

CAUDWELL CHILDREN
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

CHARITY REGISTRATION NO.
ENGLAND AND WALES 1079770
SCOTLAND SC043874

COMPANY REGISTRATION NO. 3864620
(ENGLAND AND WALES)



CAUDWELL CHILDREN
(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C Bennett K Bamford (resigned 7 th September 2021) 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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CAUDWELL CHILDREN

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021. 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 2015).

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 Charity Commission Scotland.

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 2021

- 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 2021

STRATEGIES FOR ACHIEVING OBJECTIVES

The following are the four key strategic objectives for the reporting period 2021.

- 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
- 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 ongoing impact of the COVID

OUR ASPIRATIONS

From the very beginning 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.

2021 was very much a recovery year following the worldwide Covid Pandemic. Whilst the impact of the pandemic was still felt throughout 2021 we were able to hold some mass participation fundraising events and welcome children and families back into the CICC in far greater numbers than before.

As the world now knows, the Covid pandemic took effect in the UK during early 2020 and lasted long into 2021.

Despite the continued challenges created by this once in a lifetime event, the charity has maintained its focus, drive and positivity at all stages throughout 2020 and 2021. This has been achieved through the strong leadership of the CEO and the senior team whilst the trustees were kept informed with clear, concise communications.

This focus on recovery, development and growth will continue and we are confident the Charity will emerge stronger having met all challenges that it has faced over the past two years.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

The impact of COVID on the charities fundraising continued to be significant in the first half of 2021, with virtually all face-to-face fundraising activities not being allowed under various lock down measures. However, during the second half of the year there were improvements and the Charity reacted quickly to maximise these opportunities as soon as they arose.

Following the initial impact of COVID on our face-to-face service delivery. The charity, led by the CEO, developed both digital services and new products to address the needs caused by the pandemic. Whilst the face-to-face services both continued and increased during 2021, the charity has maintained the delivery of both the new and digital services to complement the face-to-face services and give a greater suite of services to cater for more families and their differing needs.

With the completion and opening of the CICC now over two years 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 and how we grow to meet the ever increasing global demand for autism assessments and intervention.

During the year local government contracts were won for the delivery of our CCAS Service. This drove continued recruitment throughout 2021 to maintain the required clinical expertise to deliver the charity's vision for an efficient and cost-effective assessment and intervention pathway. Whilst there has been and continues to be a shortage in the labour market we are pleased to state that our clinical team grew throughout 2021 by over 37%.

During 2021 all of the MDT (multi-disciplinary clinical team) members continued to develop the CCAS service by carrying out the much-needed ASD assessments both from the CICC and online. Online training for ADIR and ADOS was continued to all new clinical team members. This widened the breadth of skills within the clinical team enabling them to offer support to more children & families both virtually and face-to-face during the continued impact of the pandemic and these most difficult times.

These ongoing developments assist us in our principle that the right pathway and subsequent research will 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 to confirm that throughout 2021, Caudwell Children remained registered with the CQC maintaining an overall rating of Good allowing the charity to continue to operate its full in-house autism service. Our continued relationship with the CQC representatives remained remote due to pandemic regulations and an outstanding result is estimated on next face to face visit when this becomes possible.

During November 2021 the charity also underwent its annual ISO audit which we are pleased to report was another pass with no major or minor issues raised for improvement. This underpins the charities managements dedication and focus when it comes to documented policy and procedures and its desire in looking for and being open to, continuous development and improvement.

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 2021**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 Strategic Report section which sets out our objectives and achievements during financial year of 2021.

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

The COVID-19 pandemic had a catastrophic impact on charities and businesses across the globe throughout 2020 and long into 2021. We are proud of the reaction and response of Caudwell Children and its team during these difficult and long lasting challenges.

Having had to rapidly change the plans for 2020, the Charity was able to pre plan for 2021. This planning had numerous contingencies built in as lock down restrictions were still in place at the start of the year with no guarantee when or where they would be lifted.

Due to the strong leadership, clear planning and unquestionable dedication of the team these plans were executed to the maximum, resulting in a fundraising turnaround, close to pre pandemic forecasts and a truly phenomenal increase in the number of children and families we were able to help.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

Fundraising income for the first half of the year was impacted quite heavily. This was forecasted and we planned to double our efforts during the second half of the year. Due to this refocus and doubling down on our committed fundraising strategy and calendar of events we are delighted to announce that we achieved a 72% year on year increase in voluntary donations, which almost gets the charity back to pre-pandemic levels.

Throughout 2021 we have 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 had come to rely upon.

During the various lockdowns and restrictions, we have continued to prioritise the following service adaptations in order to meet the changing needs of our beneficiaries:

- Continue to provide families with assessments via video calls or telephone, whilst also delivering Caudwell Children Autism Assessment Service fact to face within the CICC.
- 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
- Continuing to support applications for much needed equipment
- Continuing to review and adapt our services throughout this period to ensure they meet the changing needs of beneficiaries
- Creation of a new and ever evolving therapy packs – 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.
- Developed and delivered Digital Skill training courses
- Developed and delivered Employability Skill training courses
- Continued our Warm Homes programme, advising & assisting with the fuel poverty crisis.

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.

During our first 21 years we have supported tens of thousands of children and 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 will continue to deliver these impressive results.

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 fully acknowledge it has been an exceptionally tough two years for everyone and is likely to remain so for a few more year to come. Yet despite these challenges we are delighted to be announcing that during 2021 alone Caudwell Children's teams have worked to directly deliver services both face-to-face and digitally to reach an additional 11,108 disabled children, young people and their families.

In regards to children reached this is the most successful year ever in our twenty-one-year history. It is an achievement we are all extremely proud of and one which is made all the more impressive given the circumstances in which it was achieved.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

As CEO of Caudwell Children, Trudi Beswick has successfully stewarded the charity from its very beginning. Continuing to develop and deliver its short-, medium- and long-term goals. As stated last year, Mrs Beswick planned to continue to recruit and expand the executive team. This was evidenced during 2021, including the recruitment of the charity's first Chief Operating Officer. This development of the strategic team is planned to continue through 2022 to help support the growth of the charity in line with its strategy and will in turn further position the charity to deliver the much-needed efficient and effective services Caudwell Children creates and offers. Having redeveloped the strategy for working with the children, young people and their families in 2020 by creating a new overarching flexible strategic plan (The Big Bang Strategy), Mrs Beswick and her executive team have worked hard during 2021 to embed the foundations of the strategy so as to deliver the outcomes necessary to meet the charity's ambitious targets. Involving all teams from across the charity in the deployment of the Big Bang Strategy, 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 charity's work in all areas.

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 wider charity team continue with the ongoing focus on building partnerships with corporate supporters, key national services, grant making bodies and commissioners across the UK. As previously stated the charity once again maintained and renewed its 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 development of Caudwell Children and its services have always been based on the needs of disabled children and their families. By listening carefully to beneficiaries, Trudi Beswick and the Executive Team have carefully shaped their growth to try and fill the gaps left by statutory services and other charities.

Where necessary, the charity will use its public profile and influence to highlight the plight of disabled children and carers in continued efforts to positively affect policy and practice both domestically in the UK and Internationally.

During 2021 we continued to find appropriate platforms to ensure the opinions of experts by experience could be heard and 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.

In particular Trudi Beswick's public and political influence continued with participation in the Institute of Directors (Greater Birmingham) as the Inclusion & Diversity Ambassador, 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. Enabling the team, families and children to collaborate with other organisations and specialists whilst raising the profile of the needs of children and families, services and awareness.

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) again forming partnerships and collaborations.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

The Commonwealth Games in Birmingham in 2022 offers the charity a unique opportunity to work with the organisers and local communities to ensure the impact of the Games is inclusive of disabled and autistic young people and the legacy of the event benefits as many people as possible. By collaborating with the Birmingham 2022 organisers and their legacy charity, United by 22, we have been able to affiliate two of our collaborative projects with the Games.

Co-funded by the Spirit of 2012 legacy charity and the Edward Gostling Foundation, both projects will now form part of the Commonwealth Games festival and community activity.

All Roads Leads to Alexander is a project to showcase the talent and cultural diversity across the city ready for the Birmingham 2022 Commonwealth Games. Working with K'antu Ensemble, SAFS, The Association of Jamaican Nationals and the Allies Network, a year of creative workshops for children and young people with a variety of special educational needs and disabilities. The children were given a platform where they were able to express themselves through music, dance and art. The project will culminate in a series of performances and a film to be premiered during the Commonwealth Games Festival in 2022.

Throughout the year the charity team maintained productive working partnerships with organisations including the Birmingham Children's Hospital, 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.

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.

High profile fundraising events continue to prove an effective vehicle for the charity to raise awareness and funds for its services. Following the COVID enforced hiatus of the Butterfly Ball, London in 2020 it was with great anticipation that the charity delivered the re-scheduled event in November 2021.

From a new venue at the historic Round House in Camden, London guests were treated to a celebration of 21 years of the charity and heard from inspirational speakers associated to the charity. Many of the charity's beneficiaries contributed to the messages of the impact the charity has had. There were also messages of support from Prime Minister Boris Johnson MP, England and Man City football star Jack Grealish, Sir Rod & Penny Stewart and Sarah, The Duchess of York. Among the entertainment on the night was an exclusive performance by singer, Boy George.

The event raised an incredible £1,503,915 and continued the charity's impressive legacy of fundraising from events with thanks to the headline sponsor, Carey's.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

A special celebration and recognition was given on the night to a new group of committed philanthropists who have pledged to support the charity. In 2020 John Caudwell launched his innovative new 'Life Changers Circle', an exclusive network of high-value donors who share the same passion for philanthropy and wish to network with like-minded people. At the Butterfly Ball we welcomed the first 4 members of the Life Changers Circle, each of whom pledged to donate a total of £1million over 10 years to the charity.

The return of the London event once again complemented the Monaco-based events which continue to be masterminded by the unwavering commitment and dedication of Modesta Vzesniauskaite and Chairman Emeritus, John Caudwell.

Since its original inception in 2017, the annual sponsored cycle ride and gala dinner events have continued to grow in reputation and popularity. The Butterfly Ball, Monaco is now an established and recognised philanthropic event in Monaco's world-renowned social calendar thanks to the continued hard work of John Caudwell, Modesta Vzesniauskaite and the organising committee. In 2021 the Butterfly Ball, Monaco raised a £1,254,337.

We would also like to thank the events headline sponsors, Burgess Yachts and Arctic World Club.

Total income for the year increased by 72% compared to 2020. 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 £2.08 worth of goods and services for every £1 raised throughout 2021 and continuing the achievement of more than doubling the pound in every year 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 twelve 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.

REPORTING BACK ON OUR OBJECTIVES

As in previous years the team has not slowed down in the pursuit of Caudwell Children 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

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

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 continues to focus on the needs of the children and families and the support of the staff in delivering these services even in the toughest of circumstances. Each of the challenges caused by Covid and the pandemic aftershocks have been embraced and solutions sort to support the, families, children, staff, projects, services, fundraising and stresses of managing a charity during these unprecedented times. The digital strategies brought forwards during 2020 along with the training and systems put in place have continued through 2021 allowing the charity to continue to respond to the changing impacts of the pandemic. These new learnings and skills have added to Caudwell Children's future capability to deliver ever changing services and it is this that gives us so much pride in the team. It is this continued leadership, management and dedication that stands the charity on firm foundations and why it consistently achieves its ambitious targets and has even larger ambitions for the years ahead. Whilst being challenging in scale these future plans 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 these future goals, we designed, developed, built and opened the new, Caudwell International Children's Centre.

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.

With the build now complete and the centre fully open, the ongoing management of the wholly owned subsidiary 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 all profits earned by the subsidiary during the construction phase have been donated back to Caudwell Children.

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.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
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Due to lockdown restrictions face to face assessments were limited during large parts of the 2020. 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 that could visit the CICC. As such training was brought forward for the whole clinical team to carry out both ADIR & ADOS assessments. This vital training has been continued through 2021 to the team. 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 lockdowns. These remote sessions are now built into the programme improving the efficiency of the service as planned.

All of the above changes which were accelerated due to COVID during 2020 have been refined and improved upon during 2021 so as to now provide a clear suite of options tailored to the individual child's needs.

As previously mentioned the continued recruitment into the clinical team has been a critical success factor and has allowed us to increase the weekly assessment capacity within the CICC.

Many more of our services outside of Autism also continued to be delivered online during 2021 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 2021 the Charity employed its first Chief Operating Officer.

Under the guidance of the CEO the new COO assumed responsibility for all the service delivery and all Research and Evaluation. Recruited to support the COO was an Associate Director of Research along with an Associate Director of Operations.

The new COO's duties include the day to day charity operations, overseeing the ISO & CQC processes as well as the charity's feedback and evaluation of its services.

Continue in the 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. 2021 was a year of consolidation and reflection following the recruitment of 2020. Whilst embedding the "Big Bang Theory" strategy some key roles, as mentioned above, were filled. However, 2021 was a stabilising year used to assess the requirements needed for the next phase of expansion. This will lead to further recruitment and development in 2022 and beyond allowing for the continued development of the various departments and wider charity strategies as planned for by the CEO.

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.

During 2021 we continued to find appropriate platforms to ensure the opinions of experts by experience could be heard and continued to collaborate with partner organisations and colleagues from across the

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

voluntary sector to share best practice and raise national or political awareness for topical issues when necessary. Participation continued with the Institute of Directors, the Children 1st Alliance, the new British Standards Institute PAS design standards for neurodiversity, the Children's Activities Association and the Design in Mental Health Network. This enabled the team, families and children to collaborate with other organisations and specialists whilst raising the profile of the needs of children and families, services and awareness.

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) again forming partnerships and collaborations.

Increase media coverage across all formats, targeting a total audience of 1 Billion 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. The Marketing & Communications team underwent a period of continual transition and recruitment during 2021. A revised focus on measurable outcomes is expected in 2022 against the Big Bang Strategy.

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

Across all active social media channels, the audience grew by 8,300 to 65,600 and there were 47,260 engagements on our posts throughout the year. The strategic development of the charity's digital marketing portfolio remains an area needing additional focus and resource, we currently fail to meet the ambitious growth and innovation targets that we set ourselves. We continue to seek to recruit additional expertise in this area and utilise the benefits that can be made by an innovative approach to digital marketing and technology.

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 continues to be 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 Bang 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 maximise 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. Recruitment, training, and communication are key to ensure goals can be achieved. Against the difficult economic environment and recruitment landscape we are acutely aware of the need to balance our teams needs and our team's ambitions and service user's needs.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

Consolidate and Review the Research, Operations and Evaluation to meet the needs of the Charity.
Following the 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 new structure was tested, tweaked and improved upon during 2021. The final structure sees the newly created position of Chief Operating Officer overseeing a Research and Evaluation function headed by an Associate Director of Research, all daily operations under a newly recruited Associate Director of Operations as well as Governance, Facilities and Health and Safety. Reporting directly in the CEO this has enabled further development of systems and projects supporting the overarching strategy.

OBJECTIVE 4

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

Expanding the services provided.

The in-house Autism service provided by Caudwell Children within the CICC has proven to be a much-needed service throughout 2021. The clinical team continued to deliver the new digital day one assessments and face-to-face assessments throughout the whole of 2021, always ensuring to meet the various government guidelines that were in force at any time. Throughout the year, not only did Caudwell Children deliver its Autism services and assessments to its own charity funded children it also continued to help reduce 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. We also received referrals and assessed children from Gibraltar through a contract with the Gibraltar Health Authority. These ever growing partnerships and collaborations further evidences the need for the centre's initial 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.

Over the last few years through engagement with young people, children and families and the support of Trusts, Foundations and donors the Charity team have established new much needed services that complement the traditional portfolio of successful and well established services. This continues to support the changing needs of the disability community and build ever stronger partnerships which in turn enables increased and more focused support that reaches many more people.

During 2021 we continued with and added developed new Digital Training and Development to young people with Autism. This was started via funding from a single body in 2020 and has now grown into a standalone service with multiple funders. Caudwell Children continues to develop this service in a way that can be rolled out across the UK in a cost effective and efficient way to help many more young people. The interest we are starting to receive from grant funders demonstrates we are moving in the correct direction.

2021 was our second year of 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

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

the challenging financial times placed upon families through COVID-19 and the has proved even more important due to the global fuel crisis.

Review and improve Newly Created Services to fit the everchanging needs.

Following in internal structures, processes and equipment provision review in 2020, the CEO 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 continued to be an overwhelming success with children and families throughout 2021 and the demand for them continues to run into thousands.

Following continued evaluation during 2021 a smaller "Fidget Pack" was developed to specifically meet the need of children with a positive autism diagnosis. Once again demand quickly outstripped supply but we are proud to report that almost 2000 additional children were supported with these new packs before Christmas 2021.

Following this new success plans are already in place to develop a fully Autism specific pack for 2022.

The success of these two (soon to be three) packs is quite remarkable and the continued flow of applications since the equipment became available can only lead to an expectation that this service will continue be in high demand for the near future and will require extensive funding to match the need.

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

COVID-19 had a severe adverse impact on the finances of Caudwell Children during the whole of the reporting year of 2020.

It has also had an adverse impact on the fundraising during the first half of 2021. The charity team planned well for this and restructured the events calendar so as to backend our major events to the second half of 2021.

Despite the continued disruption to society's norms in the first 6 months of 2021, we achieved to hold several mass participation events and raised millions in the process.

These positive results are continuing into the start of 2022 and whilst we may well need to create some further readjustments to future strategies and timings of planned goals and outcomes we believe these will be much smaller going forwards than they were a year ago.

As mentioned several times above, this once in a lifetime event 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 2022 and beyond safely.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021**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 equal to eight months the budgeted general fund expenditure. These are slightly higher than the target of six months but are a result of having two large fundraising events in the last quarter of 2021. 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 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.

As at 31st December 2021 the charity holds total cash reserves of £8.66m of which £7.93m 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.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021
FINANCIAL REVIEW (continued)

- 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.

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 2021 unrestricted free reserves (unrestricted funds less amounts included in tangible fixed assets) amounted to £3,982,114 which is equivalent to eight months forward overhead expenditure. The increase is driven by having two large fundraising events in the final three months 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 £168,295 in designated funds. These funds have been designated for the purpose of matching the funding provided by The Edward Gostling Foundation over the next two 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

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

- To provide practical and emotional support to disabled children and their families in times of crisis
- To build, equip and provide Autism assessments from a flagship centre for disabled children as an exemplar of good practice

As at the end 2021, £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.

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. After having to postpone the annual Butterfly Ball during 2020 due to Covid-19 restrictions we were extremely pleased to once again hold our flag ship event. This years' venue was The Roundhouse in London and generated a gross profit of over £1.5m. We thank our all of our supporters for making a success of this event once again.

The total income increased this year by £2,487,532 compared to 2020. This was driven by the reduction in COVID restrictions and the positive impact of our face-to-face events including the above mentioned Butterfly Ball, London.

Total expenditure increased by £658,247 year on year. This was driven by extra events and fundraising as well as an increase in children helped. 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 2021 was 11,108 which equates to a staggering 344% increase on 2020.

During the year 2021 the charity made use of the Governments Furlough Scheme. A total of £59,788 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 offers and provided its services to children across Scotland in 2021 including the provision of the New Get Sensory packs.

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.

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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 2021 was £761,558; an increase of £105,501 on 2020. It costs on average 12.4 pence to raise each £1 which is an improvement on the 2020 cost of 17 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 2021 we continued 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 had a severe adverse impact on the finances of Caudwell Children during the whole of the reporting year of 2020.

It has also had an adverse impact on the fundraising during the first half of 2021. The charity team planned well for this and restructured the events calendar so as to backend our major events to the second half of 2021.

Despite the continued disruption to society's norms in the first 6 months of 2021, we achieved to hold several mass participation events and raised millions in the process.

These positive results are continuing into the start of 2021 and whilst we may well need to create some further readjustments to future strategies and timings of planned goals and outcomes we believe these will be much smaller going forwards than they were a year ago.

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, proved invaluable during 2020 & 2021 and will serve us even better during the years ahead. We had and still do have reserves to fall back on as was always

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
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the strategy. These funds are not limitless but they allow the charity 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.

By employing all of the above 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. The final build cost was agreed and paid in early 2021 and did not result in any additional build funding being required.
- 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)

TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued)
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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.

- 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. The charity has routinely carried out full and ever evolving risk assessments from very early in 2020 and continued throughout 2021 and into 2022. 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 the above 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. The income and cash flows have and will be impacted by what can and cannot be permitted in the near future. 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 2021, 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 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:

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TRUSTEES' REPORT (INCORPORATING STRATEGIC REPORT) (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

- 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

We, the Trustees, are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. We 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 we are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- We, the Trustees have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 16 September 2022 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 2021 which comprise Group Statement of Financial Activities, Group and Charitable company Balance Sheets, the Group Cash Flow Statement 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 2021 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' Annual 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 work we have performed, we conclude that there

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

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' Annual 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' Annual 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' Annual 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
- 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 21, 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

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 charity and company law applicable in England, Wales and Scotland, 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 and the Charities and Trustee Investment (Scotland) Act 2005.

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 revenue recognition and management override of controls. Audit procedures performed by the engagement team included:

- 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 with unusual amounts, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors
Date 26 September 2022

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 2021**

		Unrestricted general funds	Designated funds	Restricted funds	Total 2021	Total 2020
		£	£	£	£	£
	<i>Notes</i>					
<u>Income from:</u>						
Donations & Legacies	2	92,889	-	2,283,214	2,376,103	2,541,718
Raising funds	3	2,796,470	-	981,579	3,778,049	1,118,683
Income from Investments	4	3,807	-	-	3,807	10,026
Total		2,893,166	-	3,264,793	6,157,959	3,670,427
<u>Expenditure on:</u>	5					
Raising Funds						
Costs of events	3	515,513	-	246,045	761,558	656,057
Charitable activities						
Children in the community		574,542	-	3,394,809	3,969,351	3,574,283
Advice and Awareness		550,351	-	288,918	839,269	681,591
Total		1,640,406	-	3,929,772	5,570,178	4,911,931
Net Income before transfers		1,252,760	-	(664,979)	587,781	(1,241,504)
Transfers between funds	12	-	(110,000)	110,000	-	-
Net movement in funds		1,252,760	(110,000)	(554,979)	587,781	(1,241,504)
Total funds brought forward		2,729,354	278,295	20,143,163	23,150,812	24,392,316
Total funds carried forward		3,982,114	168,295	19,588,184	23,738,593	23,150,812

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

CAUDWELL CHILDREN

(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET

COMPANY NO. 3864620

AS AT 31 DECEMBER 2021

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Fixed Assets					
Tangible assets	9	15,796,004	16,282,846	15,796,004	16,282,846
Investment in CCG D&B Ltd		-	-	1	1
Current assets					
Debtors	10	2,124,796	1,231,833	2,124,796	1,231,833
Cash at bank and in hand		7,933,867	8,660,246	7,929,846	8,654,749
		<u>10,058,663</u>	<u>9,892,079</u>	<u>10,054,642</u>	<u>9,886,582</u>
Creditors: amounts falling due within one year	11	(2,116,074)	(3,024,113)	(2,112,054)	(3,076,311)
Net current assets		<u>7,942,589</u>	<u>6,867,966</u>	<u>7,942,588</u>	<u>6,810,272</u>
Net assets		<u>23,738,593</u>	<u>23,150,812</u>	<u>23,738,593</u>	<u>23,093,118</u>
Income funds					
Restricted funds	12	19,588,184	20,143,163	19,588,184	20,143,163
Designated funds		168,295	278,295	168,295	278,295
Unrestricted funds		3,982,114	2,729,354	3,982,114	2,671,660
		<u>23,738,593</u>	<u>23,150,812</u>	<u>23,738,593</u>	<u>23,093,118</u>

The net movement in funds for the year relating to the parent charity alone amounted to a Surplus of £645,475 (2020: deficit £1,299,198)

The financial statements were approved and authorised for issue by the Board of Trustees on: 16/09/2022

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 2021

	Notes	Group 2021 £	Group 2020 £
Cash used in operating activities	15	(701,091)	911,972
Cash flows from investing activities			
Interest income		3,807	10,026
Purchase of tangible fixed assets		(29,095)	(744,259)
Cash used in investing activities		(25,288)	(764,233)
Cash flows from financing activities			
Cash used in financing activities		-	-
Increase (decrease) in cash and cash equivalents in the year		(726,379)	147,739
Cash and cash equivalents at the beginning of the year		8,660,246	8,512,507
Total cash and cash equivalents at the end of the year		7,933,867	8,660,246
Analysis of cash and cash equivalents		2021	2020
		£	£
Cash in hand		7,933,867	8,660,246
Total cash and cash equivalents		7,933,867	8,660,246

The accompanying notes form part of these financial statements.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021****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) (effective 1 January 2015) – (Charities SORP (FRS102)), 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 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. Additional post year end COVID statements have been included within these financial reports and have been taken into consideration by the trustees in making this Going Concern statement.

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.

CAUDWELL CHILDREN

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

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 incoming resources 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 in incoming resources 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 2021**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.

CAUDWELL CHILDREN

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021 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.

2 Donations & Legacies

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2021 £
Donations and gifts	78,198	-	1,227,246	1,305,444
Gifts in kind	14,691	-	-	14,691
Grants receivable for core activities	-	-	1,055,968	1,055,968
Grants receivable for capital project	-	-	-	-
	<u>92,889</u>	<u>-</u>	<u>2,283,214</u>	<u>2,376,103</u>

2020 Comparative 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
	<u>736,255</u>	<u>-</u>	<u>1,805,463</u>	<u>2,541,718</u>

CAUDWELL CHILDREN
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Other Trading Activities

	2021 £	2020 £
Other Trading Activities	3,778,049	1,118,683
Costs of events	(761,558)	(656,057)
	<u>3,016,491</u>	<u>462,626</u>

Included within the above is £981,579 (2020: £123,131) raised for restricted purposes

4 Income from Investments – unrestricted funds

	2021 £	2020 £
Interest receivable	3,807	10,026
	<u>3,807</u>	<u>10,026</u>

5 Expenditure

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2021 £
Expenditure on raising funds					
Costs of Events	297,252	-	464,306	-	761,558
Expenditure on Charitable activities					
Children in the community	61,691	-	-	1,807,480	1,869,171
Activities undertaken directly	836,361	515,937	747,882	-	2,100,180
Advice and Awareness	349,048	-	490,221	-	839,269
Total	<u>1,544,352</u>	<u>515,937</u>	<u>1,702,409</u>	<u>1,807,480</u>	<u>5,570,178</u>

CAUDWELL CHILDREN
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

2020 Comparative 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

Included in the above charitable expenses were Governance costs including amounts payable to the auditors of £20,274 incl. VAT (2020: £13,645).

Included in the above Other Costs are Support Costs of £856,126 (2020: £808,082). The support costs are apportioned based on time spent on charity activities.

Net movement in funds	2021	2020
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets:		
- owned by the charity	515,937	506,415
Auditors' remuneration - audit	20,274	13,645
Pension costs	70,206	64,912
	=====	=====

CAUDWELL CHILDREN

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Grants payable

	Total 2021 £	Total 2020 £
Reconciliation of grants payable		
Commitments at 1 January 2021	1,053,386	898,734
Grants awarded in the year	1,807,480	1,615,661
Amounts paid in the year	(1,710,176)	(1,461,009)
 Commitments at 31 December 2021	 1,150,690	 1,053,386
 Commitments at 31 December 2021 are payable as follows:		
Within one year	1,150,690	1,053,386
After more than one year		
	1,150,690	1,053,386

7 Trustees

No Trustees were paid remuneration 2021 (2020 - £Nil). No Trustee Expenses were paid out in 2021 (2020 - £Nil).

8 Staff Costs

Number of employees

The average headcount of employees during the year was:

	2021	2020
 Fundraising and charitable activities.	 62	 58
 Wages and salaries	 2,236,796	 2,106,407
Social security costs	220,633	210,093
Other pension costs	70,206	64,912
	2,527,635	2,381,412

CAUDWELL CHILDREN
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021	2020
£60,000 - £70,000	5	1
£70,000 - £80,000	1	-
£80,000 - £90,000	1	-
£90,000 - £100,000	1	-
£110,000 - £120,000	-	1
£130,000 - £140,000	1	1
£140,000 - £150,000	1	-
£160,000 - £170,000	-	1
£240,000 - £250,000	1	-
£280,000 - £290,000	-	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, £1,228,442 (2020: £1,145,143)

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 £3,264.
There were no outstanding redundancy liabilities as at the year end.

CAUDWELL CHILDREN

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Tangible Fixed Assets – Group and Charity

	Fixture Fittings & Equipment £	Land & Buildings *	Total Assets £
Cost			
At 1 st January 2021	632,496	16,801,869	17,434,365
Additions	33,030	(3,935)	29,095
Disposals	-	-	-
	<u>665,526</u>	<u>16,797,934</u>	<u>17,463,460</u>
Depreciation			
At 1 st January 2021	440,709	710,810	1,151,519
Charge for the Year	157,071	358,866	515,937
Disposals	-	-	-
	<u>597,780</u>	<u>1,069,676</u>	<u>1,667,456</u>
Net Book Value			
At 31 st December 2021	67,746	15,728,258	15,796,004
At 31 st December 2020	<u>191,786</u>	<u>16,091,060</u>	<u>16,282,846</u>

10 Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Sales ledger control account	1,861,953	234,929	1,861,954	234,929
Other debtors	499	1,064	499	1,064
Accrued income	110,001	830,529	110,001	830,529
Prepayments	152,342	165,311	152,342	165,311
Inter-company debtor	1	-	-	-
	<u>2,124,796</u>	<u>1,231,833</u>	<u>2,124,796</u>	<u>1,231,833</u>

Sales Ledger Control Account is high at 31st December 2021 due to a Butterfly Ball taking place in November 2021 along with a major donation being invoiced in December 2021 and paid in March 2022. See note 14.

CAUDWELL CHILDREN

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

11 Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	170,064	93,345	170,064	93,346
Grants payable	1,150,690	1,053,386	1,150,691	1,053,386
Other creditors	15,468	1,147,246	15,468	13,364
Accruals	654,323	560,645	650,323	556,645
Other tax and social security	67,124	87,621	67,103	70,220
Deferred income	58,404	78,870	58,404	78,870
Inter-company creditor	(1)	-	1	1,207,480
	<u>2,116,072</u>	<u>3,024,113</u>	<u>2,112,054</u>	<u>3,076,311</u>

No deferred income was brought forward and released during the year.

12 Funds

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 2021 £	Movement in funds		Balance at 31 December 2021 £
		Income £	Expenditure £	
Charity Building	17,618,179	-	486,348	17,131,831
Treatment, Therapy & Equipment (inc Wheelchairs)	1,120,589	703,609*	587,493	1,236,705
Autism Services	592,928	782,263	853,473	521,718
Digital Skills	12,655	66,884	84,929	-5,390
Sports Equipment	91,435	135,456*	117,379	109,512
Big Lottery Scotland	12,979	-	12,978	1
Local Family Support	1,132	1,155	2120	167
Short Breaks	42,446	43,939	52,112	34,273
Spirit of 2012	34,414	33,900	65,359	2,955
Warm Homes	8,037	111,493	117,180	2,350
Big Lottery - GSP	44,510	-	44,510	-
Barclays - GSP	75,188	-	75,188	-
SDR & Appeals	388,671	56,180	103,457	341,394
Life Changers Circle	100,000	212,668	100,000	212,668
Admin & Management	-	1,227,246	1,227,246	-
Total	20,143,163	3,374,793	3,929,772	19,588,184

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

CAUDWELL CHILDREN

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

2020 Comparative movement in restricted funds

	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	3,333	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	2,038,595	3,101,367	20,143,164

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

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.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021**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.

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, fully CQC regulated, diagnostic, intervention and research programme, 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.

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 young people with the necessary skills to go onto further education or employment.

The short term negative balance was caused by the payment in arrears by the initial funder. Going forward balances are all positive.

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.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

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 delivers several streams of support for families accessing SDR and post-operative rehabilitation services by assisting the families in their own fundraising or by providing match-funding grants in partnership with other children's charities and the hospitals or rehab providers delivering the interventions. The charity also supports families where necessary with all the arrangements such as hospital costs, flights, accommodation and ongoing physiotherapy.

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 £168,295 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 £3,982,114.

13 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 December 2021 are represented by:				
Tangible fixed assets	67,746	-	15,728,258	15,796,004
Tangible fixed assets under construction	-	-	-	-
Current assets	4,879,751	168,295	5,010,617	10,058,663
Creditors: amounts falling due within one year	(965,383)	-	(1,150,691)	(2,116,074)
	3,982,114	168,295	19,588,184	23,738,593

CAUDWELL CHILDREN
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

2020 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	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

14 Related parties

Total donations received from John Caudwell during the year were £1,404,604. (2020: £944,245), including a pledge of £1,227,246 before the year end which was received in March 2022.

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

	Group 2021 £	Group 2020 £
Net movement in funds	587,781	(1,241,504)
Add back depreciation charge	515,937	506,414
Less interest receivable	(3,807)	(10,026)
Decrease in debtors	(892,964)	709,954
(Decrease) in creditors	(908,038)	947,134
Net cash used in operating activities	(701,091)	911,972

CAUDWELL CHILDREN**(A COMPANY LIMITED BY GUARANTEE)****NOTES TO THE ACCOUNTS (continued)**
FOR THE YEAR ENDED 31 DECEMBER 2021**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 2021

	2021 £	2020 £
Total Turnover	253,566	1,207,965
Total Cost Of Sales	4,994	1,138,457
Gross Profit / (Loss)	248,572	69,508
Administrative Expenses	8,261	4,911
Profit and Loss on Ordinary Activities before Taxation	240,311	64,597
Gift Aid paid	298,005	6,903
Profit and (Loss) for the Financial Year	(57,694)	57,694

CAUDWELL CHILDREN
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

CCG D&B BALANCE SHEET
AS AT 31 DECEMBER 2021

	2021. £	2020 £
Current assets		
Bank	4,021	5,496
WIP	-	-
Debtors	1	1,207,481
Total Current Assets	<u>4,022</u>	<u>1,212,977</u>
Creditors: amounts falling due within one year	4,021	1,155,282
Net current assets	<u>1</u>	<u>57,695</u>
Net assets	<u>1</u>	<u>57,695</u>
Capital and Reserves		
Called up Share Capital	1	1
Profit and Loss	-	57,694
	<u>1</u>	<u>57,695</u>

17 Parent Company Disclosures

Income of the charity (the parent company) amounted to £6,455,964 (2020: £3,677,329). Net movement in funds amounted to a surplus of £645,475 (2020: a reduction of £1,299,198).