference; "Molecules of Happiness – Why Love Matters for Vulnerable Children." This was the fruition of our partnership with the London School of Economics who spent the first half of 2013 intensively researching and documenting Kids Company's operations and model of working with vulnerable children and young people. Panellists included: The Rt Hon Frank Field, Labour Poverty Czar; Lin Hinnigan, Chief Executive, Youth Justice Board, Sharon Hodgson MP, Labour Shadow Education Minister and Commander Matt Bell, Metropolitan Police, as well as a number of leading academics including Prof. Leon Feinstein, Prof Corinne May-Chahal and Prof. Norah Frederikson. The conference presented the Kids Company model as synthesised by Prof. Sandra Jovchelovitch² and her team at the LSE as well as presentations from our research partnership with University College London and others expert in the field of working with traumatised and vulnerable children and young people.

Kids Company's scientific research partnerships continue to grow with the addition of new partners in 2013. Our research programme continues to help us and others better understand the needs of vulnerable children and young people as well as how Kids Company's unique model helps transform young lives impacted by maltreatment and trauma.



1) Prof Jovchelovitch's report entitled "Kids Company: A Diagnosis of the organisation and its interventions" can be downloaded here: http://eprints.lse.ac.uk/52856/1/Jovchelovitch_Kids_Company_Diagnosis_2013.pdf



KIDS COMPANY SCIENTIFIC PARTNERSHIPS	PARTNERS	LEAD / SUPERVISORS
Neurocognitive correlates of abuse and neglect: baseline neurocognitive profile, response to therapeutic intervention and the role of genotype.	UCL, Developmental Risk and Resilience Unit	Prof. Essi Viding, Dr Eamon McCrory, Charlotte Cecil, (Phd Student)
Neurophysiological and Genetic Markers of Childhood Maltreatment	Kings College London, Institute of Psychiatry	Dr Katya Rubia and Dr Mirz
Five Year Research Fellowship in Child and Adolescent Mental Health and Social Policy (various projects)	University of Cambridge, Department of Developmental Psychiatry	Prof. Ian Goodyer / Dr Raphael Kelvin, Dr Jenny Gibson, Dr Anne-Laura van Harmelen
Therapy Genetics	University of Cambridge, & Institute of Psychiatry, Kings College London	Dr Paul Wilkinson, Dr Thalia Eley, Professor Ian Goodyer
A community-based proof-of-concept study of neurocognitive and endocrine mechanisms associated with behavioural change in children with conduct problems who are offered services by Kids Company	UCL/ Anna Freud Centre	Prof. Peter Fonagy / Dr Pasco Fearon
Cognitive Deficit Amongst Young Offenders	University of Portsmouth	Dr Claire Nee Dr Lucy Wainwright
Neurodevelopmental markers of Anti Social Behaviours - A Pilot Study	GOSH / Institute of Child Health	Prof. Faraneh Vargha-Khadem
Food insecurity in London primary school children	University of Leeds, School of Food Science and Nutrition, Dept of Nutritional Epidemiology	Prof Janet Cade, Dr Charlotte Evans
Challenging ideas about disaffection: Maximising policy and practice impact	South Bank University	Dr Yvonne Robinson, Dr Val Gillies
Building psychological resilience through bio-feedback psycho-education and coping skills training in a selected sample of socially and emotionally deprived adolescents in London.	University Of Bristol	Dr Angela Rowe

Kids Company Keyworking Model: Analysis	Tavistock Clinic	Prof. Alessandra Lemma
How Kids Company's interventions work for young people.	Centre for Social Work Research, University of East London and Tavistock Clinic	Prof. Stephen Briggs
Mentalisation Based Integrative Multimodal Practice, now called AMBIT (Adolescent Mentalisation Based Integrative Therapy)	Anna Freud Centre	Dr Dickon Bevington, Dr Peter Fuggle Pippa Sweeney (research assistant)
Poverty, Policy and Practice: Perceptual Analysis of Kids Company Clients	Child Poverty Action Group / Kids Company	Rys Farthing
Internal Representations of Children at Kids Company / Leaving Gangs, Stopping violence and crime: An exploration of adolescent gang desistance	Anna Freud Centre / UCL / Kids Company	Dr Saul Hillman, Dr Lucy Wainwright
Against the odds? A study of developing community participation with vulnerable inner city children and young people	University of Sussex	Dr Sevasti-Melissa Nolas, Tasleem Lisa Rana (PhD student)
YouDesignIT – Safeguarding Pilot Project	University of Lancaster	Prof. Corinne May-Chahal, Dr Karen Broadhurst
Handwriting assessment in Kids Company school based occupational therapy service	Brunel University	Dr Mellisa Prunty
An exploration of food poverty and energy and nutrient deficiencies in London primary school children	University of Leeds	Dr Charlotte Evans, Dr Jayne Hutchinson, Prof Janet Cade
Kids Company – A diagnosis of the organisation and its interventions	London School of Economics	Prof Sandra Jovchelovich, Dr Natalia Concha
An epigenetic exploration of the impact of developmental adversity on individual functioning and well-being.	Kings College London, Institute of Psychiatry	Dr Charlotte Cecil, Prof Essi Viding, Dr Eamon McRory, Prof Jonathan Mill




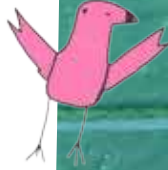





We Couldn't Have Done It Without You:

Our funders, all those who give us gifts in kind, and our volunteers have enabled Kids Company to become a source of hope for children and young people. Between 2011 and 2013 some 11,000 volunteers contributed to the organisation and, combined with the gifts in kind we received, it was estimated that an additional £14m worth of resources was mobilised to generate solutions and possibilities in our children's lives.

Alongside our volunteering, we have become a sought-after clinical placement offering work experience to trainee social workers and allied health professionals. When on placement with us, these students can offer sometimes five days a week to practice over a number of months. In 2012 Kids Company was awarded the Investors in Volunteering Award. Our mentors and volunteers are hugely treasured by the children.

Kids Company's donations come from a wide range of sources. These include gifts in kind as well as monetary grants. We are aware that more than 75,000 different sources contribute to our income. Every single person who donates to Kids Company fills us with gratitude. Some people and organisations have proportionately more to give and are therefore named here as significant donors. But we want everyone who has supported us to know that without them we could not have done it. Kids Company is very proud to acknowledge the transformative power of the kindness of complete strangers.



WITH SPECIAL GRATITUDE TO...

Coldplay are one of Kids Company's most significant supporters. Over the years, the band has donated over £8million to Kids Company as well as buying the Treehouse so that our children could permanently use it. In December 2013 they organised another extraordinary concert called Under One Roof at the Hammersmith Apollo. Dynamo the magician, David Brent, Robbie Williams, Lily Allen, Rizzle Kicks and Fearne Cotton donated their time, together creating an evening which not only mobilised much needed resources for our children but also delighted their fans. We are so grateful for their continued support and partnership.

The wonderful **Michael McIntyre** and a group of his friends, including comedians Alan Carr, John Bishop, Russell Howard and Rob Brydon amongst others, gave up their time to generate the most exhilarating comedy show at the Apollo, the proceeds of which went to Kids Company. Michael has remained a committed and hugely thoughtful supporter of our children.

Over a number of years we've had a uniquely special partnership with **Selfridges**. They have hosted our children's art in their shop windows at Christmas as well as helping Kids Company's fundraising team by encouraging in-store giving. Their staff have collected money through their own fundraising initiatives and our children's designs were sold by their fashion department. Alannah Weston, is the deputy chairman of Selfridges, has championed our brain research partnerships throughout the years. She has both a visionary and pragmatic approach which has made her one of our most meaningful supporters.

John Lewis has historically been hugely supportive of Kids Company and most recently they worked with our children to design a range of products for sale in their stores. This has given our kids an incredible boost in confidence as well as generating an income. We are especially grateful to Clare Winspear. **Liberty** too has consistently supported Kids Company over a number of years, and in 2013 promoted and sold our children's designs in their store at Christmas.

Radley's launched a book, 12 Days of Christmas, which they sold online and in 21 stores as well as 14 outlets. £2 of every sale went to Kids Company, generating much needed revenue which we used for meeting the children's basic needs for food and shelter.

We are immensely thankful to **Sisley**, especially Christine D'Ornano, International Vice President of Sisley, and her team. They have kept up their support of Kids Company by contributing financially and practically through volunteering.



The Lancashire Foundation, specifically Richard Brindle and Gavin Kelly, worked tirelessly to ensure that we received money from a range of companies so that accumulatively they could sponsor our summer programme. Contributions from the **Peter de Haan Charitable Foundation** were also vital for us during this summer period. The children had a fantastic time camping and going on day activities.

AstraZeneca, especially Andrew Webster, the Director of HR, have been extraordinarily brilliant in helping us with a range of our programmes.

J K Rowling and the **Volant Trust**, and **Corinne Goddijn** of the **The Sofronie Foundation** are two women whose remarkable philanthropy has transformed many charities. For years they have supported Kids Company with substantial grants and they are the reason we have been able to maintain ourselves as a provision until we receive greater government funding. The children of Kids Company are profoundly indebted to them.

We also have huge love and gratitude for the passion and commitment to Kids Company expressed by **Laura Bailey, Sophie Dahl, Bella Freud, Jemina Khan, Joanna Lumley, Helen Mirren** and **Emma Thompson**.

Three business leaders acted as absolute heroes for the year. **Peter Wood** gave Kids Company a significant donation as well as deeply meaningful support. He introduced us to his friend, **Martin Hughes**, who also donated generously. **Hani Farsi**, the owner of the Bulgari Hotel, hosted a dinner and his hotel facilitated the celebration of our volunteers. Their kitchens gave work experience to one of our young people. She was so inspired, she went onto university to study food science.

Another treasured hero over the last decade has been **Paul Brakespear**. His consistent and generous support has been transformative.

The most special thank yous are also due to **Sigrid Rausing** and **Harvey McGrath** for their astounding support over a number of years. Also, to **Peter Hearn**, our secret saviour for so many years, and to **Brian Linden**. We are so grateful, too, for the exceptional and continual support of **Damien Hirst** and **Victim** which we have been lucky enough to benefit from over the past six years.

We would like to extend a heartfelt thank you to **Women in Advertising and Communications London** for their unwavering, united support



for Kids Company, and also to send huge love and gratitude to **Peter Blake** who has quietly supported us over the years, recently sending us the proceeds of the sales of his prints. Our thanks also to **Lesley O'Mara** and to **Michael Shields** for sticking with us over the years!

There are two companies that we absolutely adore. **Sketch**, led by the wonderful Sinead Mallozzi, have over the years provided us with a significant stream of funding by putting £1 on customers' bills when they eat at this leading restaurant. **Boden**, with Jonny and Sophie Boden, have not only given us donations but also volunteered and facilitated a huge number of goods for our kids. Additionally, the **Marylebone Fair** chose to support us again this year, for which we are so thankful. The community-led event gives us a considerable donation and enthusiastic encouragement to continue our work.

Big Lottery Fund have made a substantial contribution to our young people by awarding Kids Company a grant to run our 'job therapy' programme. This has allowed us to establish an innovative project supporting the most disadvantaged young people into the workplace.

Five companies topped the list of company donations for the year. They are **Vodafone**, **Samsung**, the **Getty Foundation**, **Credit Suisse** and **Bloomberg**. Together they mobilised significant resources and positive experiences for the children. The banks **Nomura** and **Mizuho**, too, have provided crucial resources.

We have been lucky to benefit from the support of a number of private schools. **The Harroddian School** has donated significantly throughout the years. **Sherborne Boys School** give us a whole building, the Urban Academy, for free and they help us maintain it. **Sherborne Prep School** and **Sherborne Girls School**, have given reduced cost and free places to our most vulnerable children. **Dauntsey's** gave a life changing experience to a Kids Company child.

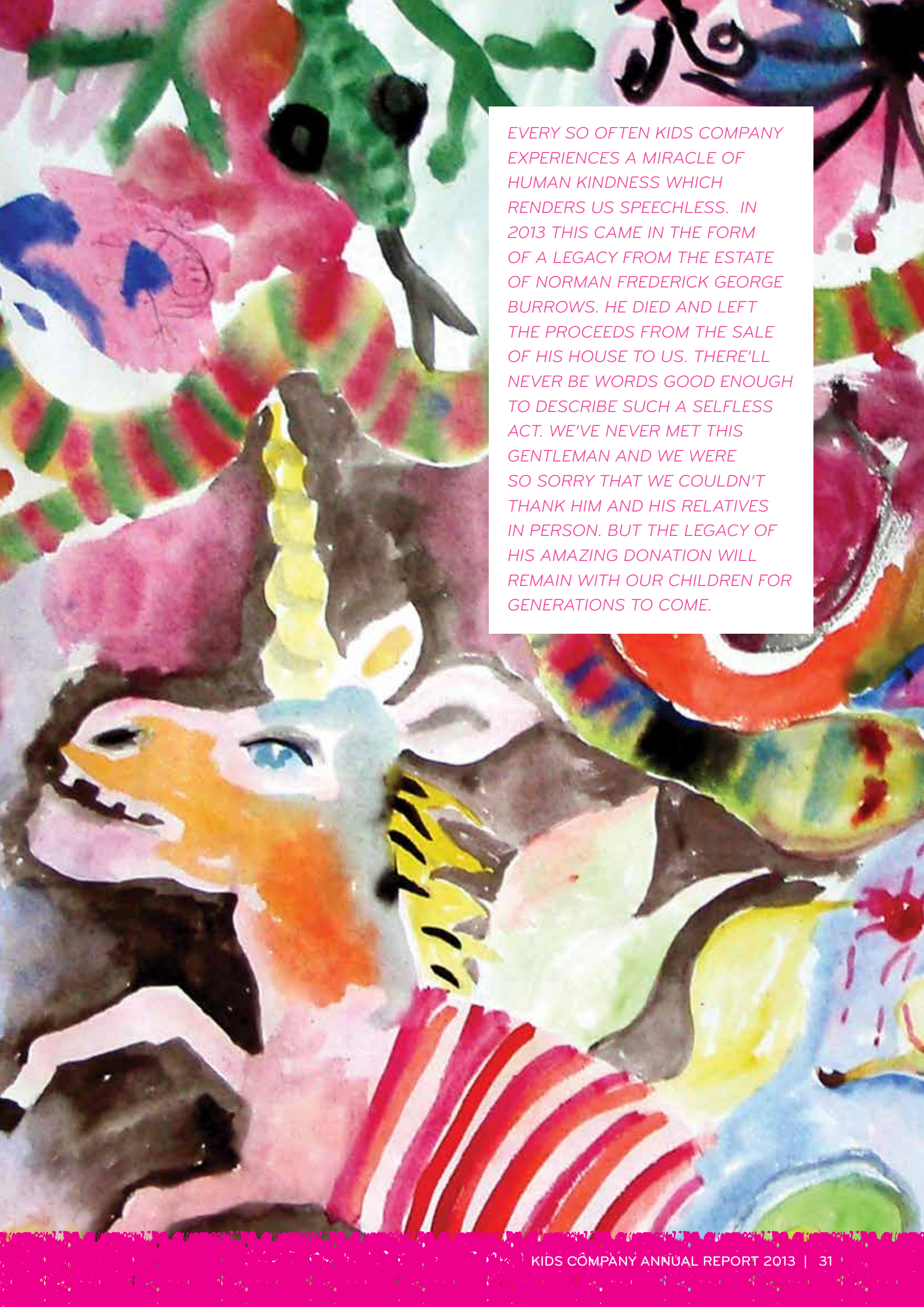
The Bertha Foundation has given Kids Company extraordinary gifts. We are so grateful to the visionary leaders of these two charitable trusts. **The Asfari Foundation** gave us a significant donation for our Christmas, for which we're profoundly grateful. We would also like to give a special mention to **Beggars Group** and **XL Recordings**.

AMV BBDO and **M & C Saatchi** have given us a huge amount of pro bono advertising as well as public relations support. Their contributions each run over £1million in value. They've donated with extraordinary kindness and creative flair and have been instrumental in helping us get a number of campaigns and awareness-raising projects off the ground.

Joan Woolard took unprecedented and incredible action by selling her home and giving all proceeds to Kids Company. The money raised will make a huge difference to the lives of our vulnerable children and young people.

Finally, we would like to thank **Michael Webber** for his invaluable advice.





EVERY SO OFTEN KIDS COMPANY EXPERIENCES A MIRACLE OF HUMAN KINDNESS WHICH RENDERS US SPEECHLESS. IN 2013 THIS CAME IN THE FORM OF A LEGACY FROM THE ESTATE OF NORMAN FREDERICK GEORGE BURROWS. HE DIED AND LEFT THE PROCEEDS FROM THE SALE OF HIS HOUSE TO US. THERE'LL NEVER BE WORDS GOOD ENOUGH TO DESCRIBE SUCH A SELFLESS ACT. WE'VE NEVER MET THIS GENTLEMAN AND WE WERE SO SORRY THAT WE COULDN'T THANK HIM AND HIS RELATIVES IN PERSON. BUT THE LEGACY OF HIS AMAZING DONATION WILL REMAIN WITH OUR CHILDREN FOR GENERATIONS TO COME.



John Frieda & the School of Confidence

Kids Company continues to be indebted to, and profoundly thankful for, the tireless work of one of our most special friends, John Frieda. For the past two years, John has been running the School of Confidence. What started, in November of 2012, as a project to inspire five young people to achieve their full personal and professional potential by matching them with mentors has now expanded to a department in itself.

The School of Confidence's provision is now twofold. It continues to match our young people, over 70 of whom are now registered with the School, with Confidence Building Friends (CBFs). It also now runs, in addition, a fantastic range of workshops four days each week which teach the practical skills necessary to complement the enhanced aspiration generated by contact with amazing and inspirational role models. The communications company AGL is one of the School's fantastic partners who this year, for instance, led workshops on expressing yourself in interviews, and taught skills in pitching and presentations. We are so lucky to benefit from the shared expertise of so many wonderful partners, including:

AGL
Inner I
Tricia Woolston

Attracta Courtney
MyBnk
Wisdom Connects

Courageous Success
Skirting the Boards
Spiral

John has transformed the incredible skill and personal vision with which he achieved professional success to the highest level into a service which trains and inspires the next generation of entrepreneurs, artists and visionaries. For this, on behalf of young people for whom doors to positive achievement may otherwise have been closed, we are deeply grateful. Thank you!



Gifts in Kind

Kids Company continues to be astounded by the generosity of our supporters who donate gifts in kind for the practical and aspirational benefit of our children and young people. Kids Company's Poverty Busting department benefited from £14,062,149 worth of volunteered time and donated goods and experiences in 2013.

We are so grateful to all of our amazing friends who help us to meet the material and emotional needs of the children and young people of Kids Company, and we would like to extend a special thank you to the following companies for their exceptional support:

Adidas	Amway	B&Q
Big Yellow Storage Company	Bloomsbury	Boden, and Mini Boden
Burberry	Clarins	Compass Foods
Deckers	Douglas and Gordon	Eagle House School
Elemis	Featherdown Farm	Grazia
Harrods	Harvey Nichols	Headmasters
Innocent	Jamie's Farm	Jemima Khan
John Frieda	Leith's Cookery School	Lollipop Lane
Marks and Spencer's	Mars Ltd	Matalan
Morgan Stanley	Mothercare	Mybaba
New Look	Penguin	Premier Foods
Pret-A-Manger	Queen Mother's Clothing	Guild Random House
Ricoh	Robert Dyas	Samsung
Selfridges	Sony	Ted Baker
'The Sun's Readers	TK Maxx	Unilever
United Biscuits	Universal Studios	Wholefoods
Women in Retail	YHA	ZPR



COMPANY INFORMATION

Company Status

Kids Company began operating in November 1996. Keeping Kids Company (known as 'Kids Company') was constituted as a 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.

Public Benefit

The trustees have complied with their duty in Section 17 of the charities act 2011 and have paid due regard to public benefit when preparing this report. As well as improving outcomes for vulnerable young people, the charity benefits the wider public by enabling young people to access education services and practical and emotional support, thus preparing them to make a positive contribution to society. In addition, crime is reduced and public spaces become safer, friendlier environments.

None of our young people are ever charged for any of the services or support provided by Kids Company, nor are they ever restricted from accessing the provisions they need. The benefit to the wider public is consistent with the charitable aims of Kids Company. Further detail on the benefits and public impact of our actions in 2013 can be found below.

Structure, Governance and Management

We anticipate that the next leg of our journey will be an intense and powerful one focussed on key outcomes and the generation of new ideas.

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 comprises eight members from a variety of professional backgrounds relevant to the work of the charity and meets at least six times per year.

The board is also underpinned by its sub-committees, which support its decision making. The Finance and Governance committees meet at least ten times per year.

The trustees are advised by a clinical board, consulted as required.

Day-to-day management is delegated to the Chief Executive Officer and Charity Founder



Recruitment and Appointment of Trustees

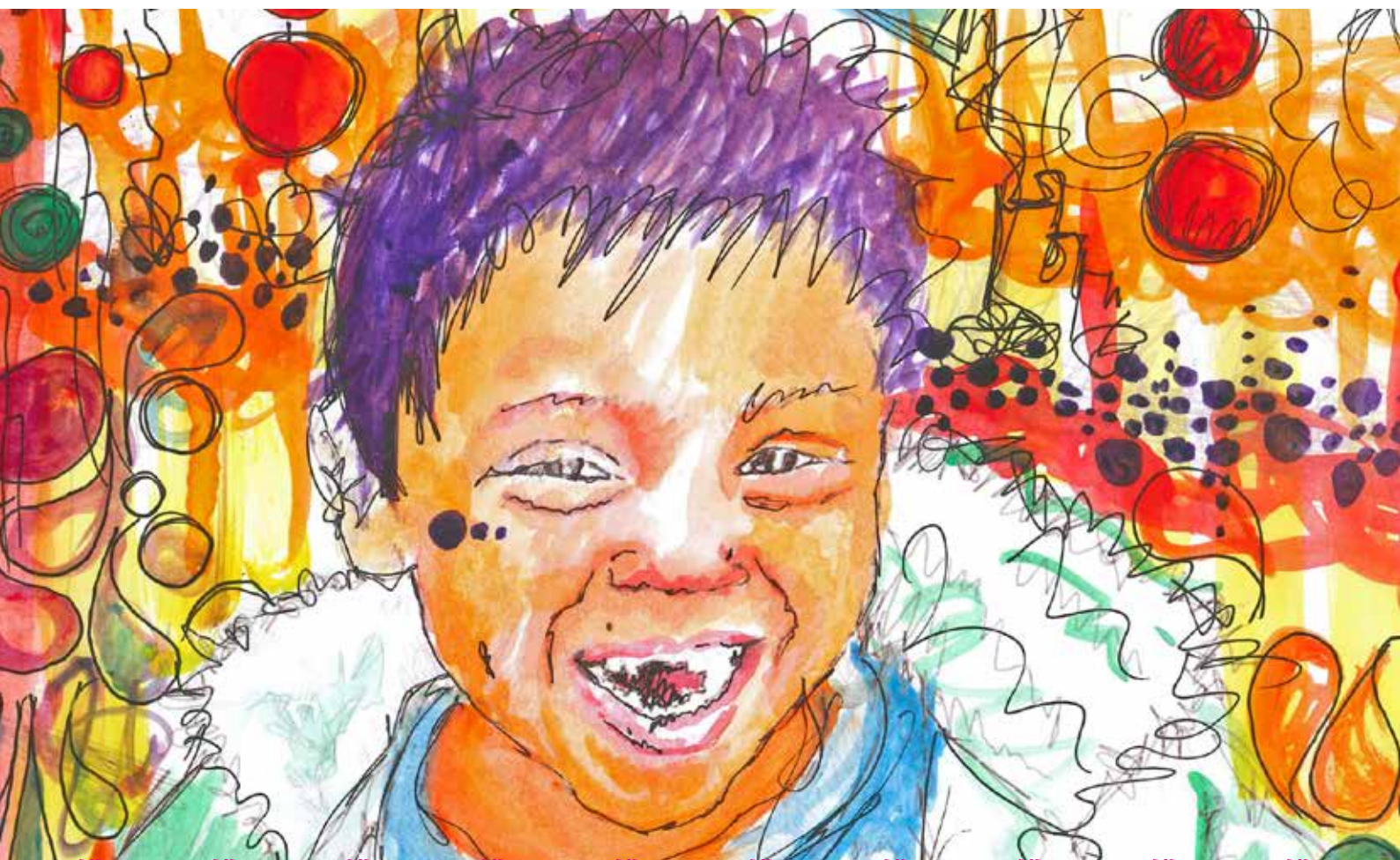
Trustees are appointed either by members of the company in general meeting or by the management committee. At each annual general meeting all must retire and are eligible for re-election. The more traditional business and care skills are well represented on the management committee. In an effort to maintain this broad mix of skills and in the event of particular skills being lost due to retirements, individuals with appropriate qualities 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.



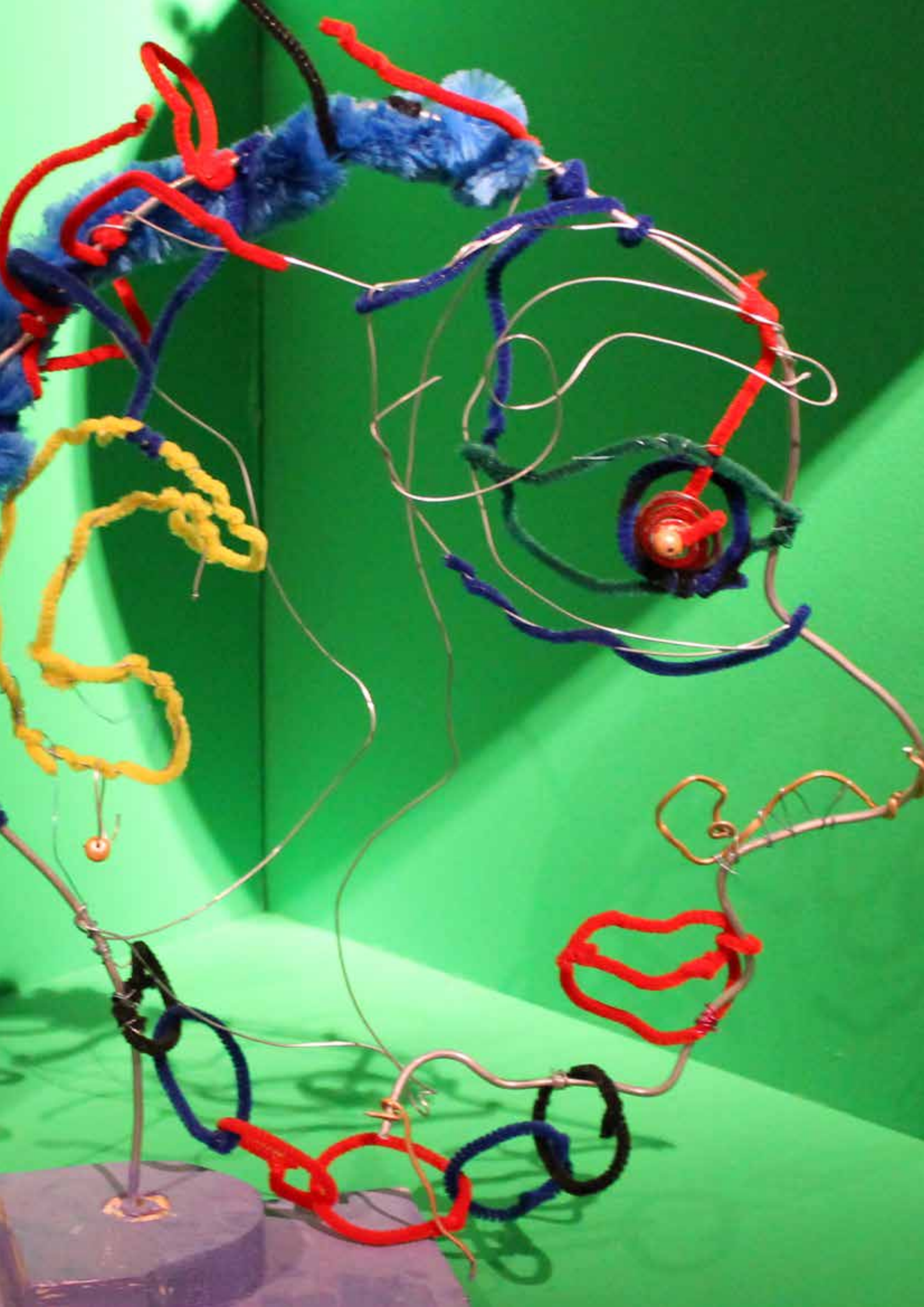
The stare from a butterfly's wings

Have you ever seen the eyes on a butterfly's wing?
Deep, like the gaze of glorified kings.
They can overwrite, they can overwhelm, eternal. Like — Like —
Like they appear from another realm
Another world, another life. Yes another life —
I, too have known another life, another state.
I'm a walking contradiction, I should have shared another fate
I've known a butterfly's fame but felt the caterpillar's pain
My cocoon was love.
But who will love the caterpillar? Drug dealer.
Who will love the caterpillar? Gang member.
Who will love the caterpillar? No, they only love the butterfly
They take pictures of the butterfly
They speak scriptures of the butterfly
But they label a nuisance, we that couldn't fly
They say the eyes are the window to the soul, so if you really
look carefully, you can see the caterpillar's pain in the eyes of
the butterfly wings. It stings.
So strange is change, so great is love.
Love is my cocoon.
Change is neither a contemporary art nor a recent trend.
The butterfly has been from the era Eocene
So for 50 million years it's been standing as proof
that change is real, that change will come.
I say cocoon to the sky!
The butterfly is an epistle that the old man can die, so that
the true
me may live
Now the wingless has wings, but it took awhile
Metamorphosis it took a trial, it took a hug, it took a kiss,
it took a smile.
But let the truth be told
This caterpillar was a butterfly all the while
In need of a cocoon.

Karl Lokko

-young person who left street gangs and is now studying
Law at university





STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Is Kids Company Effective?

...Kids Company has developed an effective and innovative model of work with vulnerable children and youth. Its practices, experiences and expertise should offer a pool of resources and lessons for policy-makers and the statutory sector in general.'

Kids Company: A Diagnosis of the Organisation and its Interventions – Jovchelovitch and Concha, LSE, 2013

Measuring the true impact of Kids Company's intervention is not possible. Society has not developed evidencing tools which capture the potency of hope, the rekindling of imagination and returning children to dignity. So we are left with some inadequate measures which at best describe our output and capture aspects of our outcomes. We want to develop a more sophisticated narrative of efficacy in relation to work with vulnerable children and young people, which is why we have partnered with a range of academics and scientists. As an organisation, we love excellence and always aim for it. Where we fall short we rigorously address our failings and adjust our learning. Our evidence-based portfolio is made up of independent evaluators' research, neuro-psychiatric evaluation and internal data.

Consistently, the independent research over the years has demonstrated that we have positive outcomes ranging from 85%-96% return to education, employment and/or training. We ensure that a large number of homeless children and young people are housed every year; we provide psychological and health therapies; we address poverty by handing out goods; we help our young people access university; and we endeavour to find and nurture every child's talents. So here is a snapshot of our outcomes and outputs:

OUTCOMES IN RELATION TO 750 HIGH-RISK YOUNG PEOPLE:

- **96%** of over-16s were supported into further education, apprenticeship, vocational courses or gainful employment
- **72%** of the group gained academic or vocational qualifications
- **Of those educated** at Kids Company's educational facilities, those tested demonstrated an average two-year increase in reading age
- **335** young people were referred for psychological therapies
- **328** young people were helped to register with a GP
- **299** young people received sexual health advice
- **275** young people were safely rehoused
- **A further 223** are in the process of being rehoused
- **212** young people received legal advice
- **282** young people received weekly food vouchers
- **295** young people received household furniture and essential appliances
- **Of this group, 462** young people received home visits following which **204** were organised for renovation

Our Poverty Busting programme helps children and families address the impoverishment they endure by supplementing their resources. In 2013 this included the provision of:

- Over **9,000** pieces of furniture and homeware
 - Over **8,000** items of clothing
 - Over **1,000** baby items
 - Over **4,500** reading materials
 - Over **1,500** toys
 - Over **2,500** toiletries
 - Food for some **3,000** children every week through food vouchers and meals served on the premises.
-

Christmas

During the Christmas period we provided some **7,500** children, young people, vulnerable adults and families with food as well as gifts. On Christmas Day, **4,000** gathered for the largest Christmas party in town. We provided everyone with gifts and food.



PLANS FOR THE FUTURE

Our Vision For 2014

In 2014 Kids Company aims to tackle the apathy that has led to children and workers feeling depleted and humiliated when both are yearning for reparation. Our campaign is about **mobilising the public** to demand that the current system, which repeatedly fails vulnerable children, be changed and made to work.

Over the years, professionals across child mental health and children's social services, who've trusted Kids Company, have raised concerns, describing their agencies as being unable to protect and treat children because demand is outweighing resources and forcing professionals into unethical practices.

1. **Publication of the CSJ report** In June 2014, the Centre for Social Justice will publish a frank, undiluted, evidence-based and rigorously researched narrative of the depth and nature of the challenges that prevent children's access to mental health and child protection interventions.
2. **Mobilise the public** Our campaign, 'See the Child, Change the System', will be launched following this report, to plead with the public to bear witness to what is happening and demand that all stakeholders and political parties come together to change the system.
3. **Initiate a task force** of the best minds and experts in the country.
4. Task force to **conceptualise a comprehensive child protection and child wellbeing delivery model** to trial at local authority level.
5. **Pilot the model** in one or two boroughs in England and Wales.
6. On successful completion of the pilots, **replicate the model** nationally.
7. To work with government in order to **identify sustainable and long term funding** for Kids Company.
8. Continue to work with scientific partners in order to develop a better **understanding of childhood maltreatment** implications and its management.
9. **Refine our services** and our evidence base.
10. Make next year even more **fun** than the last!

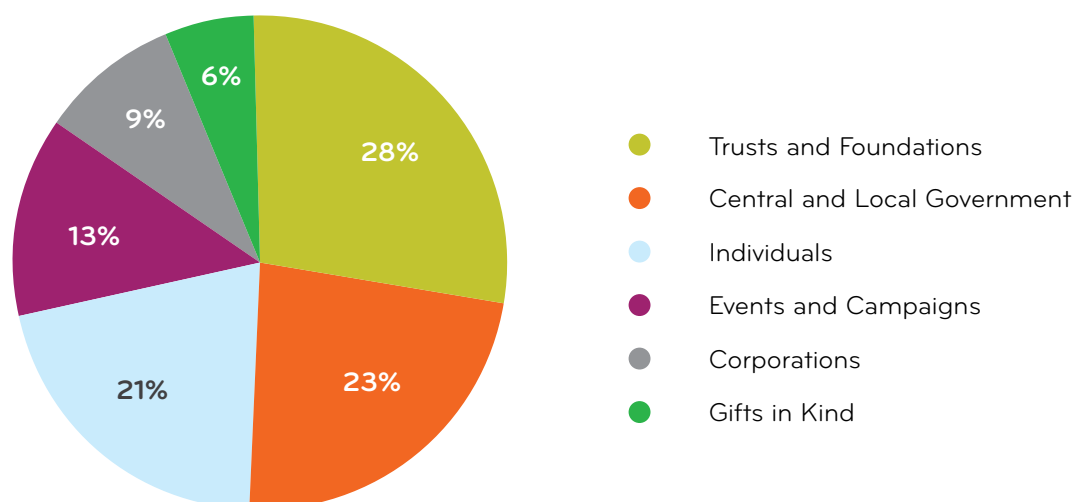


FINANCIAL AND BUSINESS REVIEW

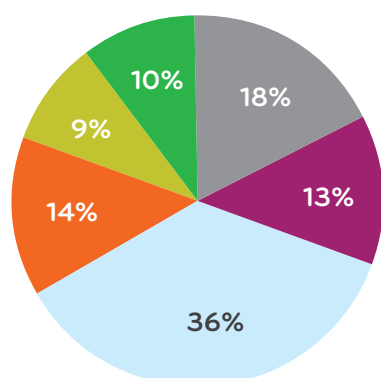
In 2013, the continued effect of the recession and local authorities' pursuit to comply with the government public spending cuts have led to significant cuts in their provision of frontline youth and children's services. These frontline services are essential for most children and young people, particularly the vulnerable, to survive and become resilient. The cumulative impact of the rise in cost of living, cuts to services and reduction in household income have continued to push children and young people towards poverty.

2013 saw continued increase in demand for Kids Company services, leading to a 23% increase in expenditure on frontline service delivery. The increase in expenditure was supported by an increase in income through the efforts of the Chief Executive and continued generosity from the public. This has helped to maintain our modest free reserves.

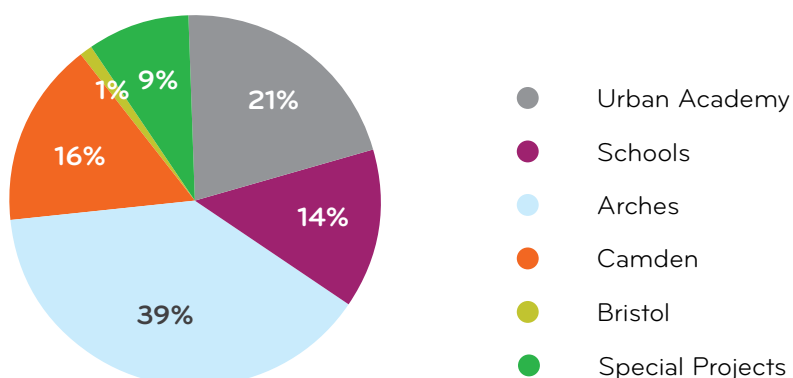
BREAKDOWN OF
2013 INCOME



CHARITY EXPENDITURE
2013



CHARITY EXPENDITURE
2012



Income And Expenditure

Total income for the year was £23.1m, a 14% increase ahead of the financial year 2012 and this was despite a decrease in Central Government funding.

In 2013, Kids Company continued to develop the replication of its model for therapeutic works outside London, in Bristol. The Alternative Education Provision contract awarded by Bristol City Council began operating in January 2013. By the end of 2013, the charity was able provide its services through four centres and three schools in Bristol.

The Kids Company Morgan Stanley Heartyard centre, which was bought in 2012 and refurbished using the funds generated by the Morgan Stanley fundraising campaign, became operational in April 2013. The centre began to deliver on its objective of providing emotional wellbeing, child and adolescent psychotherapy, counselling and complementary treatment to our vulnerable and at risk young people.

In 2013, Kids Company continued to work with young people on the 'Job Therapy' project (funded by a grant of £2m over two years by the BIG Lottery Fund). The project supports troubled young adults through an intensive apprenticeship in a strict working environment based on the charity's premises. The participants began to receive training from professionals & mentors, in not only core business skills but also in carpentry, cleaning, painting and decorating courses alongside more creative crafts-based trades such as furniture-making and textiles. The trainees will collaborate to deliver community projects by using their skills to transform the often appalling living conditions of vulnerable children, revitalise youth clubs and redecorate schools. The aim of the project at the end of it's second year is to enable the young people to be ready to compete on their own terms for meaningful employment, become self-employed or set up a business.

Reserves

Free reserves comprise total reserves to the charity less those reserves which are restricted or else designated for specific purposes.

We are happy to report that Kids Company has been able to maintain its free reserves position of a surplus of £434,282 in 2013. Each year the trustees review the policy for maintaining free reserves taking into account the major risks faced by the charity. The likely impact on income and planned expenditure includes a review of the planned expenditure and expected income and an assessment of the ways to mitigate such risks.

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.

PRINCIPAL RISKS AND UNCERTAINTIES

Internal controls over all forms of income, assets, commitment and expenditure continue to be refined to improve efficiency. Performance is monitored and appropriate management information is prepared and reviewed regularly by the Finance committee. The charity currently produces an annual budget and reports monthly against that budget, requiring senior management to comment on variances and outline corrective action. Updated financial forecasting is undertaken during the year to reflect changes in the operating environment and their impact on income and expenditure. The governance committee of the board of Trustees meets at least eight times a year and its remit includes clinical governance, training, education, staff development and risk assessment. The governance committee has delegated authority from the board to ensure that an active risk management process is in place and forms part of Kids Company's ongoing organisation activity. Clinical risks are managed through the practice of providing therapeutic supervision for all staff in regular contact with children, in addition to line management. Principal risks faced by Kids Company are outlined below:

Risk	Management
The greatest risk within Kids Company is deemed to be the risk of Kids Company not taking action where action is required in order to safeguard the vulnerable young people we work with, and maintain their best interests.	In order to mitigate this risk, Kids Company does everything that it can to make sure that all the children it works with can continue to receive help and any support they need. Kids Company manages its other risks to maintain its supportive capacity.
Kids Company faces financial risks, including the need for having sufficient reserves, and balancing fixed costs against the security of its incomes.	Our business model is to spend money according to need, which is consistently growing. We aspire to build up our reserves when circumstances allow. Kids Company has a dedicated fundraising team.
Reputational and operational risks including: serious fraud; data protection violations; and serious health and safety violations.	Kids Company monitors these risks within relevant teams and senior managers. We provide training and forums where any issues can be considered and managed.
Kids Company having appropriate space and facilities to function.	Kids Company has regular health and safety meetings, the minutes of which are sent out to staff.
Impact of Government policy on the level of support the vulnerable young people we work with can receive from the state, and subsequently the level of support they require from us.	Kids Company engages with politicians to represent the interests of our young people.
It is difficult to attract and maintain talented staff in today's labour market.	Kids Company values its staff very highly, and has 96% staff satisfaction. Kids Company also works to allow staff the flexibility and support they need.
Loss of Chief Executive	Strong management team

- The trustees confirm that they have identified and fully understand the risks to which the charity is subject and that systems are in place to manage these risks.
- The trustees are advised by a clinical board, consulted as required.



EMPLOYMENT OF DISABLED PERSONS

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without negative discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the charity. Where a current employee or volunteer becomes disabled due to illness or injury the charity, wherever possible and reasonable, will provide assistance with rehabilitation, adaptation to premises, modification of equipment, provision of special aids, job structuring, retraining and/or redeployment opportunities.

EMPLOYEES

Kids Company is lucky to have an exceptional team of dedicated staff, whose support has been invaluable in navigating these challenging economic times. Throughout 2013, Kids Company made great efforts to ensure employees were kept informed about and involved in the direction of the charity. Kids Company operates a flat management structure: all staff members have access to senior management and communication is direct and mutually respectful. Kids Company holds regular all-staff meetings to ensure staff members are kept up-to-date on the charity's progress and development. Employees are free to make suggestions at any time and a staff survey was carried out in 2013 to ensure employees were happy and that any concerns were addressed in a timely and thorough manner.

Through the use of the Kids Company intranet, information is communicated and shared including news and forthcoming events. The intranet also contains our core policy and procedure documents for staff members to access. This is a shared resource, where staff members can input suggestions, book meetings and complementary therapy sessions, and communicate with each other.

Kids Company strives to ensure that the work environment is free of harassment and bullying and that everyone is treated with dignity and respect as an important aspect of ensuring equal opportunities in employment. We are committed to ensuring that individuals do not feel apprehensive because of their religious belief, gender, marital/civil partnership status, sexual orientation, race, caste, age, disability, pregnancy or as a result of being subjected to any inappropriate behaviour.

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
- 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 for taking subsequent 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 5, 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 as directors to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

Kingston Smith LLP have expressed their willingness to continue as auditors for the next financial year and offer themselves for re-appointment.

This report was approved and authorised for issue by the trustees on 30th September 2014 and signed on their behalf by:



Alan Yentob **Date: 30th September 2014**

Chair



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEEPING KIDS COMPANY (REGISTERED COMPANY NO. 03442083)

We have audited the financial statements of Keeping Kids Company for the year ended 31 December 2013 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditors

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

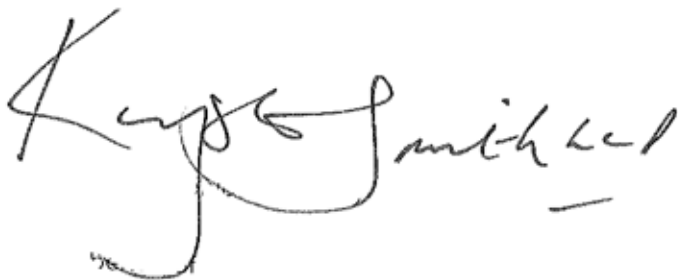
Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Nicholas Brooks, Senior Statutory Auditor

Date: 30th September 2014

for and on behalf of Kingston Smith LLP, Statutory Auditor
Devonshire House
60 Goswell Road
London EC1M 7AD

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

KEEPING KIDS COMPANY

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account) For the year ended 31 December 2013

	Note	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	12,099,060	2,734,065	14,833,125	12,236,761
Activities for generating funds	3	2,131,088	-	2,131,088	2,449,737
Investment income	4	249	-	249	367
Incoming resources from charitable activities	5	1,451,528	4,688,022	6,139,550	5,621,966
TOTAL INCOMING RESOURCES		15,681,925	7,422,087	23,104,012	20,308,831
RESOURCES EXPENDED					
Costs of generating funds	7	1,263,707	90,000	1,353,707	1,385,035
Costs of charitable activities:	8				
Education		3,312,268	3,355,983	6,668,251	6,200,303
Social Care and Health		10,974,597	3,930,592	14,905,189	11,355,853
		14,286,865	7,286,575	21,573,440	17,556,156
Governance costs	9	36,524	-	36,524	34,589
TOTAL RESOURCES EXPENDED	10	15,587,096	7,376,575	22,963,671	18,975,780
NET INCOME BEFORE TRANSFERS		94,829	45,512	140,341	1,333,051
TRANSFERS		314,985	(314,985)	-	-
NET INCOME AFTER TRANSFERS		409,814	(269,473)	140,341	1,333,051
TOTAL FUNDS AT 1 JANUARY 2013		1,253,096	330,000	1,583,096	250,045
TOTAL FUNDS AT 31 DECEMBER 2013		£ 1,662,910	£ 60,527	£ 1,723,437	£ 1,583,096

These results are derived from continuing activities and all gains and losses recognised in the year are included in the above statement. The Charity's net income for the year was £81,213 (2012: 1,333,051).

The annexed notes form part of these financial statements

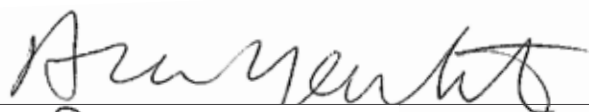
KEEPING KIDS COMPANY

Company Registration Number: 03442083

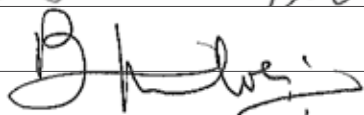
BALANCE SHEET As at 31 December 2013

	Notes	The Group 2013 £	2012 £	The Charity 2013 £	2012 £
FIXED ASSETS					
Tangible assets	15	1,228,628	980,549	1,228,628	980,549
CURRENT ASSETS					
Debtors	16	5,122,765	2,945,929	5,119,113	2,941,216
Cash at bank and in hand		90,054	182,001	89,458	177,565
		5,212,819	3,127,930	5,208,571	3,118,781
CURRENT LIABILITIES					
CREDITORS: amounts falling due within one year	17	(4,718,010)	(2,525,383)	(4,713,762)	(2,516,234)
NET CURRENT ASSETS/(LIABILITIES)		494,809	602,547	494,809	602,547
TOTAL ASSETS LESS CURRENT LIABILITIES		1,723,437	1,583,096	1,723,437	1,583,096
NET ASSETS					
		£1,723,437	£1,583,096	£1,723,437	£1,583,096
FUNDS					
Restricted funds	19	60,527	330,000	60,527	330,000
Unrestricted funds:					
Designated funds	19	1,228,628	980,549	1,228,628	980,549
General fund	19	434,282	272,547	434,282	272,547
TOTAL CHARITY FUNDS					
		£1,723,437	£1,583,096	£1,723,437	£1,583,096

The financial statements were approved, and authorised for issue, by the Trustees on 30th September 2014 and signed on their behalf by:



ALAN YENTOB (CHAIR)



RICHARD HANDOVER (TRUSTEE)

The annexed notes form part of these financial statements

KEEPING KIDS COMPANY

CASH FLOW STATEMENT As at 31 December 2013

	Notes	2013 £	2012 £
Net cash flow from operating activities	24	538,097	(449,335)
Return on investment and servicing of finance		10,525	17,887
Capital expenditure (purchase of tangible fixed assets)		(322,153)	(813,341)
INCREASE /(DECREASE) IN CASH IN THE YEAR		226,469	(1,244,789)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH BALANCES

For the year ended 31 December 2013

	Notes	2013 £	2012 £
Increase/(Decrease) in cash for the year		226,469	(1,244,789)
Net cash balances at the start of the year		(234,750)	1,010,039
Net cash balances at the end of the year		(8,281)	(234,750)

The annexed notes form part of these financial statements

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)") and the Companies Act 2006.

The effects of events relating to the year ended 31 December 2013 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 2013 and the results for the year ended on that date.

Consolidation

The SOFA and Balance Sheet consolidate the financial statements of the charitable company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. The charitable company has taken advantage of the exemption from presenting its unconsolidated income and expenditure account available under section 408 of the Companies Act 2006.

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.

Where expenditure has been incurred against future secured restricted funds a deficit balance may temporarily arise. To the extent that such balances will be reversed, with reasonable certainty by income secured but not yet receivable, a deficit balance may be carried in the balance sheet.

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. Any income which is deferred is deferred based upon the accruals concept.

The Charity accepts money from corporate supporters to cover the costs of volunteer activities carried out by the supporter's employees. As the companies are not receiving any benefit themselves, this is treated as voluntary 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.

Research Expenditure

All research expenditure is written off when incurred.

Operating leases

Payments under operating leases are charged to the statement of financial activities over the period in which the cost is incurred.

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
Capitalised Building Costs	Straight line basis over period of lease

2. VOLUNTARY INCOME

	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Donations				
Individuals	4,832,391	64,416	4,896,807	3,233,320
Trustees	-	-	-	89,561
	4,832,391	64,416	4,896,807	3,322,881
Trusts and foundations	4,377,014	2,188,808	6,565,822	5,824,006
Corporate	1,537,422	480,841	2,018,263	2,112,505
Gifts in kind (Note 6)	1,352,233	-	1,352,233	977,369
	£ 12,099,060	£ 2,734,065	£ 14,833,125	£ 12,236,761

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Universities placement fees	98,377	-	98,377	63,506
Corporate and events	1,884,560	-	1,884,560	2,216,152
Income from lectures and conferences	-	-	-	65,715
Income generated by Kids Company Enterprises	148,151	-	148,151	104,364
	£ 2,131,088	£Nil	£ 2,131,088	£ 2,449,737

4. INVESTMENT INCOME

	2013 £	2012 £
Interest receivable from:		
Cash at bank	£ 249	£ 367

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Central Government	-	4,688,022	4,688,022	4,854,937
Local Government	593,771	-	593,771	184,059
Schools therapeutic support	857,757	-	857,757	582,970
	£ 1,451,528	£ 4,688,022	£ 6,139,550	£ 5,621,966

The charity received a Youth Sector Development Fund Grant of £4,688,022 for 2013 (and £4,854,937 in 2012). 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 £1,352,233 (2012: £977,369).

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 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Staff Costs	582,867	90,000	672,867	629,554
Fundraising costs	503,071	-	503,071	643,196
Allocation of support costs	88,746	-	88,746	95,678
Expenditure in relation to Kids Company Enterprises	89,023	-	89,023	16,607
	£ 1,263,707	£ 90,000	£ 1,353,707	£ 1,385,035

Types of activities include campaigns, challenge events, fundraising auctions.

8. COSTS OF CHARITABLE ACTIVITIES

	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Staff costs	6,659,106	6,923,673	13,582,779	11,180,052
Direct costs	5,561,975	362,902	5,924,877	4,620,475
Support costs	2,065,784	-	2,065,784	1,755,629
	£ 14,286,865	£ 7,286,575	£ 21,573,440	£ 17,556,156

9. GOVERNANCE COSTS

	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Staff costs	4,151	-	4,151	4,030
Auditors' remuneration - statutory audit	30,000	-	30,000	28,000
Support costs	2,373	-	2,373	2,559
	£ 36,524	£ Nil	£ 36,524	£ 34,589

10. RESOURCES EXPENDED

	Staff costs £	Direct costs £	Support costs £	Total 2013 £	Total 2012 £
Education					
Urban Academy	2,301,870	1,243,019	349,383	3,894,272	3,744,330
Schools	2,166,677	294,841	312,461	2,773,979	2,455,974
	4,468,547	1,537,860	661,844	6,668,251	6,200,304
Social Care and Health					
Arches II	4,225,587	2,772,314	742,854	7,740,755	6,904,919
Camden	2,239,241	408,558	308,048	2,955,847	2,695,328
Bristol	1,404,452	315,041	305,010	2,024,503	200,685
Special Projects	1,244,952	891,104	48,028	2,184,084	1,554,920
	9,114,232	4,387,017	1,403,940	14,905,189	11,355,852

10. RESOURCES EXPENDED (CONTINUED)

Total charitable expenditure	13,582,779	5,924,877	2,065,784	21,573,440	17,556,156
Costs of generating funds	672,867	592,094	88,746	1,353,707	1,385,035
Governance costs	4,151	30,000	2,373	36,524	34,589
Support costs	1,121,037	1,035,865	(2,156,902)	-	-
	£ 15,380,835	£ 7,582,836	£Nil	£ 22,963,671	£ 18,975,780

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

	2013 £	2012 £
Staff	1,121,037	863,785
Premises	338,823	388,767
Depreciation	74,074	81,591
Interest payable on overdrafts	2,057	18,253
Other	620,911	501,470
	£ 2,156,902	£ 1,853,866

12. STAFF NUMBERS AND COSTS

	2013 £	2012 £
Wages and salaries	11,820,733	9,365,531
Social security costs	1,136,029	902,947
Recruitment	65,366	40,492
Training	58,233	62,042
Youth workers, therapists, practice teachers and special project workers	1,689,550	1,668,930
Supervision consultants	572,534	622,514
Other costs	38,390	14,965
	£ 15,380,835	£ 12,677,421

The average weekly number of employees, calculated as full time equivalents, during the period was:	Number	Number
Costs of generating funds	18.4	18.7
Charitable expenditure	476.3	343.1
Governance costs	0.5	0.5
	495.2	362.3

One employee received remuneration in the £70,000-£80,000 band (2012 - 1), no employee received remuneration in the £80,001-£90,000 band (2012 - 1) and one employee received remuneration in the £90,000-£100,000 (2012 - 0)

13. TRUSTEES

During the year, no member of the Board of Trustees received any remuneration (2012 - £NIL). No member of the Board of Trustees received reimbursement of expenses (2012 - £NIL).

14. INDEMNITY INSURANCE

During the year, £704 (2012 - £703) indemnity insurance premium has been paid to indemnify the Trustees against damages and legal expenses for mistakes made in the actual running or governance of the organisation.

15. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings	Assets under construction	Improvements to building leases	Equipment	Motor vehicles	Total
Cost						
At 1 January 2013	-	755,144	121,190	339,720	131,816	1,347,870
Additions	-	302,985	-	19,168	-	322,153
Transfers	1,058,129	(1,058,129)	-	-	-	-
At 31 December 2013	£ 1,058,129	£Nil	£ 121,190	£ 358,888	£ 131,816	£ 1,670,023
Depreciation						
At 1 January 2013	-	-	25,381	231,448	110,492	367,321
Charge for the year	12,345	-	12,119	42,993	6,617	74,074
At 31 December 2013	£ 12,345	£Nil	£ 37,500	£ 274,441	£ 117,109	£ 441,395
Net book value						
At 31 December 2013	£ 1,045,784	£Nil	£ 83,690	£ 84,447	£ 14,707	£ 1,228,628
At 31 December 2012	£Nil	£ 755,144	£ 95,809	£ 108,272	£ 21,324	£ 980,549

16. DEBTORS

	The Group		The Charity	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	133,477	147,238	129,825	135,995
Donations receivable & Accrued Income	4,767,519	2,598,815	4,767,519	2,598,815
Other debtors	70,964	76,473	70,964	76,474
Prepayments	150,805	123,403	150,805	123,403
Balance with Subsidiary	-	-	-	6,529
	£ 5,122,765	£ 2,945,929	£ 5,119,113	£ 2,941,216

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Charity	
	2013	2012	2013	2012
	£	£	£	£
Overdrafts	98,335	416,751	98,335	416,751
Loans (Note 18)	747,893	350,000	747,893	350,000
Trade creditors	1,127,828	546,885	1,100,114	539,467
Social security and other taxes	709,497	531,393	708,937	529,662
Accruals	461,360	340,849	461,360	340,849
Deferred Income	1,567,025	338,655	1,567,025	338,655
Other creditors	6,072	850	30,098	850
	£ 4,718,010	£ 2,525,383	£ 4,713,762	£ 2,516,234
Deferred income				
Balance at 1 January 2013	338,655	1,617,033	338,655	1,617,033
Amount added in the year	6,038,415	1,665,051	6,038,415	1,665,051
Amount released to the SOFA	(4,810,045)	(2,943,429)	(4,810,045)	(2,943,429)
Balance at 31 December 2013	£ 1,567,025	£ 338,655	£ 1,567,025	£ 338,655

18. LOANS

	The Group		The Charity	
	2013	2012	2013	2012
	£	£	£	£
The loans are repayable as follows:				
Within one year	£ 747,893	£ 350,000	£ 747,893	£ 350,000

All the loans are unsecured, and no interest is payable on these balances.

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers £	Carried Forward £
DESIGNATED FUND					
Fixed Assets Fund	980,549	7,168	(74,074)	314,985	1,228,628
RESTRICTED FUNDS					
Sports and Social Work	-	10,000	(10,000)	-	-
Camden	-	34,916	(34,916)	-	-
Therapy House	-	217,796	(244,811)	27,015	-
Urban Academy	-	243,420	(224,305)	-	19,115
Kenbury	-	123,588	(123,588)	-	-
Bristol	-	164,045	(164,045)	-	-
Schools	-	100,500	(81,127)	-	19,373
Special Needs	-	40,240	(39,981)	-	259
Christmas	-	19,200	(19,200)	-	-
Special Project	-	304,677	(304,677)	-	-
Millenium Now Grant Programme grant	-	989,542	(989,542)	-	-
Positive Experience	-	104,260	(104,260)	-	-
Volunteers	-	12,088	(12,088)	-	-
Research	-	165,000	(165,000)	-	-
Administration	-	171,013	(171,013)	-	-
Capital Expenditure	330,000	33,780	-	(342,000)	21,780
Government ITSOK	-	4,688,022	(4,688,022)	-	-
	330,000	7,422,087	(7,376,575)	(314,985)	60,527
SUMMARY OF FUNDS					
Designated Funds	980,549	7,168	(74,074)	314,985	1,228,628
General Funds	272,547	15,674,757	(15,513,022)	-	434,282
	1,253,096	15,681,925	(15,587,096)	314,985	1,662,910
Restricted Funds	330,000	7,422,087	(7,376,575)	(314,985)	60,527
	£ 1,583,096	£ 23,104,012	£(22,963,671)	£Nil	£ 1,723,437

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

Urban Academy	Provision of education programmes and staff costs at Sherborne House.
Positive Experience	Helps to facilitate young people's dreams.
Therapy House	Provide therapy to young people.
Social work	Costs of social workers.
Kenbury	Costs of running the Arches II drop-in centre (YSDF).
Camden	Provision of educational programmes and staff costs at Treehouse House.
Schools	Provision of support and therapeutic services.
Special needs	Cost of special needs education.
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 Child's Life'.
Volunteers	Cost of managing volunteers resource.
Research	Contribution towards the external evaluation and research.
Administration	Costs of certain central office staff.
Capital expenditure	Cost of acquiring new fixed assets (Motor Vehicle).
Other	Costs of materials and staff associated with various smaller programmes.

* Millenium Now Grant Programme grant - total amount received in 2013 came to £989,542

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
	Designated Funds 2013 £	General Funds 2013 £			
Tangible fixed assets	1,228,628	-	-	1,228,628	980,549
Current assets	-	5,152,292	60,527	5,212,819	3,127,930
Creditors due within one year	-	(4,718,010)	-	(4,718,010)	(2,525,383)
	1,228,628	434,282	60,527	1,723,437	1,583,096

21. OTHER FINANCIAL COMMITMENTS

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

	Buildings	Equipment	2013	2012
Operating leases which expire:				
within one year	180,000		180,000	320,000
within two to five years	37,256		37,256	33,000
more than five years	37,500		37,500	-
	£ 254,756	£Nil	£ 254,756	£ 353,000

22. RELATED PARTIES

At the year end, no balances were owed to Trustees (2012 - £NIL). Trustees made, or were associated with, donations in cash or in kind totalling £78,300 (2012 - £89,561). No trustees were reimbursed for expenses (2012 - £Nil). All transactions were made at arms length and full disclosure was made by the trustees of any related party transactions. One child of a trustee was employed by or contracted to the Charity during the year remunerated at £32,571 (2012 - £27,278). Another child of a trustee was employed by or contracted to the Charity during the year remunerated at £17,124 (2012 - £8,597). The decision to engage these individuals was taken without the involvement of the trustees in the best interests of the charity. An organisation associated with a Trustee donated to the charity £2,346 (2012 - £Nil).

23. GOING CONCERN

As the charity has no endowed funds, the level of activities in the financial year starting 1 January 2014 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 has 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.

24. CASH FLOW STATEMENT

		2013	2012
		£	£
Net incoming resources		140,341	1,333,051
Return on investment and servicing of finance		(10,525)	(17,887)
Depreciation of tangible fixed assets		74,074	81,591
Disposal of Fixed Asset		-	11,371
Increase in debtors		(2,176,836)	(1,235,493)
(Decrease)/increase in creditors		2,511,043	(621,968)
Net cash flow from operations		£ 538,097	£(449,335)
Analysis of Net Debt	At 1 Jan 2013	Cash flows	At 31 Dec 2013
Cash at Bank and in Hand	£(234,750)	£ 226,469	£(8,281)

25. SUBSIDIARY UNDERTAKING - KEEPING KIDS COMPANY ENTERPRISES LTD

The charity owns an additional £1 (2012 - £1) representing the whole of the issued ordinary share capital of Kids Company Enterprises Ltd, a company registered in England. All activities have been consolidated on a line by line basis in the statement of financial activities for the period January 2013 to December 2013. Available profits are gift aided to the charity. A summary of the assets, liabilities and funds is shown below:

	2013	2012
	£	£
Assets	28,275	15,679
Liabilities	(28,275)	(15,679)
Funds	£Nil	£Nil
Turnover	148,151	104,364
Administrative expenses	(89,023)	(16,607)
Operating profit	£ 59,128	£ 87,757
Charitable donation	(59,128)	(87,757)
Net profit	£Nil	£Nil

26. MAJOR DONORS

Corporate income

3 Amigos Productions
A T Shop Ltd Global Kids Fashion
Abbot Mead Vickers Bbdo Ltd
Access to Resources
Amway UK Ltd
Arrowgrass Capital Ser UK Ltd
Aspen Insurance UK Services Limited
Aspers Management
AstraZeneca UK Ltd
Attenda Ltd
Barclays GFTS
Bank Of America
Beggars Group Limited
Bloomberg
Boden And Company Limited
Centric Commercial Finance Ltd
Champagne Academy
Charterhouse School
Clark Brownscombe Ltd
Colt
CS Securities Europe Ltd
David Jameson Limited
David Gilmour Music Limited
Douglas & Gordon
Drake & Morgan - Pennies
EDF Energy Plc
El Awrence Limited T/As Momo Restaurant
Ellas Kitchen Bran Research
Eventbrite Inc.
Frank James Wilson Leigh Legacy
Fresh & Wild - Wholefoods
GLH Hotels Ltd
H.M. Structures Limited
Headmasters
HSBC
Hummingbird Bakery
Incisive Media
J P Boden And Company Limited
J Paul Getty Jnr Charitable Trust
K G Burke
Lazard Ltd
Leiths S F&W Yy3
M&G Leveraged European Loan Fund Ltd
M&G Limited
Marc Ltd
Michael Omara Bk L
Mizuho International
MOE Kidsco Pioneer Programme
Morgan Stanley UK
Monmouth Coffee Company
Mulberry Company Limited
N Barron/Gumtree
Network Rail
New Look
Next Plc
North Atlantic Insurance Company Limited In Scheme of Arrangement - Pwc
Penguin Book Sale
Peters & Peters Solicitors
Pro Lazard & Co Limited
Radley & Co Ltd
RE UK Head Office
Reiss Ltd-Retail
Royal Academy
S G F
Sacred River Limited
Samsung Electronics

Selfridges & Co
Simple Business
SG Hambros Hedley May
SJM Ltd On Behalf Of William Morris
Smith & Williamson Investment Limited - On Behalf Of The Trustees Of Biss Davies Charitable Trust
Solve Sundsbo Limited
Telecom Plus Plc
The Minc Ltd
The Winterbotham Trust Company L
Universal
Victim Ltd
WACL Ltd
William Morris - WME Charity Grant
X L Recordings Ltd
Xbridge Limited

Trust income

Anglo American Group Foundation
Angus Lawson
Bertha Foundation
Cisco Systems Foundation
Comic Relief
Credit Suisse
Dr Mortimer And Theresa Sackler Foundation
Ennismore Foundation
Esmee Fairbairn Foundation
Hearn Foundation
ICE Futures Charitable Trust
Jemina Khan Foundation
Linden Family Trust
Lottery Fund
Main Grants - Millenium
Mazars Charitable Trust
Morgan Stanley International Foundation
MSF Foundation - Mohamed S Farsi
Nomura Charitable Trust
Oak Foundation
Pinsent Mason Foundation
Prism The Gift Fund
PSD Charity Fund On Behalf Of Psd Ltd
R & H Trust Co. Bermuda Limited - Rawlinson Hunter
R C R Airey
R M James
Reta Lila Weston Foundation
SAP Foundation
Sherborne In The Community
Shire Group Foundation
Sigrid Rausing Trust
Sofronie Foundation
Stichting Benevo Lentia
The Artemis Charitable Foundation
The Childhood Trust
The Elizabeth & Prince Zaiger Trust
The Elizabeth Frankland Moore & Star Foundation
The Expat Foundation
The Hands Trust
The Harrodian School Charitable Trust
The Holbeck Charitable Trust
The Hon M L Astor Charitable Trust
The Innocent Foundation
The J Van Mars Foundation
The Javon Charitable Trust
The Kerbascol Trust

The Lancashire Foundation
The Law Family Charitable Foundation
The Little Charity (Tony Tabatznik)
The London Community Fundation
The Mackintosh Foundation
The Positive Action Bvi Charitable Trust
The Raby Charity Trust
The Rothschild Foundation
The Royal Grammar School
The Sobell Foundation
The Sten Mortstedt Family And Charity Trust
The Volant Charitable Trust
The Waterloo Foundation
The Woodcock Family Charitable Trust
Violet Mauray Charitable Trust
Vitol Charitable Foundation
Vodafone Foundation
Whitegates Children'S Trust
William And Katherine Longman Charitable Trust
Young Charitable Settlement

Individuals income

A Voller
A Winch
Angela Mary Denman
Anonymous/Stuart Mccarthy
Anonymous/Zachary Taylor
Anthony Hene
Anne Mcglee & Bernard L
Asfari Foundation
B H R M Lefebvre Du Prey
Brenda May Franklin (Legacy)
Brian and Clare Linden
Bukhtoyarova Ea Abc
Christoph Henkel
Damien Hirst
Deborah Finkler
Declan & Margaret Monaghan
Dr Barker
Dr P O'Brien
Drusilla Hohenstein Legacy
F Allen
Farah Azimah
Feuchtwanger & Mr A M Shaw
Frank James Wilson Leigh Legacy
Harvey McGrath
H Heslop
H Kenner
Ian And Natalie Livingstone
J Caven & Janet Taylor
J E M Latham
J M Woolard
J Shepherdson & Mr L O'Connor
J Spiers
Jamie Mccullam Concert
Jonathan Clarke - Logmore P
Johnstone J Easy
John Frieda
John Young
Jonathan Davie
Frederick George Burrows
K C De Haan
L K Crosby
Maria And Will Beckett - Hawksmoor
M E A Winn
M Kirkman
Martin Hughes
Mary Lynn Ricks

Matthew R Freud- Ref: Elizabeth Murdoch
Michael McIntyre
N R Sanson
Norton Peskett On Behalf Of The Estate Of John Randolph Hashim
Omar Rahman
P W Brakspear
Patricia Chapman Legacy
Peter And Sarah Harris
Peter Harris
Peter Hearn
Peter John Wood
Livingstone
S & B Roden
S Dahl
S M D Breuning
Stuart Roden
Sunetra And Rowan Atkinson
Timothy Cox
Tony Tabatznik
Van Hoogstraten A J Fionna Banner





THANK
You