

CAUDWELL CHILDREN
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

CHARITY REGISTRATION NO.
ENGLAND AND WALES 1079770
SCOTLAND SC043874

COMPANY REGISTRATION NO. 3864620
(ENGLAND AND WALES)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	K Bamford C Bennett J Griffiths L Morris J Alexander R Mehta P Clark (resigned 18 th March 2021)
Secretary	C Bennett
Charity number	1079770
Charity Registered in Scotland	SC043874
Company number	3864620
Registered office and Charity office	Caudwell International Children's Centre Innovation Way Keele Science & Innovation Park Newcastle-under-Lyme Staffordshire ST5 5NT
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	Barclays Bank plc 36 Town Road Hanley Stoke-on-Trent ST1 2PJ
Solicitors	Knight & Sons The Brampton Newcastle-under-Lyme Staffordshire ST5 0QW

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TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees who are the Directors for the purposes of the Companies Act 2006, present their report and financial statements for Caudwell Children for the year ended 31 December 2020. The Trustees confirm that the annual report and financial statements of the Charity comply with current requirements, the requirements of the Charity's governing document and the provision of the Statements or recommended Practice "Accounting and Reporting by Charities" (SORP 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT**CONSTITUTION**

The Charity is a charitable company limited by guarantee and was set up by a Memorandum of Association on 25th October 1999. Its Memorandum and Articles of Association were last amended in 2016. Caudwell Children has no share capital and is a registered charity with the Charity Commission in England & Wales as well as the OSCR.

Caudwell Children owns 100% of the share capital of CCG D&B Ltd. This wholly owned subsidiary operates as a Design and Build Company and is responsible for the design, build and delivery of the Charities new Caudwell International Children's Centre, which opened in September 2018. The management of this subsidiary is carried out on a voluntary basis thus incurring no salary costs and all profits earned are donated back to Caudwell Children

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

Caudwell Children is governed by a Board of Trustees which comprises a Chair and Trustees. The Chair is appointed by the Board from the existing Trustees. Trustees are recruited to ensure a broad mix of skills and backgrounds.

The Trustees are responsible for the governance and support the strategy vision of Caudwell Children developed by the CEO, team and with the children, young people and family engagement groups. The Board comprises of a mix of parent representatives, medically qualified trustees and those with business, people, and legal specific skills.

The Board of Trustees meet twice a year (other meetings, communications occur as required) with the Chief Executive Officer who reviews the progress, priorities strategic direction, charity governance, performance, charity codes of conduct, risk, to ensure compliance, for example. Responsibility for agreeing key areas of activity and policy is delegated to the CEO enabling efficient management and development of the charity, which are report back into Trustee meetings. The day to day running of the Charity and executive responsibility is delegated to the Chief Executive Officer who is supported by a Senior Management Team accountable to the CEO.

Trustees are appointed for a renewable term of three years and are the directors of the company for the purposes of the Companies Act 2006.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All new trustees are required to undertake a comprehensive induction programme and training programme to learn about the work of Caudwell Children to identify opportunities to become more involved with our work. Trustees are invited to attend events, site visits and additional training. All New Trustees meet with the Chief Executive and Senior Team to discuss:

- Their role and responsibilities
- Key documents including the Memorandum and Articles of Association

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

- Strategic plan of Caudwell Children
- The Charities focus on outcomes
- All future plans
- CQC Governance and Responsivities
- ISO Policies and Procedures

A review of governance is carried out annually, to assess the effectiveness of the Trustees and identify any improvements to governance arrangements.

Updates on our work are offered to trustees on a regular basis.

Trustee's Indemnity

Each of the Trustees has the benefit of an indemnity which is a qualifying third-party indemnity as defined by Section 234 of the Companies Act 2006.

Limits of Liability

- Trustee Indemnity
- Corporate Liability
- Employment Practice Liability
- Professional Indemnity
- Fidelity

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Charity is driven forward on a daily basis by its CEO, Trudi Beswick. The CEO and the Senior Officers form the Executive Team. Each member of this team has clearly defined areas of responsibility and accountability. The Executive Team interact informally on a daily basis, the CEO holds weekly meetings and monthly Board meetings to discuss and implement strategic operational issues and to monitor and control the performance of the Charity against the Strategic Plan. 121 meetings are also held with each Senior officer by the CEO every six weeks to focus on projects, careers and future development. These meetings update the charity teams and reporting systems across the charity including the Trustee reports where applicable.

OBJECTIVES AND ACTIVITIES**Vision**

A world where all disabled children and their families have choice, opportunity, dignity and understanding.

Mission

Practical and emotional support through compassionate and efficient services.

Motto

Whatever it takes.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

STRATEGIES FOR ACHIEVING OBJECTIVES

The following are the four key strategic objectives for the reporting period 2020.

- Continue to be a leading provider of equipment, treatment, therapies and support to disabled children.
- Raise the profile and awareness of the Charity brand, helping people to understand disabilities and childhood illness and the impact our support makes to individual lives.
- Continue to develop the infrastructure to enable Caudwell Children to fulfil its long term aims.
- Expanding the Services provided and Develop / Create new services to fit new needs.

These objectives are undertaken with the aim of enabling Caudwell Children to provide a continued high-quality service to its target sector of socially excluded individuals.

ACTIVITIES & SERVICES FOR ACHIEVING OUR GOALS

To transform lives:

- Family support services and short break activities, at times of crisis
- Mobility and sensory equipment
- Access to life-saving surgeries and treatments
- Life changing therapy and support programmes for children with brain injuries and their families
- Holistic therapies and support programmes for Autistic children and their families
- Sports equipment to enable talented athletes to participate in competitive sport
- Fully supported family holidays for children fighting life threatening illnesses
- Grow the delivery of our new CCAS service from our new CICC centre
- Attend National & International conferences to raise awareness of our work
- Create new and innovative services that can be delivered despite the impact of the COVID

OUR ASPIRATIONS

Caudwell Children has always aspired to be recognised as a leading national provider of services for disabled children and an example of best practice in fundraising.

2020 was originally planned as a year of celebration, consolidation and growth. Following on from the official opening the CICC, the UK's first independent purpose-built centre for the assessment, intervention and research of autism and other neurodevelopmental conditions in 2019. 2020 was planned as a year to celebrate the charities 20th birthday whilst consolidating all that had gone before to grow the services delivered from the new location and expand the external fundraising required to support the delivery all of the charity's services nationwide.

As the world now knows, the Covid pandemic took effect in the UK during early 2020. Despite the unprecedented challenges created by this unforeseen event, the charity reacted quickly, decisively and positively at all stages of the pandemic throughout 2020. This was achieved through strong leadership by the CEO supported by the senior team whilst the trustees were kept informed with clear, concise communications.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

The impact of COVID on the charities fundraising has been significant in the year to 31st December 2020 with virtually all face-to-face fundraising activities not being allowed under various lock down measures throughout the year.

The impact of COVID on our service delivery was initially harmful due to government restrictions on what could and could not be delivered. This both impacted face-to-face delivery and the ability of some of the equipment suppliers to fulfil their obligations. We are very pleased to report that due to the drive and positive attitude of the CEO she brought forwards the strategy she developed for the centre for digital services and with the support of the senior team and much hard work and training across the charity they managed to transition many of the services and develop new products and services to address the needs caused by the pandemic. This sustainability and ability to change quickly is a credit to the leadership, management and the ability to continuously review, development and future plan. Examples of the services and new products will be reported in more detail within the following sections.

With the completion and opening of the CICC now behind us the charity continues to focus on service provision, in particular the way we help and support children and families affected by autism spectrum disorders.

For certain departments of the charity the CEO continued recruitment throughout 2020 to maintain the required clinical expertise to deliver the charity's vision for an efficient and cost-effective assessment and intervention pathway and to deliver the required support to families during lockdown period as the demand increased as children and families became further isolated.

During 2020 all of the MDT (multi-disciplinary clinical team) members continued to make the vision a reality by carrying out these much-needed ASD assessments both from the CICC and online. Online training for ADIR and ADOS was developed with an external company and delivered for the first time including other organisations enabling further children & families to be supported through the pandemic increasing the number of children supported during the most difficult times.

These ongoing developments help us with in our principle that the right pathway and subsequent research would provide vital evidence, improved early intervention pathways, increased independence and better family wellbeing for the millions of people living with autism in the UK and worldwide.

We are pleased that following an unannounced CQC inspection in January 2020 Caudwell Children remain registered with an overall rating of Good allowing the charity to continue to operate its full in-house autism service.

During November 2020 the charity also underwent its annual ISO audit which we are pleased to report was a pass with no major issues, no minor issues and no areas for improvement. This underpins the charities managements dedication and focus when it comes to documented policy and procedures and its desire in looking and being open to continuous development for the right reasons.

Our primary objective has not changed and is still to reach and provide support to every disabled child living in the UK, regardless of disability. But we also feel that we have a critical part to play in the global disability community and by sharing research and best practice with our partners around the world we can potentially help millions of children.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**PUBLIC BENEFIT STATEMENT**

In setting plans and priorities for areas of work, as Trustees of Caudwell Children we have followed the latest guidance from the Charity Commission on the provision of public benefit, in accordance with section 17 of the Charities Act 2011. In particular, we consider how activities will contribute to meeting the objectives they have set and focus on the services that will deliver the greatest impact to the most disadvantaged disabled children and their families. In delivering these services, we clearly identify the impact to the children and families we work with and monitor short and long term progress. We are passionate about ensuring our services transform lives and that we continue to learn the most effective and efficient ways to support our beneficiaries. We have demonstrated how Caudwell Children delivers its core charitable objective in the Annual Impact Report which sets out our objectives and achievements during 2020 which complements this report.

Directors of a charity have a duty to report in their Annual Report on their charity's public benefit. In setting plans and priorities to achieve its vision, as the Charity's Trustees we have followed guidance from the Charity Commission on the provision of public benefit.

As Trustees of Caudwell Children, we confirm that we have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. Caudwell Children is established for the public benefit of children in the community, delivered through equipment, treatment, therapies and support of disabled children and young people. The Charity is established for the public benefit under the following purposes:

- Relief of poverty and sickness
- Advancement of education
- Promotion of equality and independence

As Trustees we have considered this matter and concluded:

1. That the aims of the organisation continue to be charitable;
2. That the aims and the work done give identifiable benefits to the charitable sector and both indirectly and directly to individuals in need;
3. That the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay; and
4. That there is no detriment or harm arising from the aims or activities

STRATEGIC REPORT
ACHIEVEMENTS AND PERFORMANCE

Despite the catastrophic impact that the global COVID-19 pandemic had on charities and businesses across the globe, we are proud of the reaction and response of Caudwell Children and its team in such difficult circumstances.

Starting 2020 as a celebration year to commemorate the charity's 20th Anniversary, plans were in place for a series of fundraising and awareness campaigns to recognise the incremental growth and development since the charity's inception.

As it rapidly emerged that plans for 2020 were going to have to change, the teams focus turned to meeting the shifting needs of our beneficiaries as a result of the national lockdown and attempting to replace the loss in fundraising income from the cancellation of face-to-face activity.

Fundraising income for the year was severely impacted, despite numerous attempts to convert events and challenges to purely digital/virtual campaigns we suffered a 48% reduction in voluntary donations.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

Conversely, as the team witnessed a rapid reduction in financial support, the charity simultaneously received an ever-increasing demand for services as more and more families caring for disabled children experienced the complete withdrawal of the community-based support they would usually rely upon.

Within days of the first national lockdown being announced, CEO Trudi Beswick undertook a critical analysis of services and prioritised the following service adaptations in order to meet the changing needs of our beneficiaries:

- Providing families with assessments via video calls or telephone to continue the Caudwell Children Autism Assessment Service
- Delivering ASDAN qualifications to children in their home with telephone and online support
- Delivering a short breaks service for children and families in the home with telephone and video link support
- Collaborating with partners to offer legal advice where needed
- Extending our telephone, email and online advisory service to families
- Producing home support/activity packs for children and families
- Continuing to support applications for much needed equipment
- Continuing to adapt our services week by week throughout this period to ensure they meet the changing needs of beneficiaries
- Creation of a new therapy pack – The Get sensory pack with a wraparound digital private Facebook service for families to interact, learn and talk to each other and a MDT (Multi-disciplinary team) family support services for OT and therapy support.

The team and ourselves wish to thank all of our donors, supporters and everyone who has helped in this achievement. This level of success cannot be obtained without these special partnerships.

We are immensely proud that through the leadership, determination, and the passion of the team and the support of our donors and partnerships they have built a charity that has been able to support tens of thousands of children during our first 20 years. However, as addressed by the strategic research, child and family engagement the CEO and team strive to not just match our past performance but to improve upon it to meet the needs of our community and change societal outcomes. We acknowledge it has been an exceptionally tough year, and with this in mind we are delighted to be announcing that during 2020 Caudwell Children's teams have worked to directly deliver services both face-to-face and digitally to reach an additional 3,231 disabled children, young people and their families.

As CEO of Caudwell Children from its very beginning, Trudi Beswick, continues to successfully steward the charity developing and delivering its short-, medium- and long-term goals. Mrs Beswick was able to start recruiting into the small executive team this year, she will continue to look to do so during 2021 to support the focus on growth, training and development which are in the strategy and will in turn further position the charity to deliver the much-needed efficient effective services Caudwell Children creates and offers. The CEO totally redeveloped our strategy working with the children, young people and their families creating a new overarching flexible strategic plan (The Big Bang Strategy) from Spring 2020 onwards to visualise and deliver the outcomes necessary to meet the ambitious targets and support their needs. The CEO involved various teams from across the charity in the creation of the Big Bang strategy, and it is providing a transparent collaborative approach between departments across fundraising, communications, finance, campaigns, services and research, bringing together International, National, Regional and Local messaging in a simple co-ordinated yet reactive structured set of documents that deliver focus to the charities work in all areas.

The Charities goal continues to be, to reach every family who need our help, with 36% of children unable to access equipment, therapies and hospital visits, 84% living without access to any activities outside of the home and 33% going without food or heating. Our services are critical to preventing the deterioration of a child's health.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

As in prior years 100% of our annual income came from voluntary sources. Our donors allow for life changing support to be given to the most vulnerable in society. Our supporters provide us with the independence to ensure that disabled children and their families' voices are heard within UK Government and across local health and social care providers.

The CEO and charity team continue with the ongoing focus on building partnerships with corporate supporters, key national services, grant making bodies and commissioners across the UK. Once again the CEO and Senior officers maintained and renewed our ISO quality management system as well as retaining registration with the CQC, both of which will be integral to the continuous improvement of our programmes across the organisation.

The health inequalities within communities were brought into stark focus during 2020 as the universal impact of the pandemic highlighted the increased health risk to disabled people and the worrying toll that withdrawal of statutory and community services would have on the mental health of children and parents/carers.

To ensure we continued to meet the needs of children and families across all communities in the UK, in conjunction with our own direct service delivery the team continued to collaborate with partner organisations and colleagues from across the voluntary sector to share best practice and raise national or political awareness for topical issues when necessary.

Throughout 2020 the charity team maintained productive working partnerships with organisations including the National Autistic Society, The Design in Mental Health Network, Garfield Weston Foundation, Edward Gostling Foundation, Children's Activities Association, Westminster Autism Commission, Keele University, University College London Hospital and University Hospital North Midlands.

The charity's response to the pandemic, along with the success of the official opening of the Caudwell International Children's Centre, has increased awareness and demand for CEO, Trudi Beswick's input to a growing number of national and international platforms.

In 2020 Mrs Beswick was invited to join the Institute of Directors (Greater Birmingham) as the Inclusion & Diversity Ambassador, she continued her vital work as part the steering committee of the Children 1st Alliance, the new British Standards Institute PAS design standards for neurodiversity, as a Board Member of the Children's Activities Association and the Stakeholder Engagement Ambassador of the Design in Mental Health Network.

In Westminster, the charity also maintained active participation in several All Party Parliamentary Groups; for Autism, Cerebral Palsy, and for a Fit & Healthy Childhood as well regularly attending the Council for Disabled Children meetings and contributing as stakeholders for the National Institute for Clinical Excellence (N.I.C.E).

Mrs Beswick also used her influence to highlight the need and opportunity to broaden awareness of neurodiversity as the country started to re-build in the wake of the initial COVID-19 disruption. Throughout 2020 Mrs Beswick actively advocated for the recognition and inclusion of neurodiverse members of society and inclusive design within the UK Government's 'Build Back Better' campaign. With support from business leaders and communities, Mrs Beswick called upon the newly formed Build Back Better Council to have inclusion and diversity on the agenda for all business and infrastructure support schemes.

In conjunction with the APPG for a Fit & Healthy Childhood, Caudwell Children also raised awareness for seemingly glaring omissions from the Department of Health's proposed amendments to the Mental Health Act which excluded specific provision for early intervention and children's services.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

During the year Trudi Beswick and the Senior Officers have also continued the charity's international influence through relationships with The Milken Institute, The Giving Pledge and The Sikh Human Rights Group, with whom the charity continue to contribute to the United Nations Human Rights Council.

One of the charities core strengths is being recognised as a national charity with a local heart. This is achieved by working within local communities, to be a safety net for families unable to gain the help they need. This is made possible by the teams work in Northern Ireland, Scotland, England and Wales, ensuring disability and Caudwell Children remains high on the political agenda across all our nations. The charity has maintained partnerships with Children's hospitals across the UK including Great Ormond Street, Birmingham Children's Hospital, Bristol Children's Hospital, Leeds General, University Hospitals Nottingham, Royal Belfast Hospital for Sick Children, Royal Hospital for Sick Children Yorkhill and University Hospital of Wales. We also continue to be commissioned by Staffordshire County Council to deliver short break activities as part of the Aiming High for Disabled Children strategy.

Fortunately, in September 2020, the milder climate and lower COVID infection rates enabled a socially distant version of the popular Cycle with Champions and Butterfly Ball Monaco events to take place. A huge thank you for the unwavering commitment and dedication of Modesta Vzesniauskaite and Chairman Emeritus, John Caudwell when managing this year's Monaco Butterfly Ball supported by their committee and the charity team and attended this year by a select group of supporters and sponsors under COVID-19 regulations.

The team and ourselves were so grateful for the donations received providing the impressive amount raised on the evening of €1.3million to support children, young people and their families which were especially needed during such uncertain times.

Among the exclusive guest list was the international cycling star, Mark Cavendish MBE, who joined the preceding cycle ride and attended the glamorous evening event. Other notable supporters included Duncan & Nigora Bannatyne and John & Carolyn Radford. We would also like to thank the events headline sponsors, Burgess Yachts, Edmond De Rothchild and Arctic World Club.

Total income for the year decreased by 47.7% compared to 2019. The CEO and Senior officers maintained a strong focus on maximising the available income to provide for our ongoing services. With every penny raised they continue to drive efficiencies and reduce expenditure where ever possible. It is a core value of all our employees and volunteers to constantly search and obtain the best value for money in all that they do.

This is done with the clear mind-set that the more we save the more services we are able to deliver to greater numbers of disabled children and their families. We are once again extremely proud to have maximised every £1 raised, thus enabling us to provide more than £2 worth of goods and services for every £1 raised throughout the first 20 years of the Charities fundraising history. This level of efficiency is further compounded by the Charity's unique situation, with Mr John Caudwell committing an annual personal donation to cover the organisation's management and administration costs; therefore, offering donor's peace of mind that their direct donations are spent directly on the children and families making the best possible impact.

Meanwhile, Caudwell Children continues to work closely with colleagues across the voluntary sector to ensure the most efficient and effective delivery of services. Over the past 12 months the charity has continued effective partnerships with organisations including Edward Gostling Foundation, Tree of Hope, Just4Kids, Variety UK, Independence at Home, Family Fund and NewLife. The team also furthered our links with charitable services close to our Head Office in Staffordshire, with regular interaction with the North Staffs Autism and Asperger Society, Douglas Macmillan Hospice and Parent Voice.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**REPORTING BACK ON OUR OBJECTIVES**

Notwithstanding the challenges of 2020 the team did not waiver in the development of holding a substantial and recognised position within the charity market. Continuing to set challenging goals and working through collaborative methods to be identified as the UK leading voluntary provider of treatment, therapies and equipment across the UK. The scale of our direct work and its impact continues to gain a much wider recognition because of the creation and delivery of efficient, effective and person lead services. We have widened our scope of delivery partners and funding bodies allowing us to deliver new digital training services amongst other new services.

The team's leadership was outstanding and focused on the need of the children and families and the support of the staff finding the silver linings to rise from the tough decisions faced daily if not hourly. Each challenge was embraced and solutions sort to support the, families, children, staff, projects, services, fundraising and stresses of managing a charity during a pandemic. The digital strategy was brought forwards, training and systems were put in place, responding quickly to the pandemic and needs for change. These new learnings and skills add to Caudwell Children's future capacity capability to deliver services and it is this that gives us so much pride in the team, in how such an overwhelmingly difficult year was tackled and how so many obstacles were overcome. That it was achieved through creating a clear vision and having a sharp focus whilst changing and listening to the children and families. It is this leadership, management and dedication that stands the charity on firm foundations and why it achieves ambitious plans and has ambitious plans for the years ahead. Whilst being challenging in scale these aim to be recognised across the sector as a true exemplar of what can be achieved when many disciplines are brought together to focus on the issues at hand. Each year we continue to expand our reach into new communities, which in turn changes the futures of disabled children and their families who continue to be in need of our services. In order to deliver more and more life changing therapies, we recognise the need to develop our service delivery provision. We also understand the national and global disability landscape and need for increased support and research in to the cause and effect of the most prevalent disabilities.

In order to meet our future goals, we designed, developed, built and opened the new, Caudwell International Children's Centre.

All of the many stages of development for the CICC and the Autism Service were developed, design managed and led by our CEO - Trudi Beswick and supported by a small team senior officers, Garry Medlock, Ben Sutcliffe and Perry Storey.

But as Trudi always says "it is the children and the families who are the real designers and inspirational leaders of this centre and its services".

This multi award winning, bespoke environment embraces the latest technologies within an integrated infrastructure that has been designed with parent and child collaboration as well as industry leading professionals. The Centre provides a state-of-the-art base for our therapies and creates an environment where controlled, evidenced based research can be undertaken. Our aim for this research is to change the way some conditions are managed, changing the futures of millions of people around the world. The strategy, services, design and fundraising for this project were developed and delivered by Trudi Beswick involving many UK and international organisations, individuals, families and children. We would like to thank our Legacy Circle philanthropists, Trusts and Foundations and John Caudwell our Chairman Emeritus who match funded the CICC personally giving £10 million and everyone involved in the CICC because we would not have been able to continue to deliver the services during 2020 without the building, therefore justifying your investment in such a visionary centre.

The ongoing management of the design and build of the new centre was carried out by a wholly owned subsidiary of the charity. This subsidiary is called CCG D&B Ltd and is managed and administered on a purely voluntary basis by the CEO and the CFO of Caudwell Children. This ensures that there will be no subsidiary running costs incurred by the charity and more importantly all profits earned by the subsidiary have been and will continue to be donated back to Caudwell Children.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

In order to achieve the ongoing goals and aims of the charity, we seek your support for much more than money alone. We seek your support for a new approach to disability and a lifelong partnership, giving disabled children the chance to lead a full and independent life. Our interventions and support for disabilities will go way beyond the walls of the charity, enabling us to change the disability landscape in the UK which will be achieved through meaningful stakeholder engagement, collaboration and communication.

OBJECTIVE 1**Continue to be a leading provider of equipment, treatment, therapies and support to disabled children**Continue with the development of our Autism programme and the required multi-disciplinary team

After the official launch of the service in 2019 the team went live. It was always the plan to continue to develop the team and their skills through 2020 and beyond.

Due to lockdown restrictions face to face assessments were limited during large parts of the year. Whilst this may have been seen as a limiting factor by some providers, Caudwell Children embraced the opportunity to bring forward its future plans to provide online virtual services.

It was also the vision of the charities CEO to provide services to all in need and not just those than could visit the CICC. As such training was brought forward for the whole clinical team to carry out both ADIR & ADOS assessments. This was delivered to the team virtually which was a first for the provider. Once trained the team began to deliver these assessments online. This allowed the children to be assessed without the stress of waiting any longer during COVID and without the need to travel during lockdown.

This has brought forwards the training of the team and enabled the remote sessions to be built into the programme improving the efficiency of the service as was always planned.

Many more of our services outside of Autism were also delivered online during 2020 including but not limited to: Family Services, Short Breaks, Digital Training, Fuel Poverty Assessments among others.

Develop & Build additional support functions within the Caudwell International Children's Centre

During 2019 the Charity employed its first Research professional in the form of a Director of Research. Under the guidance of the CEO the Director of Research was responsible for reviewing all the service delivery to date and unifying the collation and reporting of its outcomes. During 2020 the CEO restructured to create a central "Research and Evaluation" team.

This team took charge of overseeing the ISO & CQC processes as well as the charities feedback and evaluation of its services.

Continue in the Recruitment & Develop the new Team Structures.

Recruitment for senior roles remains a challenge for the charity, predominantly due to the concentration of professional fundraisers based in London and the major cities. With introduction of furlough during 2020, recruitment only got harder. However, during 2020 and despite the challenges of Covid the charity managed to successfully recruit the following senior positions. Director of operations, Director of Communications. Recruitment also occurred within clinical, non-events fundraising, Marketing & PR and Service delivery. This has allowed for the continued development of the of the various departmental and wider charity strategies as planned for by the CEO.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVE 2

Raise the profile and awareness of the Charity brand, helping people to understand disabilities and childhood illness and the impact our support makes to individual lives

Increase involvement within cross parliamentary action groups and develop awareness of key charity projects within Local and National Government.

Increasing awareness of health inequalities for disabled children and campaigning to improve services for families has been a priority as the consequences of the COVID pandemic and national lockdown became more apparent. During 2020 Caudwell Children regularly contributed to three All Party Parliamentary Groups (Autism, Cerebral Palsy, Fit & Healthy Childhood) while also leading on campaigns to raise awareness of neurodiversity and inclusive design among the Government's Build Back Better Council. In conjunction with the APPG for a Fit & Healthy Childhood Caudwell Children also campaigned for the introduction of a cabinet-level Minister for Children and for further amendments to the Mental Health Act to give additional support for children.

Increase media coverage across all formats, targeting a total audience of 1Billion people worldwide.

Communicating to our stakeholders through Digital and traditional media continued to be an important function, with the increased focus on digital media being maintained and dedicated resource committed to social media.

Traditional media also performed well 553 published articles in print or online, with a combined OTS (opportunities to be seen) total of 2.1Billion.

Increase the charity's social media following across all platforms while utilising the latest technological advancements to the benefit of the charity.

With traditional media dominated by the COVID pandemic, reaching new audiences through social media became even more important.

Across all active social media channels, the audience grew by 5,000 to 57,300 and there were 38,910 engagements on our posts throughout the year.

OBJECTIVE 3

To develop the infrastructure to enable Caudwell Children to fulfil its long term aims

During 2016 we extended our 5-year infrastructure development strategy to a 10-year model to ensure we are meeting the needs of children and families as well as those of the organisation in a sustainable manner.

The 2025 roadmap has been continued and refined as we learn more about the environmental factors affecting our goals and strategy. This continued analyses of both our internal and external strengths and weaknesses have been instrumental in our understanding of how we move to plan our efficiency against change and need. The CEO's strategy (The Big Band Strategy) which provides transparent communication across the teams ensures the teams managing the infrastructure are up to date with the requirements which are forecast into the budget, monitored across weekly, monthly meetings, hence ensuring if changes are required or solutions needed, they can be managed. Efficiencies are also found or further created with future planning. Supporting the development of the services at and from the CICC. Teams review both systems and practices so as to maximize the delivery of our services now and in the coming years ahead. The increased recruitment at Senior levels shows our commitment to our long-term strategy and ambition.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020Consolidate Research, Operations and Evaluation to meet the needs of the Charity.

Following an in-depth review of the various interrelated functions within the charity by the CEO during early 2020, a more streamlined, outcomes focused structure was designed. This involved the creation of a new department via two very distinct stages. Stage 1 was to create a Research and Evaluation function headed by the Director of Research. Step 2 was to bring this department along with the stewardship and ownership of all operations under a newly recruited Director of Operations. This new position now oversees operational projects as well as Governance, Research and Evaluation. Reporting directly in the CEO this has enabled further development of systems and projects supporting the strategy, plans, information flow and will continue to enhance growth, innovation and response times to the ever changing demands on the services.

OBJECTIVE 4**Expanding the services provided and Develop / Create new services to fit new needs.**Expanding the services provided.

The new Autism service provided by Caudwell Children was proven to be a much-needed service throughout 2020, the team delivered the new digital day one assessments and interventions within six weeks of the first lockdown and re-started face-to-face in June following Government guidelines therefore delivering to a much-reduced number of children. Through this period, they reduced the number of children on the Staffordshire's waiting list for Autism assessments in partnership with MPFT (Midlands Partnership NHS Foundation Trust), enabling it to fall within the national guidelines and also supported this priority within other areas of the UK. This further evidences the need for the centre's development along with the baseline and ongoing health, wellbeing and family research being collected providing short, medium and the long-term impact of this and all of the services which in turn will create real societal change going forward. The ever-increasing demand on this service from all over the UK and other countries also drives the ambition of the CEO and senior team to innovate effectively to ensure children and families get the services they deserve.

It has also been a highlight that through engagement with young people, children and families and the support of Trusts, Foundations and donors the team have been able to established new much needed services that complement our already successful and established portfolio of services. This has further supported the changing needs of the disability community and built partnerships which in turn will enable increased and more focused support in order to reach many more people.

During 2020 the delivery of Digital Training and Development to young people with Autism started via funding from the WMCA. This will lead Caudwell Children to developing this service in a way that could be rolled out across the UK in a cost effective and efficient way to help many more young people.

In addition to the above the team planned and commenced a 3-year project to help families who find themselves in fuel poverty. Funded by the Energy Saving Trust, this service provides specialist support for struggling families who desperately need support in understanding and obtaining the help available to them both around cost effective fuel savings and equipment for their homes. This was and is tremendously important due to the challenging financial times placed upon families through COVID-19.

Create New Services to fit new needs.

Whilst reviewing internal structures and processes in 2020, the CEO also reviewed our equipment provision. Especially in light of COVID and some immediate needs of families in lockdown with children who have sensory conditions and OT support requirements which were not available. Out of these environmental analyses and engagement with the families she designed the "Get Sensory Project".

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

With the support of both clinical and non-clinical team members the charity launched its new "Get Sensory Pack" which includes access to private interactive Facebook groups, videos, digital support

and connection to the Family support team and the MDT (Multi-disciplinary team) providing wrap around support especially needed at a time when hospitals services were not available and families felt isolated with no support in place.

This new compact, affordable and effective sensory stimulation pack has proved to be a massive success with children and families. The demand for them runs into thousands and is evidence of the leadership and speed in which the team has the ability to listen to the families and children, to understand their situations and needs and then provide an affordable and effective solution especially in a crisis and under the pressures faced during the peak lockdown periods.

The success of this service was quickly recognised by funders and in 2020 packs were funded by both Barclays Bank, the Big Lottery, along with individuals and corporates making donations for individual items starting at £5 or for varying numbers of packs at £120 each. This support has made a huge difference to the wellbeing of the families and children it has reached. The engagement team are collecting 12-month impact research on this service which has returned excellent results to date. These results and the flow of applications since the services inception lead to an expectation that this service will continue be in high demand and will require extensive funding to match the need.

COVID-19 IMPACT STATEMENT ON STRATEGIC REPORT POST YEAR END.

COVID-19 has had an adverse impact on the finances of Caudwell Children during reporting year of 2020. It has also had an adverse impact on the fundraising during the first half of 2021 to date. We are however confident that the second half of 2021 will show improvement on the same period of 2020 and the team are already making plans for further improvements in 2022. This continued disruption to society's norms may well create some further readjustments to future strategies and timings of planned goals and outcomes but we believe these will be much smaller going forwards than they were a year ago. As mentioned above, the current situation has been recognised by our CEO and Senior officers, as an opportunity to review how Caudwell Children's services can be adapted and delivered given these ever-changing external factors. We are extremely pleased by the way the charity has very quickly adapted to the new ways of operating and have brought forward some of the planned developments regarding remote assessments and virtual workshops. Whilst it was always the vision of our CEO to incorporate technology as much as is appropriate into our future developments, this pandemic has been treated as an opportunity to expedite these visions into firm practices so as to reach as many children and families as possible and not allow them to be further isolated through no fault of their own. We have every confidence in the leadership and team to continue with this approach throughout.

We do believe it is important and correct to assure our many supporters and readers of these statements that we remain as determined as ever to provide our much-needed services in the very best way they can be provided in whatever format is best for the children and families we serve throughout 2021 and beyond safely.

INVESTMENT POLICY AND PERFORMANCE**Investments**

Our policy is to ensure that sufficient funds are secured for 100% of all the family support equipment, treatment and therapies, at the point families enter the services. As a result of the level of committed expenditure, the majority of the funds have been restricted. These separate restricted funds can only be used for the intended services they are restricted to. This leaves free reserves for less than eight months budgeted general fund expenditure.

These unrestricted reserves are held in case of any sudden decline in income and ensure commitments made to providing services for children can be met (in the form of contractual commitments to staff and premises). Where treatment and therapy is agreed over a specified number of years, monies are

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**INVESTMENT POLICY AND PERFORMANCE (continued)**

restricted in the accounts against individual child cases, which ensures that all monies are available, as and when required. This process is managed in the monthly management accounts by the CEO of the Charity, Trudi Beswick, and overseen quarterly by Mr Craig Bennett, Company Secretary.

Presently the charity holds total cash reserves of £8.66m of which £7.76m is deposited in a higher interest bearing instant access account. Due to the nature of the reserves currently held for longer term critical therapy and treatment programmes the charity is not in the position to deposit funds into any long term high interest accounts.

As Trustees, we take a prudent approach when making decisions about investing the Charity's funds. When investing the Charity's funds, we will aim to strike the right balance between:

- providing the best return on investments with minimal risk;
- having sufficient funds available to allow the Charity to carry out its purposes effectively;
- Maintaining, and if possible, enhancing the value of invested funds whilst they are retained.

Trustees' Powers of Investment

The Trustee Act gives trustees wide powers of investment, including shares in companies; land rented or leased out by the Charity to tenants; interest-bearing loans such as government bonds and deposits at banks or building societies; and units in collective schemes, such as unit trusts.

As Trustees, we reserve the right to invest in any or all of such investments. We will not invest in derivatives, private equity schemes, land purchased and developed with a view to sale, works of art, or commodities such as gold or vintage wine, acquired with a view to resale in the future at a profit.

As Trustees, we may delegate the management of the Charity's investments to a specialist either by investing in one or more collective investment schemes, such as unit trusts; or delegating our investment decisions by appointing an investment manager.

Investment Parameters and Restrictions

Our investment parameters and restrictions are reviewed each year and questioned internally on a regular basis. All available options are weighed against our internal policies so as to maximise opportunities whilst minimising risk and ethical concerns.

Given the above the following guidelines remain in place.

- All money to be invested at any particular time shall be agreed by the Charity CEO and Trustees. At no point should the Charity be without sufficient funds to meet its obligations. A regular cash-flow forecast must be prepared and reviewed before additional investments are made.
- Investments should be subject to minimal risk.
- No investment should be made in company securities not listed on a recognised stock exchange or in unit trusts not recognised under the Financial Services Act 2000.
- There should be no holdings in single company investments.

The ethical statement set out below applies to all investments made by the Charity.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)**FOR THE YEAR ENDED 31 DECEMBER 2020****INVESTMENT POLICY AND PERFORMANCE (continued)****Review**

The investment policy is reviewed annually by the Board of Trustees and although we are continually looking for investment opportunities our cash flows do not allow us available funds to deposit for the required length of time to benefit from the higher returns. Given the increasing number of children the charity aims to assist and the capital investment required for our new charity building such medium and long-term investments are not practical.

RESERVES POLICY

As Trustees, we regularly review the reserves position to ascertain whether or not the funds being held are adequate for Caudwell Children's work. In doing this we take into consideration the assets required for the provision of the key provision, quality of provision and financial efficiency.

The review looks at the nature of income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves.

A minimum level of unrestricted funds and restricted funds should be maintained, to provide uninterrupted services. Outside of the Capital project reserves, much of the restricted reserves are held for the provision of critical longer-term treatment and therapy programmes.

Unrestricted reserves

The Charity has historically aimed to maintain free reserves equivalent to no more than six months forward overhead expenditure. At 31st December 2020 unrestricted free reserves (unrestricted funds less amounts included in tangible fixed assets) amounted to £2,729,354 which is equivalent to around seven months of forward overhead expenditure. The small increase of almost a month is deemed to be a prudent increase in light of current funding issues as we envisage this being below 6 months again by the end of 2021. Through its risk management strategy, the Charity also manages risks associated with cash flow, investment and money markets. Free reserves are maintained so that in the event of a sudden decline in income, contractual commitments to staff and funding partners can be maintained.

The Charity also held £278,295 in designated funds. These funds have been designated for the purpose of matching the funding provided by The Edward Gostling Foundation over the next three years. The foundation will provide funds to support our Enable Sport and Equipment programmes if these funds are available hence enabling more children to be reached over this three-year period.

Restricted Reserves

In order to meet our strategic objectives and long-term commitments we have specifically raised funds for the following specific purposes:

- The provision of providing therapies and treatment for disabled children
- The provision of specialist equipment for disabled children
- To provide practical and emotional support to disabled children and their families in times of crisis
- To build and equip a flagship centre for disabled children as an exemplar of good practice

As at the end 2020, £20,143,163 was held in restricted funds of which £17,618,179 is for the sole use of our innovative purpose-built centre for assessment, support and research which will be depreciated over 25 years. £592,928 is held for our in-house Autism programme. In addition to these £1,120,589 funds are held for treatment, therapy and equipment provision.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)**FOR THE YEAR ENDED 31 DECEMBER 2020****FINANCIAL REVIEW (continued)**

These funds provide core services, ensuring that we can provide equipment and services for the most disadvantaged and vulnerable families. Our fundraising ensures that funds are solely available for the specific purpose of providing treatment, therapy, and equipment and therefore are not compromised by the planned expansion of our charitable activities.

FINANCIAL REVIEW

With the support of our major benefactors, every pound donated is able to be donated directly to Caudwell Children's services supporting children, young people and their families. This coupled with the managements continued focus on efficiency and growth allows for maximum impact to be made by our people centred services on the lives of disabled children and their families. The charity was unable to host our annual Butterfly Ball during 2020 which in previous years has regularly generated a gross profit of over £1m. The plans are to return this event to London in 2021 at a new venue and with a new format, under continued safe regulations if required and with the ongoing commitment of our supporters we are confident of making a success of this event once again.

The total income for the year is £3,670,427 (2019: £7,015,060), which is a decrease of £3,344,633 compared to 2019. This was driven by COVID and its negative impact of our face-to-face events including the cancellation of our annual flagship events in London.

Total expenditure for the year is £4,911,931 (2019: £5,575,989), which is a decrease of £664,058 year on year. We continue to focus on reducing costs and increasing efficiencies so as to maximise the positive impact of all donations. We strive to increase the number of families reached across the UK whilst always focusing on value for money and efficiency. To this end we are delighted to announce that the number of children helped in 2020 was 3,231 which equates to the delivery of over 4,000 child sessions.

During the year 2020 the charity made use of the Governments Furlough Scheme. A total of £65,689 was claimed by the charity in the year.

Charitable activity in Scotland

As a charity registered in England, Wales and also in Scotland, we delivery our services in all these areas. Caudwell Children received its final income instalments from Big Lottery Scotland. During the 5 year programme many hundreds of children across Scotland benefited from Caudwell Children's services with many benefitting from crisis and emergency intervention services at birth or diagnosis.

Financial Planning

We continue to manage the financial affairs through an annual planning process that aligns operational plans to generating the required resources. This annual plan is reviewed on a quarterly basis to ensure it provides us with the resources to meet the charities goals to achieve the vision. The plan also focuses on raising people's awareness of Caudwell Children, its work, disability and the challenges disabled children and their families face.

Cash forecasting is critical to the charities ongoing success and all funds are held in instant access accounts to allow the CEO and Trustees to be flexible and reactive to the demands on the charity. It is vital that these funds are accessible to provide the equipment, treatment and therapy services and the family support needs.

Whilst Caudwell Children rely heavily upon voluntary income generated through individual giving. This year we have continued to receive support from our corporate supporters as well as regular donations from the public. We have also received funding from individual trusts & foundations, NHS and energy Trusts as well as local authority funding.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

The charity is committed to grow its service delivery and therefore its fundraising, whilst continuing to focus on efficiency. Whilst we are proud to deliver the highest quality of services, we are equally proud, if not more so of the efficient manner in which they have been developed and delivered in line with the needs of the young people, children and families, focused on a person-centred approach and all achieved by a tremendously well lead and managed team.

We are extremely grateful to our committed and generous supporters and volunteers who have given their time and or money, and we wish to inspire other supporters to join Caudwell Children's journey to help children, young people and families to receive the support they need so that they can reach their full potential and achieve their ambitions throughout their lifetime. The charity is ensuring the voice of their beneficiaries and stakeholders are heard and can influence change, life plans and societal issues which ensure this can occur.

All donors, supporters and partnerships are very important to the team and of course are the back bone of the success of the charity's outcomes. They are supported and are interacted with, with respect and as their requests denote which are reflected in the ongoing donor strategy.

Income Growth

The need to increase fundraising income was Identified to cover increased liabilities for treatment, equipment, therapies, family services, Caudwell Children Autism Service and the ongoing running costs of the CICC, whilst laying the foundations for long-term developments. Awareness about disability and of our work in this area is key to meeting the long-term vision and during the year funds have been raised to continue raising awareness and reaching those families most in need.

Costs of generating funds

The cost of generating funds in 2020 was £656,057; a decrease of £446,487 on 2019. It costs on average 17.8 pence to raise each £1 which is a slight increase on the 2019 cost of 16 pence per £1. We are aware of the need to strengthen and sustain our fundraising whilst continuing to control costs in a challenging economic climate. Throughout 2020 we will continue to invest funds to create and enhance a stable long-term giving as well as short-term one-off events with a targeted 4:1 ROI.

COVID-19 IMPACT STATEMENT ON FINANCES POST YEAR END.

As previously stated COVID-19 has had an adverse impact on the finances of Caudwell Children during reporting year of 2020.

It has also had an adverse impact on the fundraising during the first half of 2021 to date. We are however confident that the second half of 2021 will show improvement on the same period of 2020 and the team are already making plans for further improvements in 2022. This continued disruption to society's norms may well create some further readjustments to future strategies and timings of planned goals and outcomes but we believe these will be much smaller going forwards than they were a year ago.

Major events were cancelled throughout 2020 and the first half of 2021 and this will impact 2021 income. However due to lockdown easing in the latter half of 2021 it is planned that's at least two major events will be held in 2021.

The CEO, CFO and Chairman have always kept very tight control on cash flow and expenditure. This strong discipline has served us well in the past and has and will serve us even better during these challenging times. We will have reserves to fall back on as was always the strategy. These funds are not limitless but they will allow some breathing space for the team to assess its position in this new landscape and react accordingly.

Daily operational cash flow analysis is carried out to ensure that all known expenditure is forecasted, minimised and planned for. As has always been the case all expenditure is heavily controlled within tight expenditure authorisation limits allowing only for the vital and necessary costs.

From a "going concern" basis the charity carries out cash flow forecasting based on zero income, guaranteed income and expected income on a six-to-twelve-month time horizon so as to best plan its allowable expenditure.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

By employing these processes, the trustees are satisfied that the financial management is well controlled and they and the CEO are fully informed and equipped to manage the current situation we all find ourselves in.

KEY MANAGEMENT PERSONNEL

The board of directors, who are the Trustees, and the CEO supported by the Senior Officers comprise the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. All Directors give their time freely and no Director received remuneration in the year. All Directors expenses and related party transactions are disclosed in note 7 to the accounts.

The pay of the executive staff is reviewed annually and is increased in line with performance set against pre-defined targets. Executive team members have their salaries benchmarked against similar roles in other organisations of a similar nature. Some key strategic targets need to be managed over several years and as such can be incentivised via long term bonuses in such a way which can lead to fluctuations in staff payroll figures year on year. All non service delivery costs are covered by a single benefactor and are not taken from fundraising income which enables the charity to be more financially effective and recruit the best candidates to do all the roles within the charity, both fundraising, administration and service delivery.

RISK MANAGEMENT

As Trustees, we are responsible for ensuring effective risk management, and that internal controls are in place to appropriately manage the risk exposure of Caudwell Children. Caudwell Children review their risk management strategy as part of both ISO9001 (2015) and CQC requirements. We, the Trustees, have completed our annual review of the risk management strategy. In the course of this review, we considered:

- the major risks to which Caudwell Children is exposed to
- the potential impact and probability associated with each risk
- existing internal controls and accountability for them
- Mitigating actions needed to reduce each risk to a level that we consider to be acceptable.

Some of the main risk factors for consideration were as follows.

- Building of the new Caudwell International Children's Centre (CICC).
Risk factors considered were the overall cost and build timescales. The costs are controlled by a fixed cost contract with any overspend being taken on by the contractor. Timescales are covered with penalty clauses in the build contract and a backup plan to remain at the current location should overruns occur.

Reputational Risk. Caudwell Children continues to operate in an ethical manner and follows all laws, guidelines and methods of best practice. We, the Trustees are assured that the reputation is in good hands and with the building of the Caudwell International Children's Centre (CICC) its reputation will be taken to a truly global level. Given some of the issues suffered by many charities in past years regarding the use of third parties' services. In order to mitigate risk of guilt by association, Caudwell Children alongside the CEO's long-term strategy developed in 2007, the charity only works with a limited number of long-term third party service providers. We continue to build partnerships with councils and local authorities, grant funded and commissioned services with NHS and Energy trusts to develop and delivering services with their own teams under CQC regulations and ISO standards.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

- Donor Risk. Caudwell Children continues to develop its donor base through high profile events such as the annual ball, regular events, challenges, social media and PR coverage and fundraising campaigns.
- COVID 19 – Finance Risk. The income and cash flows have and will be impacted by what can and cannot be permitted in the near future with regards to face to face fundraising. The charity has and will continue to adapt its fundraising strategy in line with government guidelines. The Leadership team has routinely carried out full and ever evolving risk assessments from very early in 2020 and continued through 2021. This has included focusing on online appeals, changing event dates and locations, obtaining grants and funding specifically for Covid emergency services that can be delivered remotely. The detailed and cashflow monitoring and tight financial controls have seen us through 2020 securely and will continue to through 2021 and beyond.
- COVID 19 – Operational Risk. We will continue to monitor and evaluate for as long as is required into the future. These include the virus's effects on all of our activities as well as our daily working practices both within and outside of the CICC. All government advice and best practice is monitored and then incorporated into the daily working environment and responsibilities as is most appropriate to the circumstances. The trustees are very aware that the future strategy may well need to be adapted to take into account the internal and external impact of the virus. However, the Trustees, CEO and Senior Officers are comprised of determined professionals who will adapt to these new challenges and ensure all factors are monitored and observed and fed back into all future planning and development.

All of these positions are recorded in a risk register, which will continue to be formally reviewed by the Trustees every year and is regularly monitored by the CEO and Senior officers as part of the ISO & CQC process. The major financial risks are each subject to ongoing monitoring and management. Major projects have formal project leads that scrutinise their progress and ensure they are properly planned and implemented overseen in various meetings as noted within this document. The internal audit function delivers a rolling programme of risk-based audits independently assessed annually through our external inspection, which reviews progress of audits and follow-up by management.

The Charity works closely with its appointed Audit team to mitigate financial risk both on its current active programmes and on all future ventures.

Commercial Activities

Throughout 2020, we continued to review and develop plans for trading activities including commercial sponsorships and product sales. We will continue to review trading income and the establishment of a trading company taking into account the general economic climate and looking to maximise brand alignment and positioning.

Fundraising Activities

Following the implementation of the Charities (Protection and Social Investment PSI) Act 2016, the Charity has reviewed its fundraising activities and confirms that it complies with the regulation. The Charity did not make use of any external fundraisers. No complaints were received in the current or preceding year in respect of its fundraising activities.

Ethical Awareness

As Trustees', our principle responsibility is to act in the best interests of the aims and objectives of the Charity. Caudwell Children's belief is at all times to work with companies who hold similar ethical values to Caudwell Children.

As Trustees, we will take all reasonable steps, to ensure all potential investments, are done so as to avoid investing in or with businesses where:

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

- such investment might conflict, or be inconsistent, with the aims, objectives or activities of Caudwell Children;
- such investment might hamper the work of Caudwell Children either by alienating financial supporters or potential financial supporters; or by having a material impact on applications from families in need of the Charity's services;
- Such investment is considered to be unethical.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

As Trustees (we are also directors of Caudwell Children for the purposes of company law) we are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, we the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors

Haysmacintyre LLP offer themselves for re-appointment at the next Annual General Meeting.

Approval

This Trustee's Report, incorporating the Strategic Report, was approved by the Trustees on 20th September 2021 and signed on its behalf, by:



C Bennett
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CAUDWELL CHILDREN

Opinion

We have audited the financial statements of Caudwell Children for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CAUDWELL CHILDREN (continued)

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charity Accounts (Scotland) Regulations (as amended) require us to report to you if, in our opinion:

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CAUDWELL CHILDREN (continued)

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Care Quality Commission, Charity Commission, OSCR, Fundraising regulations, Employment law, GDPR and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, income tax and payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimate and application of controls around authorisation of expenditure and payments. Audit procedures performed by the engagement team included:

- Inspecting trustees' meeting minutes;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Murtaza Jessa (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date 23 September 2021

10 Queen Street Place
London
EC4R 1AG

CAUDWELL CHILDREN
(A COMPANY LIMITED BY GUARANTEE)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020**

		Unrestricted general funds	Designated funds	Restricted funds	Total 2020	Total 2019
		£	£	£	£	£
	<i>Notes</i>					
<u>Income from:</u>						
Donations & Legacies	2	736,255	-	1,805,463	2,541,718	2,618,357
Raising funds	3	995,552	-	123,131	1,118,683	4,367,175
Income from Investments	4	10,026	-	-	10,026	29,528
Total		1,741,833	-	1,928,594	3,670,427	7,015,060
<u>Expenditure on:</u>	5					
Raising Funds						
Costs of events	3	463,783	-	192,274	656,057	1,102,544
Charitable activities						
Children in the community		866,717	-	2,707,566	3,574,283	3,445,665
Advice and Awareness		480,064	-	201,527	681,591	1,027,780
Total		1,810,564	-	3,101,367	4,911,931	5,575,989
Net (expenditure)/income before transfers		(68,731)	-	(1,172,773)	(1,241,504)	1,439,071
Transfers between funds	12	-	(110,000)	110,000	-	-
Net movement in funds		(68,731)	(110,000)	(1,062,773)	(1,241,504)	1,439,071
Total funds brought forward		2,798,085	388,295	21,205,936	24,392,316	22,953,245
Total funds carried forward		2,729,354	278,295	20,143,163	23,150,812	24,392,316

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above

The accompanying notes form part of these financial statements.

CAUDWELL CHILDREN
(A COMPANY LIMITED BY GUARANTEE)

The accompanying notes form part of these financial statements.

BALANCE SHEETS

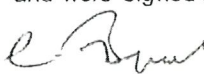
COMPANY NO. 3864620

AS AT 31 DECEMBER 2020

	Notes	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Fixed Assets					
Tangible assets	9	16,282,846	16,015,001	16,282,846	16,015,001
Investment in CCG D&B Ltd		-	-	1	1
Current assets					
Debtors	10	1,231,833	1,941,787	1,231,833	1,941,787
Cash at bank and in hand		8,660,246	8,512,507	8,654,749	8,503,511
		<u>9,892,079</u>	<u>10,454,294</u>	<u>9,886,582</u>	<u>10,445,298</u>
Creditors: amounts falling due within one year	11	(3,024,113)	(2,076,979)	(3,076,311)	(2,067,984)
Net current assets		<u>6,867,966</u>	<u>8,377,315</u>	<u>6,810,272</u>	<u>8,377,314</u>
Net assets		<u>23,150,812</u>	<u>24,392,316</u>	<u>23,093,118</u>	<u>24,392,316</u>
Income funds					
Restricted funds	12	20,143,163	21,205,936	20,143,163	21,205,936
Designated funds		278,295	388,295	278,295	388,295
Unrestricted funds		2,729,354	2,798,085	2,671,660	2,798,085
		<u>23,150,812</u>	<u>24,392,316</u>	<u>23,093,118</u>	<u>24,392,316</u>

The net movement in funds for the year relating to the parent charity alone amounted to a deficit of £1,299,198 (2019: surplus £1,439,615)

The financial statements were approved and authorised for issue by the Board of Trustees on: 20 September 2021 and were signed below on its behalf by:



C Bennett

Trustee

CAUDWELL CHILDREN
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2020

	<i>Notes</i>	Group 2020 £	Group 2019 £
Cash provided by operating activities	16	911,972	1,373,250
Cash flows from investing activities			
Interest income		10,026	29,528
Purchase of tangible fixed assets		(744,259)	(156,092)
Cash used in investing activities		(764,233)	(126,564)
Cash flows from financing activities			
Cash used in financing activities		-	-
Increase (decrease) in cash and cash equivalents in the year		147,739	1,246,686
Cash and cash equivalents at the beginning of the year		8,512,507	7,265,821
Total cash and cash equivalents at the end of the year		8,660,246	8,512,507
Analysis of cash and cash equivalents		2020	2019
		£	£
Cash in hand		8,660,246	8,512,507
Total cash and cash equivalents		8,660,246	8,512,507

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Caudwell Children meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

Given the charitable company's favourable fundraising record and the level of free reserves available at the year end, the Trustees have reviewed the financial forecasts covering a period of at least a year from the date of signing these financial statements and consider that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis. In addition, through appropriate consideration of risks as part of its normal risk management processes and mitigating actions both already taken and available to be taken, the Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of the Charity's financial position, reserves levels and future plans gives Trustees confidence the Charity remains a going concern for the foreseeable future.

Basis of Consolidation

The financial statements consolidate the results of the charity and its wholly owned subsidiary CCG D&B Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Income

Income has been recognised gross on the basis of entitlement, probability and measurement.

Donations and other forms of voluntary income are recognised as income when receivable, except insofar as they are incapable of financial measurement. For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate.

Gifts in Kind income represents various services donated free of charge to charity in relation to all of its activities including the Butterfly Ball. This income is only included when it can be reliably estimated.

Investment Income

Investment income reflects the amount receivable for the year.

Expenditure

Expenditure is recognised on an accruals basis.

Costs of raising funds are those costs incurred in attracting voluntary income, in particular grant funding and the costs of maintaining the Charity's profile within the sector. Costs are apportioned on the basis of hours worked.

Expenditure relating to Children in the Community is the element of expenditure directly incurred in performing these activities. Provision is made for grants when approved by the Trustees/Management.

Governance costs include those costs incurred in the governance of the Charity's assets and are primarily associated with constitutional and statutory requirements. Governance costs are now allocated to charitable activities in full.

Foreign currencies

Transactions denominated in foreign currencies are translated at the rate of exchange prevailing at the time of the transaction. Foreign currency balances are translated at the rate of exchange prevailing at the Balance Sheet date. Foreign exchange gains and losses incurred in respect of service provision are included in the SOFA within charitable activity expenditure for the period in which they are incurred.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. The financial threshold for capitalising an asset is £1,000. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	36 months straight line
Value of leasehold	125 years straight line
Buildings	50 years straight line

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**1. ACCOUNTING POLICIES (continued)****Accumulated funds**

Unrestricted funds are general funds that are available for the use at the Trustees' discretion in furtherance of the objectives of the Charity.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Designated funds comprise unrestricted funds which 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.

Pensions

The pension costs in respect of the defined contribution scheme charged in the financial statements represent the contributions payable by the Charity in the year. The scheme is closed to new members. The Charity also operates a stakeholder pension scheme open to all employees.

Taxation

As a registered charity, Caudwell Children is potentially exempt from taxation on its income and gains falling within s505 Income & Corporation Taxes Act 1988 and s256 Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable purposes. No tax charge has arisen in the year

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Employee benefits

- **Short term benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

- **Employee termination benefits**

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately differ from those estimates. The Trustees consider the evaluation of useful economic life of fixed assets to be the area of judgement with a significant effect on the financial statements. Further details on this judgement are provided in the relevant section above.

2 Donations & Legacies

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2020 £
Donations and gifts	727,576	-	830,528	1,558,104
Gifts in kind	8,679	-	-	8,679
Grants receivable for core activities	-	-	958,268	958,268
Grants receivable for capital project	-	-	16,667	16,667
	<hr/> 736,255 <hr/>	<hr/> - <hr/>	<hr/> 1,805,463 <hr/>	<hr/> 2,541,718 <hr/>

CAUDWELL CHILDREN
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

2019 Comparative Donations & Legacies

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2019 £
Donations and gifts	592,139	-	1,109,962	1,702,101
Gifts in kind	16,560	-	-	16,560
Grants receivable for core activities	-	-	624,696	624,696
Grants receivable for capital project	-	-	275,000	275,000
	608,699	-	2,009,658	2,618,357

CAUDWELL CHILDREN
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

3 Other Trading Activities

	2020 £	2019 £
Other Trading Activities	1,118,683	4,367,175
Costs of events	(656,057)	(1,102,544)
	462,626	3,264,631

Included within the above is £123,131 (2019: £1,547,956) raised for restricted purposes

4 Income from Investments – unrestricted funds

	2020 £	2019 £
Interest receivable	10,026	29,528

5 Expenditure

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2020 £
Expenditure on raising funds					
Costs of Events	347,085	-	308,972	-	656,057
Expenditure on Charitable activities					
Children in the community	78,302	-	-	1,615,661	1,693,963
Activities undertaken directly	788,364	506,415	585,541	-	1,880,320
Advice and Awareness	363,789	-	317,802	-	681,591
Total	1,577,540	506,415	1,212,315	1,615,661	4,911,931

CAUDWELL CHILDREN
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

2019 Comparative Expenditure

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2019 £
Expenditure on raising funds					
Costs of Events	410,864	-	691,680	-	1,102,544
Expenditure on Charitable activities					
Children in the community	294,694	-	-	1,400,778	1,695,472
Activities undertaken directly	729,776	483,707	536,710	-	1,750,193
Advice and Awareness	363,598	-	664,182	-	1,027,780
Total	1,798,932	483,707	1,892,572	1,400,778	5,575,989

Included in the above charitable expenses were Governance costs including amounts payable to the auditors of £13,645 incl. VAT (2019: £14,720).

Included in the above Other Costs are Support Costs of £808,082 (2019: £941,019). The support costs are apportioned based on time spent on charity activities.

Net movement in funds	2020	2019
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets:		
- owned by the charity	506,415	483,707
Auditors' remuneration - audit	13,645	14,720
Pension costs	64,912	53,352
	=====	=====

CAUDWELL CHILDREN
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

6 Grants payable

	Total 2020 £	Total 2019 £
Reconciliation of grants payable		
Commitments at 1 January 2019	898,734	1,054,798
Grants awarded in the year	1,615,661	1,400,778
Amounts paid in the year	(1,461,009)	(1,556,842)
 Commitments at 31 December 2019	 1,053,386	 898,734
<hr/>		
Commitments at 31 December 2019 are payable as follows:		
Within one year	1,053,386	898,734
After more than one year		
	1,053,386	898,734
	<hr/>	<hr/>

7 Trustees

No Trustees were paid remuneration 2020 (2019 - £Nil). No Trustee Expenses were paid out in 2020 (2019 - £Nil).

8 Staff Costs

Number of employees

The average headcount of employees during the year was:

	2020	2019
 Fundraising and charitable activities	 58	 61
<hr/>		
Wages and salaries	2,106,407	2,048,933
Social security costs	210,093	199,226
Other pension costs	64,912	53,352
	<hr/>	<hr/>
	2,381,412	2,301,511
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

The number of employees whose annual emoluments were £60,000 or more was:

	2020	2019
£60,000 - £70,000	1	2
£70,000 - £80,000	-	1
£110,000 - £120,000	1	-
£130,000 - £140,000	1	-
£140,000 - £150,000	-	1
£160,000 - £170,000	1	-
£280,000 - £290,000	1	-
£290,000 - £300,000	-	1

The above bandings comprise of Basic pay + Bonus + all P11D Benefits.

The Bonus figures include amounts that although earned and accrued within the financial year may not be paid out for several years as they form part of long term cumulative targets.

The Key management personnel of the parent charity comprise the Trustees, the Chief Executive Officer and the Executive team. The total employee benefits of the key management personnel of the charity were, £1,145,143 (2019: £1,047,358)

The above figures comprise of Basic pay + Bonus + all P11D Benefits + employers NIC + employers pension.

The above wages and salaries figures include redundancy payments of £4,842 (2019: £Nil). There were no outstanding redundancy liabilities as at the year end.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

9 Tangible Fixed Assets – Group and Charity

	Fixture Fittings & Equipment £	Land & Buildings *	Total Assets £
Cost			
At 1 st January 2020	617,963	16,075,293	16,693,256
Additions	47,683	726,576	774,259
Disposals	(33,151)	-	(33,151)
	<u>632,495</u>	<u>16,801,869</u>	<u>17,434,364</u>
Depreciation			
At 1 st January 2020	285,456	392,799	678,255
Charge for the Year	188,404	318,010	506,414
Disposals	(33,151)	-	(33,151)
	<u>440,709</u>	<u>710,809</u>	<u>1,151,518</u>
Net Book Value			
At 31 st December 2020	191,786	16,091,060	16,282,846
At 31 st December 2019	<u>332,508</u>	<u>15,682,493</u>	<u>16,015,001</u>

10 Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Sales ledger control account	234,929	549,556	234,929	549,556
Other debtors	1,064	(200)	1,064	(200)
Accrued income	830,529	1,266,483	830,529	1,266,483
Prepayments	165,311	125,948	165,311	125,948
	<u>1,231,833</u>	<u>1,941,787</u>	<u>1,231,833</u>	<u>1,941,787</u>

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

11 Creditors: amounts falling due within one year

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Trade creditors	93,345	122,949	93,346	122,949
Grants payable	1,053,386	898,734	1,053,386	898,734
Other creditors	1,147,246	10,459	13,364	9,964
Accruals	560,645	1,044,837	556,645	1,036,337
Other tax and social security	87,621	-	70,220	-
Deferred income	78,870	-	78,870	-
Inter-company creditor	-	-	1,207,480	-
	3,024,113	2,076,979	3,076,311	2,067,984

No deferred income was brought forward or released during the year. £78,870 income deferred is in respect of future periods.

12 Funds – Group and Charity

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2020	Movement in funds		Balance at 31 December 2020
	£	Income	Expenditure	£
Charity Building	18,081,143	16,667	479,631	17,618,179
Destination Dreams	1,474	-	1,474	-
Treatment, Therapy & Equipment (inc Wheelchairs)	1,361,692	345,586*	586,689	1,120,589
Autism Services	1,208,681	181,921	797,674	592,928
Sports Equipment	36,584	137,401*	82,550	91,435
Big Lottery Scotland	12,979	-	-	12,979
Local Family Support	4,198	3,332	6,398	1,132
Digital Skills	63,250	32,250	82,845	12,655
Short Breaks	33,771	31,083	22,408	42,446
Spirit of 2012	-	34,414	-	34,414
Warm Homes	-	45,565	37,528	8,037
Big Lottery - GSP	-	68,728	24,218	44,510
Barclays - GSP	-	100,000	24,812	75,188
SDR & Appeals	402,164	111,119	124,612	388,671
Life Changers	-	100,000	-	100,000
Admin & Management	-	830,528	830,528	-
Total	21,205,936	2,038,594*	3,101,367	20,143,163

*Includes £110,000 transferred from unrestricted as match funding in relation to the criteria of an awarded Grant.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

2019 Comparative movement in restricted funds

	Balance at 1 January 2019	Movement in funds		Balance at 31 December 2019
	£	Income £	Expenditure £	£
Charity Building	18,484,972	65,000	468,829	18,081,143
Destination Dreams	-	1,796	322	1,474
Treatment, Therapy & Equipment (inc Wheelchairs)	961,177	871,382*	470,867	1,361,692
Autism Services	864,157	851,860	507,336	1,208,681
Sports Equipment	12,127	131,644*	107,187	36,584
Big Lottery Scotland	39,598	35,771	62,390	12,979
Local Family Support	20,217	90,653	43,422	67,448
Short Breaks	66,955	54,826	88,010	33,771
SDR & Appeals	201,858	454,720	254,414	402,164
Admin & Management	-	1,109,962	1,109,962	-
Total	20,651,061	3,667,614	3,112,739	21,205,936

Charity Building

The Charity made a long-term commitment to develop a purpose-built specialist children's centre; designed in consultation with children and families it is a landmark in inclusive design, demonstrating accessibility for people with both physical disabilities and neurodiverse conditions. In order to meet the costs of the project and ongoing associated costs the Charity undertook specific fundraising and appeals to generate the significant funds required to make the vision a reality. The new building officially opened in 2019 and this restricted fund will reduce in value of the next 50 years as the capital project is depreciated.

Destination Dreams

The Destination Dreams Programme provided a holiday for families whose children have life limiting illnesses. The programme provided families with something to look forward to, enabling children to make friends and have new experiences away from relentless hospital appointments and painful treatment. During our continued annual review of services by our CEO and members of the executive team and driven by increasing costs of delivery and insurance coupled with the constant challenge on fundraising, the difficult decision was made at the December 2018 Trustee Meeting to stop Destination Dreams Service. Also taking into account the availability of the other charity services and the need to develop further family short breaks and family support services.

Treatment, Equipment, Therapies & Wheelchairs

The Charity annually raises money to provide children who meet the Charity's criteria nationally with specialist equipment such as powered wheelchairs not provided by statutory funding, pioneering treatment and therapies and from 2020 our specifically designed Get Sensory Packs.

Included within this category are grants totalling £110,000 from the Edward Gostling Foundation. These amounts are to be match funded by Caudwell Children as part of an ongoing multi-year commitment from the Edward Gostling Foundation which will continue to be highlighted in future accounts.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**Autism Services**

The Charity annually raises money to provide children who meet the Charity's criteria nationally with holistic therapy and support programmes. This form of funding was ran down through 2017 & 2018 and was replaced by our in house Caudwell Children Autism Service (CCAS) from 2019 onwards. This new wrap around service takes place both online and within the award winning Caudwell International Children's Centre.

Sports Equipment

The Charities Sports Equipment service provides disabled children and young people with the specially adapted equipment they require to take part in competitive and recreational sports at all levels.

Big Lottery Scotland – Investing in Communities -Family Support Glasgow

Providing support to work with disadvantaged families who have one or more disabled child, providing support at diagnosis, providing 6 weeks of intensive support.

Local Family Support Services

The Charity annually raises money to provide family support services and short break activities, at times of crisis.

Digital Skills

The Charity provides digital skills training to young adults. This training provides these young people with the necessary skills to go onto further education or employment.

Short Breaks

The Charity is commissioned to delivery short break activities by local authorities. These are delivered in numerous locations depending upon the requirement of the contract.

Spirit of 2012

The Charity has been awarded three years funding from the West Midlands Challenge Fund. This funding is being used to support community workshops within the west midlands leading up to the Common Wealth Games to be held within Birmingham in 2023.

Warm Homes

The Charity is working with the Energy Trust on a two-year project to support parents / carers of disabled children living in fuel poverty. The charity is working with energy specialists to create a team of disability energy champions who can reach into the commissioned regions and assist these vulnerable families.

Get Sensory Packs

During 2020 a new sensory pack was developed by the charity to meet the immediate needs of disabled children during lockdown. This project has proved to be a huge success and has received backing and funding from many areas including Barclays Bank and the Big Lottery.

SDR & Individual Treatment Appeals

These funds have been raised to fund high value specialist treatments and associated social and rehabilitation costs for individual children. The Charity assists the families in their fundraising and deals with all the arrangements such as hospital costs, flights, accommodation and ongoing physiotherapy.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

Administration & Management

This fund is set up to generate funds for the operating costs of the Charity. This enables monies raised on the other funds to be fully distributed to their causes without the deduction of the running costs of the Charity.

12a. Unrestricted funds

Included within unrestricted funds is £278,295 designated for match funding purposes over the next three years against grants to be provided by The Edward Gosling Foundation. This fund was created as a transfer in the years 2018 & 2019 from general funds. As at the year end the Charity had unrestricted general funds £2,729,354.

13 Analysis of net assets between funds - Group

	Unrestricted funds £	Designate d funds £	Restricted funds £	Total £
Fund balances at 31 December 2020 are represented by:				
Tangible fixed assets	191,788	-	16,091,058	16,282,846
Tangible fixed assets under construction	-	-	-	-
Current assets	4,508,293	278,295	5,105,491	9,892,079
Creditors: amounts falling due within one year	(1,970,727)	-	(1,053,386)	(3,024,113)
	2,729,354	278,295	20,143,163	23,150,812

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

2019 Comparative analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 December 2019 are represented by:				
Tangible fixed assets	332,508	-	-	332,508
Tangible fixed assets under construction	-	-	15,682,493	15,682,493
Current assets	3,643,822	388,295	6,422,177	10,454,294
Creditors: amounts falling due within one year	(1,178,245)	-	(898,734)	(2,076,979)
	2,798,085	388,295	21,205,936	24,392,316

14 Analysis of net assets between funds - Charity

	Unrestricted funds £	Designate d funds £	Restricted funds £	Total £
Fund balances at 31 December 2020 are represented by:				
Tangible fixed assets	191,788	-	16,091,058	16,282,846
Tangible fixed assets under construction	-	-	-	-
Current assets	4,450,599	278,295	5,105,491	9,834,385
Creditors: amounts falling due within one year	(1,970,727)	-	(1,053,386)	(3,024,113)
	2,671,660	278,295	20,143,163	23,093,118

CAUDWELL CHILDREN
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

2019 Comparative analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 December 2019 are represented by:				
Tangible fixed assets	332,508	-	-	332,508
Tangible fixed assets under construction	-	-	15,682,493	15,682,493
Current assets	3,665,710	388,295	6,422,179	10,476,184
Creditors: amounts falling due within one year	(1,211,135)	-	(898,734)	(2,109,869)
	2,787,083	388,295	21,205,938	24,381,316

15 Related parties

Total donations received from John Caudwell during the year were £944,245.
(2019: £1,281,842), including a pledge of £830,258 before the year end which was received in February 2021.

There were no other related party transactions during the current or prior year.

16 Reconciliation of net movement in funds to net cash flow from opening activities

	Group 2020 £	Group 2019 £
Net movement in funds	(1,241,504)	1,439,071
Add back depreciation charge	506,414	483,707
Less interest receivable	(10,026)	(29,528)
Decrease in debtors	709,954	(273,411)
Decrease/(increase) in creditors	947,134	(246,589)
Net cash provided by operating activities	911,972	1,373,250

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020
16 Subsidiary

The wholly owned trading subsidiary CCG D&B Ltd was incorporated in the United Kingdom (company number 9436124 in 2015 and pays all of its profits to the charity under the gift aid scheme. CCG D&B Ltd operates as a Design and Build Company with the sole task of managing the construction of the new International Centre for Childhood Disability. The new centre officially opened in 2019 and now houses both the charities administration and delivery of services. CCG D&B Ltd is managed and administered on a purely voluntary basis by the CEO and the CFO of Caudwell Children. This ensures that there will be no subsidiary running costs incurred by the charity and more importantly any profits earned by the subsidiary will be donated back to Caudwell Children. CCG D&B is limited shares which are 100% owned by Caudwell Children. None of the Directors of Caudwell Children sit on the board of CCG D&B Ltd.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Total Turnover	<u>1,207,965</u>	<u>90,378</u>
Total Cost Of Sales	<u>1,138,457</u>	<u>69,841</u>
Gross Profit / (Loss)	<u>69,508</u>	<u>20,537</u>
Administrative Expenses	4,911	4,416
Profit and Loss on Ordinary Activities before Taxation	<u>64,597</u>	<u>16,121</u>
Gift Aid paid	6,903	16,664
Profit and (Loss) for the Financial Year	<u>57,694</u>	<u>(543)</u>

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

CCG D&B BALANCE SHEET
AS AT 31 DECEMBER 2020

	2020 £	2019 £
Current assets		
Bank	5,496	8,996
WIP	-	-
Debtors	1,207,481	1
Total Current Assets	<u>1,212,977</u>	<u>8,997</u>
Creditors: amounts falling due within one year	1,155,282	8,996
Net current assets	<u>57,695</u>	<u>1</u>
Net assets	<u>57,695</u>	<u>1</u>
Capital and Reserves		
Called up Share Capital	1	1
Profit and Loss	57,694	-
	<u>57,695</u>	<u>1</u>

17 Parent Company Disclosures

Income of the charity (the parent company) amounted to £3,677,329 (2019: £7,031,724). Net movement in funds amounted to a reduction of £1,299,198 (2019: a surplus of £1,439,615).

18 Net Debt Reconciliation

	Group 2020 £	Group 2019 £
Opening cash at bank and in hand	8,512,507	7,265,821
Cash flows	147,739	1,246,686
Other non-cash changes	-	-
Closing cash at bank and in hand	8,660,246	8,512,507