

**THE ANNA FREUD CENTRE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2009**

Registered charity number 1077106

Registered company number 3819888

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# **THE ANNA FREUD CENTRE**

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## **THE ANNA FREUD CENTRE**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

**FOR THE YEAR ENDED 31 AUGUST 2009**

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#### **Board of Trustees**

Mr John C L Emanuel FCA  
Professor Sir Brian Jarman OBE, PhD, FRCP, FRCGP, FFPH, FMedSci  
Professor Linda Mayes MD  
Professor Anton O Kris  
Mr Peter Oppenheimer  
Mrs Buffy Sacher  
Professor David Reiss  
The Hon Michael Samuel (Chair)  
Mrs Anne-Marie Sandler Lic es Sciences de L'Educ et Psych (Geneva)  
Professor Carolyn W Slayman (appointed 15<sup>th</sup> July 2009)

#### **Directorial Team Chair**

Professor Linda Mayes MD

#### **Chief Executive**

Professor Peter Fonagy PhD DipPsych FBA

#### **Professional Director**

Professor Mary Target PhD

#### **General Manager**

Ros Bidmead BA (Hons)

#### **The Anna Freud Centre**

12 Maresfield Gardens  
London NW3 5SU

Tel No 0207 794 2313  
Fax No 0207 794 6506

Website <http://www.annafreudcentre.org>

The Anna Freud Centre is a company limited by guarantee, company number 3819888 and a registered charity No 1077106

**THE ANNA FREUD CENTRE**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2009**

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**Auditors**

haysmacintyre  
Fairfax House  
15 Fulwood Place  
London WC1V 6AY

**Bankers**

Barclays Bank plc  
St John's Wood and Swiss Cottage Branch  
PO Box 2784  
London NW3 6JD

**Solicitors**

Goodman Derrick  
90 Fetter Lane  
London EC4A 1EQ

**US Lawyers**

Paul, Weiss, Rifkind, Wharton & Garrison  
1285 Avenue of the Americas  
New York  
NY 10019-6064  
USA

**Investment Manager**

BlackRock Investment Management (UK) Limited  
33 King William Street  
London  
EC4R 9AS

## THE ANNA FREUD CENTRE

### TRUSTEES' ANNUAL REPORT

#### FOR THE YEAR ENDED 31 AUGUST 2009

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At the Anna Freud Centre (AFC) we have one clear goal, the emotional well-being of children and young people. We have been championing children's mental health since 1940 when Anna Freud founded the Hampstead War Nurseries. Her aims were twofold – to help children in emotional distress and to train child experts and research the best ways to help children suffering mental ill-health.

Today the Centre remains committed to these twin goals – through Practice and Learning.

As a Centre of Practice, the AFC is dedicated to developing innovative treatments, advising parents and providing specialist help for children and young people in emotional distress, helping to put them back on track for a brighter future.

As a Centre of Learning, the AFC pioneers research and training dedicated to improving the understanding of children's emotional problems through the training of health professionals, conducting empirical research and advising practitioners, universities and governments around the world.

The Centre relies on voluntary donations from the public, trusts and companies, together with fees from training activities and the provision of services to fund its work.

#### STRATEGIC DIRECTION

2008/9 was the first year of the Centre's new three-year Business Plan. Its strategic direction was approved by the Board of Trustees in March 2009. The new strategy has been developed to ensure that the AFC's work is focused in areas where we will be able to make the greatest impact on children's emotional well-being, whether this is through developing and delivering innovative services, training allied-professionals and postgraduate students or undertaking empirical research. Key objectives in the plan include:

- Improving the effectiveness of mental health services to children and young people. The AFC aims to do this through the creation and delivery of innovative clinical services, training and research.
- To work towards the better understanding of the development of mental health problems experienced by children and use this knowledge to generate effective preventive and treatment strategies.
- To create educational and training opportunities for talented individuals wishing to work to improve the emotional well-being of children and young people.
- To establish partnerships and collaborations to ensure the most effective delivery of our strategy.
- To integrate and disseminate information about the latest research relating to children and young people with emotional and behavioural difficulties.
- To promote outcomes-based and evidence-informed practice.

In September 2008, a new management structure was established through the creation of five programmes: *Infancy and Early Years*, *Families at Risk*, *Children and Young People*, *Service Development and Evaluation* and *Postgraduate Studies*. The aim of this restructuring was to increase organisational capacity to deliver our objectives.

#### OBJECTIVES AND ACHIEVEMENTS

Over the past year, the Centre offered a range of clinical services and preventive projects, training activities and research initiatives. Specific objectives for the year included -

- Continuing to ensure our services are accessed by those who are disadvantaged and 'hard to reach' including locating a proportion of new services in areas of greatest need.
- Enhancing the skills and competencies of workers supporting children and young people's mental health, through dissemination of our work through publications and conferences, and increasing the number of allied professionals trained through our short courses and postgraduate courses.
- Continuing to invest in the Centre's research excellence through the Developmental Neuroscience Unit and recruitment of first-class developmental scientists.

## THE ANNA FREUD CENTRE

### TRUSTEES' ANNUAL REPORT (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2009

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- Enhancing the sustainability of our services by diversifying sources of income
- Developing collaborative ways of working, particularly through strengthening our partnerships with UCL, Yale, and the Tavistock and Portman NHS Foundation Trust

## ACHIEVEMENTS AND PERFORMANCE

### PRACTICE

#### Treatment innovation

The Centre develops and evaluates new treatment approaches to support families whose needs are not met by existing services

#### Supporting families

During the year, we re-launched our Family Support Service, which now includes a telephone consultation service for parents and carers with concerns about their children. The Family Support Service offers a brief intervention for children and families called Mentalization Based Family Therapy, an innovative treatment which the Centre has developed in partnership with the Marlborough Family Service Unit and Baylor Medical College in the US.

#### Young people at risk of violence

We began a three-year project to develop an intervention for highly vulnerable young people aged 13-25 with the aim of preventing them becoming involved in violence and bullying. The charity Kids Company is one of our partners in the project.

#### Early intervention

A child's healthy emotional development depends on the quality of their early bonds with their caregivers. Our Parent-Infant Project continues to support early parenting, working with serious relationship difficulties, offering services from the Centre and outreach locations. We are committed to working with disadvantaged families. The project has developed a parenting course for mothers and babies in prison, which teaches about babies' development and aims to increase mothers' confidence in parenting.

#### Children on the edge of care and in care proceedings

The Centre offers specialist assessment services for the courts for this very vulnerable group of children. These services continued to develop trainings in specialist skills for front-line workers. Many of the children and young people we see in our court assessment services have witnessed domestic violence, drug and substance misuse and have lived with parents or carers suffering from mental health problems. These traumatic experiences affect children's life chances. During the year, we launched "What Happened Next" – a project which will explore what happened to 110 children and young people who attended our Family Assessment Service. The aim of this research is to provide evidence about outcomes for children assessed by experts in care proceedings. The findings will enable agencies and policy makers to identify the best ways to help children in, or on the edge of, care.

In collaboration with partners in Camden, the Families At Risk and Infancy and Early Years programmes are developing an innovative intervention for parents diagnosed with Personality Disorder and their young children. The aim of this intervention is to keep vulnerable children out of care and improve their emotional development and life chances.

#### Evaluating all that we do

The Service Development and Evaluation programme has supported all these along with the Centre's other clinical programmes with an evaluation component. We value the independent ongoing evaluation of our work by an in-house team of experts. This programme also undertakes evaluations for several other psychological and psychotherapy services locally and nationally as well as responding to requests to give advice on service evaluation.

## **THE ANNA FREUD CENTRE**

### **TRUSTEES' ANNUAL REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2009**

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#### **LEARNING**

##### **Postgraduate study**

Our Postgraduate Studies programme has continued to consolidate and expand the range of innovative university accredited courses in child development and mental health. During the year, we offered two new clinically based courses in partnership with University College London – the Diploma in Low Intensity Psychological Interventions and the MSc in Cognitive Behaviour Therapy and Other Outcomes Based Interventions. We also began work to establish a new Doctoral School in Psychoanalytic Theory. This school will make a major contribution to the expansion of graduate studies in psychoanalytic theory and to extending interdisciplinary links.

##### **Short training courses**

We continued to develop and expand our range of short courses to support the skills and practice of allied professionals working in child mental health and clinical research. More than one thousand allied professionals were trained during the year.

##### **Anna Freud Centre – Yale Child Study Center Bridge Programme**

This Bridge programme has an active exchange of clinical knowledge, learning and experience across the Yale Child Study Center and the AFC. A particular feature of the past year has been the growing collaborations between the Developmental Neuroscience Units at the two sites.

##### **The AFC Developmental Neuroscience Unit**

There are a number of studies underway in the new Neuroscience Laboratory at the Centre covering the whole spectrum of the Unit's research themes: emotional development and emotional regulation, the development of social cognition and parent-child attachment.

#### **2009/10 PLANS**

During the coming year we will continue to build on progress made in 2008/9. Specific targets include:

- Continuing to improve the effectiveness of all our interventions offered to children, young people and families, particularly through rigorous evaluation of all our projects including research follow-ups with many of the families we have worked with.
- The development and implementation of a more focused clinical strategy to ensure we are meeting the needs of our service users.
- Continuing to develop our training activities. A specific priority is to work towards the re-launch of a doctoral level practitioner training.
- Strengthening the Developmental Neuroscience Unit through fostering collaborations with partner laboratories at Yale and to secure core funding for the maintenance of the London unit.
- Continuing to diversify our sources of income, particularly through the work of the Major Donor Group and Fundraising Committee.
- A refreshed strategy for participation to ensure that all the groups we work with from children, young people and carers, to donors, students and allied professionals, work with us in partnership.
- Rebranding our design and communications. The Centre recognises that it needs to be better at explaining what it does so that it can generate more support for its services and continue to expand all its training activities.
- Developing and implementing a Green Policy to put into action the Centre's position and values on environmental and sustainable issues.

## **THE ANNA FREUD CENTRE**

### **TRUSTEES' ANNUAL REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2009**

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#### **PUBLIC BENEFIT**

The principal charitable objective of the Centre, as set out in its Memorandum and Articles of Association, is the promotion for the public benefit of the relief of mental illness or disorder and the protection and preservation of mental and emotional health. In setting plans and priorities for all the Anna Freud Centre's activities, the Trustees have had regard to the guidance from the Charity Commission on the provision of public benefit. The Board of Trustees consider how the Centre's activities contribute to meeting the objectives set out in the Business Plan. The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

The ways in which the Centre delivers its charitable objective is illustrated in the above summary of objectives and achievements. Further details of activities are available at [www.annafreudcentre.org](http://www.annafreudcentre.org)

The public benefit of the Centre's work is firmly based in its service, training and research activities, which consistently focus on the provision of support for the emotional well-being and mental health of children and young people.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Anna Freud Centre is a registered charity (number 1077106). It is set up under its Memorandum and Articles of Association, as a company limited by guarantee (registration number 3819888).

The Board of Trustees are the charity's trustees and the legal directors of the company. They serve a four-year term, after which they are eligible for reappointment. New trustees are selected through open recruitment. Emphasis is placed on ensuring representation from key stakeholders and any identified skills gap within the Board at the time of recruiting. The Chair identifies Trustees' training needs with the Board.

The Board of Trustees meet three times a year. The Board set and review strategy and monitor operational matters. The Finance Committee is a sub-committee of the Board of Trustees and its membership includes the Chair and Treasurer. Before submission to the full Board, the Finance Committee review the annual accounts, issues relating to internal or external audits, investment and reserves' policies and the remuneration of senior staff. Matters not reserved for decision by the Board of Trustees are delegated to the Centre's Executive: its Directorial Team and the General Manager. The Directorial Team comprises the Chair of the Team who is also a Trustee, the Chief Executive and the Professional Director.

#### **Internal control and risk management**

The Board of Trustees has responsibility for ensuring the Centre has in place an appropriate system of financial controls to provide assurance that the charity is operating efficiently and effectively, its assets are safeguarded and that proper records are maintained. Also that financial information used within the Centre for publication is reliable and that the charity complies with relevant laws and regulations. The Finance Committee examines the effectiveness of internal systems of financial control on behalf of the Board of Trustees.

The Centre's systems of financial control include

- a business plan and annual budget approved by the Board
- regular review by the Board of actual results compared to budget and plan
- delegation of authority to spend within defined limits
- identification and management of risk by the Board, Directorial Team and General Manager

The Trustees continue to review the register of risks, which identifies the types of risk and assesses their likelihood of occurrence, potential impact and means of mitigation.



## **THE ANNA FREUD CENTRE**

### **TRUSTEES' ANNUAL REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2009**

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#### **FINANCIAL REVIEW**

The results for the year show that the Anna Freud Centre achieved an income of £3,476,336 compared to £2,756,343 in 2007/8

Costs have gone up from £2,605,362 last year to £3,525,435 this year. There were net outgoing resources of £49,099 compared to net incoming resources of £150,981 in 2007/8. The net incoming resources last year arose from a one-off capital donation for a building and laboratory development of £250,000 which had to be recognised in full in the year of receipt despite the depreciation of these items being spread over many years.

The Centre owns 25% of the Marilyn Monroe LLC and in previous years has received royalty income from a range of licensing activities. Litigation costs in the US concerning Rights of Publicity have meant that the Centre's share of royalty income during the year was allocated to uphold and protect the LLC's Rights of Publicity. This licensing income is in any case time limited and expected to reduce significantly in the next several years so the Centre is committed to diversifying its sources of income to replace these licensing revenues.

A pleasing development during the year was the continued growth of short course income, shown under Conferences and study events. Also Postgraduate studies have seen growth with new courses being introduced in the year.

#### **Reserves Policy**

The trustees have reviewed the reserves' policy and concluded that it should remain unchanged, i.e. that the Centre needs to maintain the current level of general reserve to provide essential investment income and a buffer against the variability of its major sources of income.

The Board has again reviewed the operations of the Centre and have approved a deficit budget for 2009/2010 and will fund the deficit through reserves. The deficit is expected due to the loss of the Marilyn Monroe LLC licensing income.

The Board of Trustees have undertaken a review of the designated funds and agreed that they should be £2,668,686 (2008 £2,805,373) of which £2,436,257 (2008 £2,502,090) is represented by fixed assets which are necessary to run the Centre. The other designated funds are set up to ring-fence funds for future development in research and postgraduate education.

#### **Investment Policy and Performance**

In accordance with the Memorandum and Articles of Association, the Trustees have the power to invest in such stocks, shares, investments and property in the UK as they see fit. The Trustees continued to engage BlackRock as investment managers. The policy is to maintain a balanced approach, maximising the long-term capital return after providing a target income of £250,000. The benchmark used is the W M Charities Survey Constrained by assets category.

#### **TRUSTEES' RESPONSIBILITIES**

The trustees (who are also directors of the Anna Freud Centre for the purposes of company law) are responsible for preparing the Trustees' Annual 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.

**THE ANNA FREUD CENTRE**

**TRUSTEES' ANNUAL REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2009**

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In preparing these financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

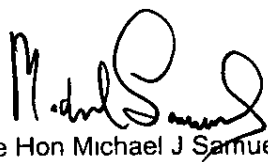
In so far as we are aware

- There is no relevant audit information of which the charitable company's auditor is unaware, and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

**AUDITORS**

The auditors, Haysmacintyre, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

The report was approved by the Trustees on 24/2/10 and signed on their behalf by



The Hon Michael J Samuel  
Chair of Trustees

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ANNA FREUD CENTRE

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We have audited the financial statements of The Anna Freud Centre for the year ended 31 August 2009 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with those financial statements.

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

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

### Basis of audit opinion

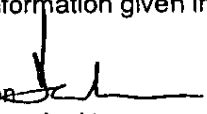
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

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

### Opinion

In our opinion:

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

Bernie Watson   
Senior Statutory Auditor  
for and on behalf of haysmacintyre, Statutory Auditors

Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

Date 24 February 2010.

**THE ANNA FREUD CENTRE**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 AUGUST 2009**

	Notes	Unrestricted Funds 2009 £	Restricted Funds 2009 £	Total Funds 31 August 2009 £	Total Funds 31 August 2008 £
<b>Incoming Resources</b>					
<b>Incoming Resources from generated funds:</b>					
<i>Voluntary income</i>					
Donations and grants	2	96,570	1,065,705	1,162,275	814,708
Donation for capital works		-	-	-	257,691
Legacy income		11,411	-	11,411	-
<i>Activities for generating funds</i>					
Investment income	5	221,184	-	221,184	262,831
		<u>329,165</u>	<u>1,065,705</u>	<u>1,394,870</u>	<u>1,335,230</u>
<b>Incoming resources from charitable activities:</b>					
Treatment & assessment fees		492,315	-	492,315	383,741
Conferences & study events		498,461	-	498,461	305,253
Post graduate training income		904,439	-	904,439	472,364
Research		168,769	-	168,769	228,944
		<u>2,063,984</u>	<u>-</u>	<u>2,063,984</u>	<u>1,390,302</u>
<b>Other incoming resources</b>		17,482	-	17,482	30,811
<b>Total Incoming Resources</b>		<u>2,410,631</u>	<u>1,065,705</u>	<u>3,476,336</u>	<u>2,756,343</u>
<b>Resources Expended</b>					
<b>Cost of generating funds:</b>					
Fundraising and publicity		113,736	-	113,736	106,038
Investment management fees		18,894	-	18,894	28,255
Legal fees	4	13,643	-	13,643	19,936
		<u>146,273</u>	<u>-</u>	<u>146,273</u>	<u>154,229</u>
<b>Charitable Activities:</b>					
Clinical and preventive services		903,735	247,028	1,150,763	1,100,406
Post graduate training		700,289	-	700,289	431,629
Research		273,638	713,374	987,012	588,765
Conferences and study events		422,728	44,996	467,724	268,378
Library		41,852	-	41,852	36,343
		<u>2,342,242</u>	<u>1,005,398</u>	<u>3,347,640</u>	<u>2,425,521</u>
<b>Governance costs</b>		31,522	-	31,522	25,612
<b>Total Resources Expended</b>	3	<u>2,520,037</u>	<u>1,005,398</u>	<u>3,525,435</u>	<u>2,605,362</u>
<b>Net (outgoing)/incoming resources before transfers</b>					
		(109,406)	60,307	(49,099)	150,981

THE ANNA FREUD CENTRE

STATEMENT OF FINANCIAL ACTIVITIES (continued)

FOR THE YEAR ENDED 31 AUGUST 2009

	Notes	Unrestricted Funds 2009 £	Restricted Funds 2009 £	Total Funds Year to 31 August 2009 £	Total Funds Year to 31 August 2008 £
<b>Net (outgoing)/incoming resources</b>					
<b>Before transfers</b>		(109,406)	60,307	(49,099)	150,981
Transfers between funds		(28,323)	28,323	-	-
<b>Net(outgoing)/incoming resources</b>		(137,729)	88,630	(49,099)	150,981
<b>Net investment (losses)</b>		(477,232)	-	(477,232)	(419,062)
<b>Net movement in funds</b>		(614,961)	88,630	(526,331)	(268,081)
Fund balances brought forward at 1 September 2008	11	7,736,542	444,324	8,180,866	8,448,947
<b>Fund balances carried forward at 31 August 2009</b>	11	7,121,581	532,954	7,654,535	8,180,866

There were no recognised gains or losses other than as disclosed in the statement of financial activities. All income and expenditure relates to continuing activities.

The accompanying notes form an integral part of these financial statements.

## BALANCE SHEET

AS AT 31 AUGUST 2009

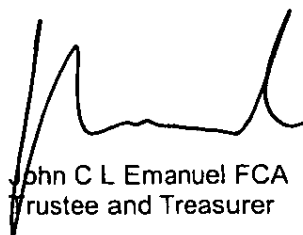
	Notes	2009 £	2009 £	2008 £
<b>Fixed assets</b>				
Tangible assets	6		2,436,306	2,502,091
Investments	7		5,193,020	5,588,473
			<u>7,629,326</u>	<u>8,090,564</u>
<b>Current assets</b>				
Debtors	8	587,339		441,613
Cash at bank and in hand		284,719		207,653
		<u>872,058</u>		<u>649,266</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(846,849)</u>		<u>(558,964)</u>
<b>Net current assets</b>			25,209	90,302
<b>Total Assets less current liabilities / Net assets</b>			<u>7,654,535</u>	<u>8,180,866</u>
<b>Funds</b>				
General funds			4,452,896	4,931,169
Designated funds			2,668,685	2,805,373
Restricted funds			532,954	444,324
<b>Total funds</b>	11		<u>7,654,535</u>	<u>8,180,866</u>

The accompanying notes form an integral part of these financial statements

The financial statements were approved and authorised for issue by the Board on 24/2/10 and were signed below on its behalf by



The Hon Michael Samuel  
Chair of Trustees



John C L Emanuel FCA  
Trustee and Treasurer

**THE ANNA FREUD CENTRE**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2009**

	<b>Note</b>	<b>2009 £</b>	<b>2008 £</b>
<b>Net cash outflow from resources</b>	18	(5,431)	(477,899)
<b>Returns on investments and servicing of finance</b>			
Investment income		221,184	262,831
		<u>215,753</u>	<u>(215,068)</u>
<b>Capital expenditure and financial investments</b>			
Purchase of tangible fixed assets		(56,908)	(501,826)
Purchase of investments		(21,495)	-
Disposal of investments		-	125,000
Loss on disposal of fixed assets		-	1,853
		<u>137,350</u>	<u>(590,041)</u>
<b>Increase/(decrease) in cash</b>			
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		<u>137,350</u>	<u>(590,041)</u>
<b>Change in net funds resulting from cash flows</b>		<u>137,350</u>	<u>(590,041)</u>
Net funds at 1 September 2008		<u>209,656</u>	<u>799,697</u>
<b>Net funds at 31 August 2009</b>	19	<u><u>347,006</u></u>	<u><u>209,656</u></u>

The accompanying notes form an integral part of these financial statements

**THE ANNA FREUD CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2009**

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**1 ACCOUNTING POLICIES**

**a) Convention**

The financial statements have been prepared under the historic cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005)

**b) Depreciation**

Freehold properties are included in the financial statements at valuation. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows

Freehold properties	2% per annum
Furnishings and equipment	25% per annum

**c) Investments**

Investments are included in the balance sheet at market value. It is the charity's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising relating to previous years. As a result the statement of financial activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio throughout the year.

**d) Incoming Resources**

All incoming resources are accounted for as they become available to the charity.

**e) Translation of Foreign Currencies**

Bank balances in foreign currencies are translated into sterling at the rate of exchange ruling at the year end and any exchange differences together with exchange differences arising from the conversion of grants received in foreign currencies into sterling during the year are included in the statement of financial activities.

**f) VAT**

Where appropriate, expenditure includes irrecoverable value added tax.

**g) Resources Expended**

Direct costs have been charged to the relevant cost category, and shared costs have been allocated on a basis consistent with the budgeted use of resources. Governance costs include costs incurred in meeting constitutional and statutory requirements.

**h) Pension Costs**

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**i) Fund Accounting**

General funds consist of amounts available to the trustees to be applied at their discretion within the objects of the charity. Designated funds comprise unrestricted funds which have been set aside at the discretion of the trustees for specific purposes.

Restricted funds consist of amounts subject to special trusts within the objects of the charity either imposed by the donor or by the terms of the appeal.

All income and expenditure is shown in the statement of financial activities.



THE ANNA FREUD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2009

2. GRANTS AND DONATIONS	2009 £	2008 £
<b>Incoming resources from generated funds</b>		
<b><i>Unrestricted funds</i></b>		
Donations and small grants	41,821	63,591
Esmée Fairbairn	10,000	-
Roan Charitable Trust	10,000	-
Anonymous funder	34,749	-
G Kennedy Charitable Trust	-	15,000
Edith Bauxbaum Foundation	-	3,590
	<hr/> 96,570	<hr/> 82,181
<b><i>Restricted funds</i></b>		
Treatment service		
Anna Freud Foundation	16,384	20,174
Freud Centenary Fund	10,000	9,750
Sundry donations	50	400
Parent/infant		
Big Lottery Fund	16,250	18,787
Camden PCT	13,750	15,375
The Lewis Family Foundation		8,750
The Earl of Listowel	4,500	3,600
E Meyer	-	10,000
Wates Foundation	20,000	10,000
The Tompkins Foundation	5,000	5,000
Sundry Donors	1,820	4,086
Kilburn Priory Toddler Group		
Camden Early Years Service	11,035	10,833
Hostels		
SEI	-	3,930
MBFT (previously SMART) Pilot		
Henry Smith Charity		35,125
Camden PCT	-	25,000
Young Persons Service		
Equitable Charitable Trust	-	14,049
North London Post Permanent Placement Consortium		
Department of Children, Schools and Families	26,505	31,285
Primary School Project		
Lehmann Brothers Foundation Europe	-	15,000
Mellow Parenting		
Department of Health	23,652	89,018
Adolescent Multi-Modal		
John Lyons Charity	-	7,500
Jeremy and John Sacher Charitable Trust	-	10,000
Teenagers Becoming Parents Project		
Department of Health	21,000	27,393
Adoption Adolescent Follow-up Study		
Big Lottery Fund	15,586	50,844
University Based Education		
IJPA	-	1,667
Psychoanalytic Electronic Publishing	-	11,980
Carried forward	<hr/> 282,102	<hr/> 521,727

THE ANNA FREUD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2009

2. GRANTS AND DONATIONS (continued)	2009 £	2008 £
Brought forward	282,102	521,727
<b><i>Restricted funds (continued)</i></b>		
Outcomes review		
Department of Children, Schools and Families	70,759	47,641
Developmental Neuroscience unit		
Marie Curie EU (DISCOS) Grant	103,700	31,763
Infant Processing - UCL	74,451	49,634
Hope For Depression Research Foundation	28,855	
The Peter Samuel Charitable Trust		10,000
Me and My School Project (TaMHSE)		
UCL	356,443	148,591
CPT Process Study		
Sundry donors	-	2,835
Genetic/environmental study		
IPA	-	2,517
Toddlers groups		
Rose Foundation	5,000	-
Sundry donors	100	-
Englands Lane Toddler Group		-
Camden Early Years Service	13,950	-
Camden PCT	5,000	-
Looked After Children Service		
Department of Health	58,579	-
Consultation Service		
Sundry donors	60	-
Non Intensive treatment service		
Sundry donors	50	-
Tackling Violence		
City Bridge Trust	30,000	-
Kidstime		
City Bridge Trust	35,350	-
Child Outcome Tool Box		
Department of Health	57,053	-
CSIP (Care Services Improvement Partnership)		
EBPU consolidated funds	8,095	-
EBPU General		
EBPU consolidated funds	8,602	-
MBT		
Psychoanalytic Electronic Publishing	20,626	-
Support costs		
The Rose Foundation	3,500	-
<b>Total grants and donations</b>	<b>1,162,275</b>	<b>814,708</b>

THE ANNA FREUD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2009

3. TOTAL RESOURCES EXPENDED	Salaries £	Consultants £	Post Graduate Grants £	Other Expenses £	Support Costs Allocation £	2009 Total Expenditure £	2008 Total Expenditure £
<i>Cost of generating Funds</i>							
Fundraising and publicity	82,946	12,393	-	5,908	12,489	113,736	106,038
Investment Management Fees	-	-	-	18,894	-	18,894	28,255
Legal fees regarding Marilyn Monroe LLC	-	-	-	13,643	-	13,643	19,936
	<u>82,946</u>	<u>12,393</u>	<u>-</u>	<u>38,445</u>	<u>12,489</u>	<u>146,273</u>	<u>154,229</u>
<i>Charitable Expenditure</i>							
Clinical and preventive services	885,710	6,981	40,833	91,655	125,584	1,150,763	1,100,406
Post graduate training	518,468	11,750	-	93,175	76,896	700,289	431,629
Research	634,023	103,079	-	141,531	108,379	987,012	588,765
Conferences and study events	325,602	26,348	-	64,415	51,359	467,724	268,378
Library	32,913	-	-	8,939	-	41,852	36,343
	<u>2,396,716</u>	<u>148,158</u>	<u>40,833</u>	<u>399,715</u>	<u>362,218</u>	<u>3,347,640</u>	<u>2,425,521</u>
Governance	22,436	-	-	9,086	-	31,522	25,612
Total Resources Expended	<u>2,502,098</u>	<u>160,551</u>	<u>40,833</u>	<u>447,246</u>	<u>374,707</u>	<u>3,525,435</u>	<u>2,605,362</u>

THE ANNA FREUD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2009

3	RESOURCES EXPENDED (continued)	2009 £	2008 £
	<b>Support costs</b>		
	Computer expenses	80,178	47,300
	Property maintenance	27,957	21,309
	Printing, postage and stationery	37,891	22,952
	Telephone	16,122	24,506
	Rates	14,558	15,012
	Insurance	28,603	30,295
	Depreciation	67,137	115,985
	Light and heat	24,842	14,957
	Office expenses	29,674	32,383
	Bank charges	13,628	4,437
	Travel costs	12,931	14,337
	Foreign exchange gains	(1,064)	(3,430)
	Staff related costs	22,119	6,515
	Other costs	131	137
		<u>374,707</u>	<u>346,695</u>

Support costs are allocated to activities in the ratio of each activity's direct expenditure as this is considered to be a reasonable reflection of usage

Governance costs include audit fees of £7,125 (2008 £7,125)

4 DISTRIBUTION FROM THE MARILYN MONROE LLC

No licensing income (2008 £Nil) was receivable by the Centre. Legal fees totalling £173,956 (2008 £396,538), which relate to litigation regarding copyright infringement, have been paid out of licensing income earned during the year by the Marilyn Monroe LLC. The Anna Freud Centre sought its own legal advice in connection with this matter and incurred legal fees totalling £13,643 (2008 £19,936)

5	INVESTMENT INCOME	2009 £	2008 £
	Income from listed investments	219,812	238,876
	Interest from cash instruments	874	22,139
	Bank interest receivable	498	1,816
		<u>221,184</u>	<u>262,831</u>

THE ANNA FREUD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2009

6. TANGIBLE FIXED ASSETS	Freehold Land £	Freehold Properties £	Furnishings and Equipment £	Total £
<b>COST</b>				
At 1 September 2008	850,000	1,775,033	354,100	2,979,133
Additions	-	15,657	41,251	56,908
Disposals	-	-	(35,481)	(35,481)
At 31 August 2009	850,000	1,790,690	359,870	3,000,560
<b>DEPRECIATION</b>				
At 1 September 2008	-	340,432	136,610	477,042
Charge for year	-	35,703	86,990	122,693
Eliminated on disposals	-	-	(35,481)	(35,481)
At 31 August 2009	-	376,135	188,119	564,254
<b>NET BOOK VALUE</b>				
At 31 August 2009	850,000	1,414,555	171,751	2,436,306
At 31 August 2008	850,000	1,434,601	217,490	2,502,091

7. INVESTMENTS	2009 £	2008 £
Market value at 1 September 2008	5,588,473	6,796,117
Additions	21,495	-
Disposal proceeds	-	(125,000)
Net investment (losses)/gains	(477,232)	(419,062)
Movement in deposits and cash instruments	60,284	(663,582)
Market value at 31 August 2009	5,193,020	5,588,473
Historical cost at 31 August 2009	5,091,144	4,965,544
<b>Listed Investments (Market Value)</b>		
UK fixed interest	701,150	803,857
UK equity shares	3,285,319	3,435,568
Overseas equities	983,888	1,167,620
Market value of listed investments	4,970,357	5,407,045
Cash Instruments and amounts held on deposit	222,523	177,076
Cash	140	4,352
<b>Total</b>	<b>5,193,020</b>	<b>5,588,473</b>

The investment manager, BlackRock invests in a wide range of investments and the Trustees regularly review performance. The investment manager is remunerated by a percentage of the value of the fund and the charge for 2009 is £18,894 (2008 £28,255)

THE ANNA FREUD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2009

8. DEBTORS	2009 £	2008 £
Other debtors	151,534	243,151
Prepayments and accrued income	435,805	198,462
	<u>587,339</u>	<u>441,613</u>

9. CREDITORS: Amounts falling due within one year	2009 £	2008 £
Trade creditors	336,087	248,689
Taxation and social security costs	57,476	47,620
Hire purchase lease	-	4,200
Accruals and deferred income	453,286	258,455
	<u>846,849</u>	<u>558,964</u>

10 STATEMENT OF FUNDS

	1 September 2008 £	Income £	Expenditure £	Net Investment Losses £	Transfers £	31 August 2009 £
<b>UNRESTRICTED FUNDS</b>						
<b>General Funds</b>	4,931,169	1,349,191	(1,608,727)	(477,232)	258,495	4,452,896
<b>Designated Funds</b>						
Fixed Asset Fund	2,502,090	-	-	-	(65,833)	2,436,257
Treatment Services Fund	196,859	-	-	-	(196,859)	-
Toddler Groups Fund	35,927	-	-	-	(35,927)	-
Postgraduate Studies	-	809,426	(747,178)	-	-	62,248
Multi Systematic Therapy	-	83,242	(9,288)	-	-	73,954
Research Projects fund	19,932	-	-	-	(19,932)	-
CBT OBI (formally known as Diploma in OBT)	50,565	-	-	-	(50,565)	-
Service Development and Evaluation	-	-	-	-	-	13,928
MBT Ring-Fenced funds	-	-	-	-	82,298	82,298
<b>Total designated funds</b>	<u>2,805,373</u>	<u>1,061,440</u>	<u>(911,310)</u>	<u>-</u>	<u>(286,818)</u>	<u>2,668,685</u>

THE ANNA FREUD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2009

11. STATEMENT OF FUNDS (Continued)

	1 September 2008 £	Income £	Expenditure £	Net Investment Losses £	Transfers £	31 August 2009 £
<b>RESTRICTED FUNDS</b>						
Building development fund	235,722	3,500	(10,534)	-	-	228,688
Intensive Treatment by staff	-	26,434	(26,434)	-	-	-
Kilburn Priory Toddler Group	-	11,035	(11,035)	-	-	-
Parent/infant project @AFC	14,875	40,570	(55,445)	-	-	-
MBT	-	20,626	(20,626)	-	-	-
Looked After Children project	-	58,579	(58,261)	-	-	318
PIP RCT	-	16,250	(16,250)	-	-	-
Toddlers group	-	5,100	(5,100)	-	-	-
CPT Process Study	3,661	-	-	-	-	3,661
Englands Lane Toddler Group	-	18,951	(18,951)	-	-	-
PIP Prisons	-	4,500	(4,500)	-	-	-
Genetic/Environmental	1,923	-	(1,923)	-	-	-
Tackling Violence	-	30,000	(6,236)	-	-	23,764
Kidstime	-	35,350	(14,291)	-	-	21,059
Adoption Adolescent Follow- Up Project	1,450	15,586	(17,036)	-	-	-
Mellow Parenting	21,477	23,652	(45,129)	-	-	-
Primary School Project	3,557	-	(3,557)	-	-	-
Outcomes Review	-	70,759	(70,759)	-	-	-
North London Post	28,260	26,505	(54,765)	-	-	-
Permanent Placement Consortium (NLPPPC)	-	-	-	-	-	-
Teenagers Becoming Parents Project	2,949	21,000	(23,949)	-	-	-
Targeted Mental Health in Schools (TaMHSE)	-	356,443	(240,703)	-	-	115,740
Developmental Neuroscience Unit	-	207,006	(233,547)	-	26,541	-
Evidence Based Practice Unity (EPBU)	130,450	16,696	(58,261)	-	-	88,885
Child Outcome Toolbox	-	57,053	(7,996)	-	-	49,057
Consultation service	-	60	(60)	-	-	-
Non-intensive treatment	-	50	(50)	-	-	-
Stuart Hauser Fund	-	-	-	-	1,782	1,782
Total restricted income funds	444,324	1,065,705	(1,005,398)	-	28,323	532,954
<b>Total funds</b>	<b>8,180,866</b>	<b>3,476,336</b>	<b>(3,525,435)</b>	<b>(477,232)</b>	<b>-</b>	<b>7,654,535</b>

## THE ANNA FREUD CENTRE

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2009

#### Fixed Asset Fund

Fixed asset fund matches reserves with fixed assets held and used directly for charitable purposes

#### Postgraduate studies

Postgraduate studies are a central activity of the Anna Freud Centre's mission. When possible funds are designated for their development.

#### Multi systemic therapy (MST) Study

The aim of this MST study is to consider whether MST can prevent out-of-home placement, reduce conduct problems and improve well-being in adolescents at risk of being removed from home. Funds have been designated for the first year of this four-year study.

#### Mentalization Based Training (MBT) ring fenced funds

The development of mentalization based interventions and trainings are an important Centre initiative. A portion of income from all MBT trainings is designated to develop our work in this area.

#### Targeted Mental Health in Schools

Targeted Mental Health in Schools is a major government initiative to promote the development of effective means of helping children with mental health issues in schools across England. The Anna Freud Centre is leading a research project, called "Me and My School" to evaluate this initiative, in collaboration with Durham University, Manchester University, Leicester University, Leeds University, York University and the Institute of Psychiatry, London.

#### Evidence Based Practice Unit (EBPU)

The unit aims to undertake, develop and disseminate the latest research relating to helping children and young people with emotional and behavioural difficulties, and their families. This involves undertaking major international and national data collection both as part of research projects and practitioner learning collaborations.

12 STAFF COSTS AND NUMBERS	2009 £	2008 £
(a) Staff Costs		
Wages and salaries	2,240,467	1,596,518
Social security costs	191,343	137,277
Pension costs	70,288	60,831
	<u>£2,502,098</u>	<u>£1,794,626</u>

Staff costs include seconded and agency staff costs amounting to £199,780 (2008 - £195,283)

Emoluments over £60,000	No	No
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
	<u>1</u>	<u>1</u>

7 further employees are employed part-time on salaries whose equivalent full time salary rates are more than £60,000 p a (2008 - 4)



**THE ANNA FREUD CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2009**

The full-time equivalent average number of employees analysed by function, was

	2009 No.	2008 No
Clinical and treatment	7	10
Training	8	5
Research	16	12
Management	5	2
Administrative	17	17
Finance	2	2
	<u>55</u>	<u>48</u>

**(b) Trustees**

Trustees received no salary during the year (2008 £Nil) Reimbursed expenses were £6,047 (2008 £1,496)

**13 CHARITABLE STATUS**

The Anna Freud Centre is a charity registered under the Charities Act 1993 No 1077106 As such the charity is entitled to take advantage of the exemptions granted by Section 505 of the Income and Corporation Taxes Act 1988

**14 CONNECTED PARTIES**

During the year 2009 the Anna Freud Foundation Inc made payments totalling £16,384 (2008 £20,174) to The Anna Freud Centre One of the principal objectives of the Anna Freud Foundation Inc is raising funds in the United States for the support of The Anna Freud Centre in London These financial statements only include direct remittances from the Foundation and do not include funds held by the Foundation

A trustee of the Anna Freud Centre, Professor Anton O Kris, is also a trustee of the Anna Freud Foundation Inc

**15 OPERATING LEASES**

The company's commitments for rental payments due in the next 12 months under non cancellable operating leases payable during the year to 31 August 2009 are as follows

	2009 £	2008 £
Leases expiring		
Within one year	3,787	-
Between one to two years	-	3,787
Between two to five years	-	-
	<u>3,787</u>	<u>3,787</u>

**THE ANNA FREUD CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2009**

**16 PENSION COMMITMENTS**

The organisation makes contributions to personal pension schemes on behalf of some of its employees. Contributions in the year totalled £70,288 (2008 £60,831)

**17 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	General Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Fund balances at 31 August 2009 are represented by				
Tangible fixed assets	-	2,207,618	228,688	2,436,306
Investments	4,427,687	461,067	304,266	5,193,020
Net current assets	25,209	-	-	25,209
	<u>4,452,896</u>	<u>2,668,685</u>	<u>532,954</u>	<u>7,654,535</u>

**18. RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH INFLOW FROM RESOURCES**

	2009 £	2008 £
Net outgoing resources	(526,331)	(268,081)
Depreciation charges	122,693	115,985
Investment income	(221,184)	(262,831)
Unrealised investment losses	477,232	419,062
(Increase) in debtors	(145,726)	(197,944)
Increase/(decrease) in creditors	287,885	(284,090)
Net cash outflow from resources	<u>(5,431)</u>	<u>(477,899)</u>

**19. ANALYSIS OF CHANGES IN NET FUNDS**

	Short term deposit £	Cash at bank £	Total £
Balance at 1 September 2008	2,003	207,653	209,656
Net cash movement	<u>60,284</u>	<u>77,066</u>	<u>137,350</u>
Balance at 31 August 2009	<u>62,287</u>	<u>284,719</u>	<u>347,006</u>