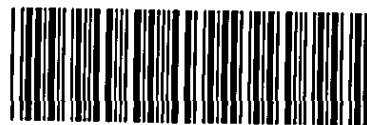


**THE ANNA FREUD CENTRE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

Registered charity number: 1077106

Registered company number: 3819888

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**THE ANNA FREUD CENTRE**

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# **THE ANNA FREUD CENTRE**

## **TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2008**

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### **REFERENCE AND ADMINISTRATIVE DETAILS**

#### **Board of Trustees**

Miss Alice Colonna MA (resigned 1 November 2007)  
Mr John C L Emanuel FCA  
Professor Sir Brian Jarman OBE, PhD, FRCP, FRCGP, FFPH, FMedSci  
Professor Linda Mayes MD  
Professor Anton O Kris  
Mrs Buffy Sacher  
The Hon Michael Samuel (Chair)  
Mrs Anne-Marie Sandler Lic es Sciences de L'Educ et Psych (Geneva)  
Professor David Reiss (appointed 1 November 2007)  
Mr Peter Oppenheimer (appointed 30 October 2008)

#### **Directorial Team Chair**

Professor Linda Mayes MD

#### **Chief Executive**

Professor Peter Fonagy PhD DipPsych FBA

#### **Professional Director**

Mary Target PhD

#### **General Manager**

Ros Bidmead BA (Hons)

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

21 Maresfield Gardens  
London NW3 5SD

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**

**TRUSTEES' ANNUAL REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2008**

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**REFERENCE AND ADMINISTRATIVE DETAILS (Continued)**

**Auditors**

haysmacintyre  
Fairfax House  
15 Fulwood Place  
London WC1V 6AY

**Bankers**

Barclays Bank plc  
St Johns 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 (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2008**

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#### **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 Directorial Team and the General Manager. The Directorial Team comprises the Chair of the Team who is also a Trustee, the Chief Executive and 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.

#### **OBJECTIVES**

The Anna Freud Centre (AFC) has one clear goal: the emotional well-being of children with two distinctive ways of achieving it: 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.

## **THE ANNA FREUD CENTRE**

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

**FOR THE YEAR ENDED 31 AUGUST 2008**

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#### **OBJECTIVES (continued)**

##### **Performance and Achievements**

Over the past year the Centre offered a range of treatment and preventive projects, training activities and research initiatives. Fuller details of our activities can be found at [www.annafreudcentre.org](http://www.annafreudcentre.org). Specific objectives for the year included:-

- Responding to clinical needs of users through developing projects in partnership with them
- Ensuring 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
- Increasing organisational capacity through the creation of five new senior Heads of Programme posts in areas of Infancy and Early Years, Families at Risk, Children and Young People, Service Development and Evaluation and Postgraduate Studies
- Enhancing the skills and competencies of workers supporting children and young people's mental health, through dissemination of our work by publications and conferences, increasing the number of allied professionals trained through our short courses and developing a diploma training in evidence-based therapies
- Continuing to invest in the Centre's research excellence through the establishment of a research laboratory and recruitment of first-class developmental scientists
- Contributing to the development of the interface between psychoanalytic perspectives and contemporary models of brain development through the expansion of the new neuroscience MSc, and collaborations with leading universities in the US and Europe
- Enhancing the sustainability of our services by diversifying sources of income
- Maintaining and expanding the activities of our voluntary Fundraising Committee and capacity to raise voluntary donations

#### **ACHIEVEMENTS AND PERFORMANCE**

##### **PRACTICE**

During the year the Centre worked with 641 children, young people, parents, carers, grandparents and other family members.

##### **Treatment innovation**

The Centre develops and evaluates new treatment approaches to support families whose needs are not met by existing services. We started the third year of a pilot programme to evaluate the effectiveness of MBFT (Mentalizing Based Family Therapy), a brief intervention for children and families. The Henry Smith Charity generously provided funding for a third year.

A new grant was secured from the Department of Health to support Looked After Children in foster care who have experienced abuse, neglect and trauma in their early years. These children need an individual programme of care. The Centre's pilot programme aims to provide this through a highly flexible approach, tailored to meet the needs of the particular child. We will work directly with the children and young people, along with their temporary foster carers and the professionals who support the foster placements. Over the course of this three-year pilot project we will be especially targeting children whose placements are in jeopardy. Our procedures and results will be painstakingly documented, so that the experience can be shared with other voluntary sector organisations and allied professionals.

## **THE ANNA FREUD CENTRE**

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

#### **FOR THE YEAR ENDED 31 AUGUST 2008**

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##### **Early intervention**

A child's healthy emotional development depends on the quality of their early bonds with their caregivers. Our Parent-Infant Project has continued 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 and 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. Courses continued to be delivered in four prison mother baby units under a contract with HM Prison Service. An evaluation of this work will be completed later this year.

##### **LEARNING**

###### **Postgraduate study**

The first cohort of students completed the new, two-year master's degree in Psychodynamic Developmental Neuroscience which was established in 2007 in partnership with University College London and Yale University. This unique programme, with students spending their first year of study in London with UCL on The Anna Freud Centre campus and their second at Yale, is proving highly popular and attracts high calibre students.

###### **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. A building project was completed which expanded our training facilities, enabling us to train over 1,100 participants during the year.

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

This programme brings together psychoanalysts and developmental, cognitive and neuro scientists to work at the interface between psychoanalytic perspectives and contemporary models of the brain. Several fellow exchanges between the two institutions took place during the year.

###### **An evidence-based approach**

The Centre is at the forefront of the systematic review of the evidence base for mental health interventions for children and young people. Our findings help to ensure that the most effective treatments are offered to children and families.

###### **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 Evidence Based Practice Unit (EBPU), based across University College London and 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. The lead research team for the project are based at the Centre and the research is funded by the Department for Children, Schools and Families.

###### **Dense array EEG Laboratory**

During the year we completed work to establish an Electrophysiological brain imaging laboratory through a donation from The Hon M J Samuel Charitable Trust. EEG brain imaging will enable us to extend our observations and to see what impact a child's experience might have had on their brain functioning. Two studies have already been established with funding from the EU Marie Curie Training Network and the ESRC.

##### **FINANCIAL REVIEW**

The results for the year show the Anna Freud Centre achieving income of £2,756,343 compared to £2,166,977 in 2006/7.

Costs have gone up from £2,247,788 last year to £2,605,362 this year. There was an operating surplus of £150,981 compared to an operating deficit of £80,811 in 2006/7. It should be noted that this surplus is attributable to the Building Development restricted fund, through which capital donations of £257,691 were recognised, in accordance with SORP 2005 requirements, for the purchase of the EEG laboratory equipment and building works to house the laboratory. Excluding the recognition of these capital donations, the Centre would have incurred a deficit of £106,710 in total funds. The Capital Development fund will be reduced over the life of the assets, being the EEG laboratory and equipment. The

## **THE ANNA FREUD CENTRE**

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

#### **FOR THE YEAR ENDED 31 AUGUST 2008**

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reduction will be shown as a transfer from general to restricted funds, representing the depreciation charge relating to this asset, which is based on four years for the equipment and 25 years for the building works.

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. Furthermore research activity has increased in the year due to such new studies as the 'Me and My School' project.

#### **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 2008/2009 and will fund the deficit through reserves. The deficit is due to the investment in organisational capacity through the establishment of the five new senior Heads of Programme posts and the continued adjustment 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 £2,805,373 (2007: £2,497,884) of which £2,502,091 (2007: £2,118,103) is represented by fixed assets which are necessary to run the Centre. The other designated funds are to ensure the continuance of our Clinical Services.

#### **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.

#### **PLANS FOR THE FUTURE**

The Centre plans to continue the activities outlined above. During the forthcoming year particular emphasis will be given to developing our strategic partnerships; widening our clinical orientation to make it more multidisciplinary and multimodal while retaining our traditional strength in psychoanalysis and further developing our neuroscientific collaborations and postgraduate teaching. We will continue to diversify our sources of income to make up for the shortfall in licensing income from the Marilyn Monroe LLC.

On behalf of the Board, I would like to thank our donors and other supporters for their generosity. We are also grateful for the commitment and dedication of all our staff. Without such support we would be unable to continue and develop our work.



**THE ANNA FREUD CENTRE**

**TRUSTEES' ANNUAL REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2008**

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**TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

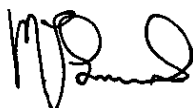
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the trustees are aware at the time the report is approved:

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



**The Hon Michael J Samuel**  
**Chair of Trustees**

**26 February 2009**

# **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 2008 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of trustees and auditors**

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Trustees are also directors of The Anna Freud Centre for the purposes of company law.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

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

## **Basis of audit opinion**

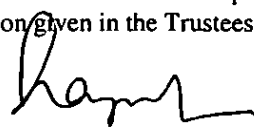
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 charitable 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 August 2008 and of its incoming resources and application of resources in the year then ended, including its income and expenditure;
- the financial statements have been properly prepared in accordance with the Companies Act; and
- the information given in the Trustees report is consistent with the financial statements.

  
haysmacintyre  
Chartered Accountants  
Registered Auditors  
26 February 2009

Fairfax House  
15 Fulwood Place  
London WC1V 6AY

**THE ANNA FREUD CENTRE**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 AUGUST 2008**

	Notes	Unrestricted Funds 2008 £	Restricted Funds 2008 £	Total Funds 31 August 2008 £	Total Funds 31 August 2007 £
<b>Incoming Resources</b>					
<b>Incoming Resources from generated funds:</b>					
<i>Voluntary income:</i>					
Donations and grants	2	82,181	732,527	814,708	475,574
Donation for capital works		-	257,691	257,691	-
Legacy income		-	-	-	124,135
<i>Activities for generating funds:</i>					
Distribution from the Marilyn Monroe LLC	4	-	-	-	-
Investment income	5	262,831	-	262,831	247,419
		<u>345,012</u>	<u>990,218</u>	<u>1,335,230</u>	<u>847,128</u>
<b>Incoming resources from charitable activities:</b>					
Treatment & assessment fees		383,741	-	383,741	334,575
Conferences & study events		305,253	-	305,253	265,760
Post graduate training income		472,364	-	472,364	410,104
Research		228,944	-	228,944	279,493
		<u>1,390,302</u>	<u>-</u>	<u>1,390,302</u>	<u>1,289,932</u>
<b>Other incoming resources</b>		<u>30,811</u>	<u>-</u>	<u>30,811</u>	<u>29,917</u>
<b>Total Incoming Resources</b>		<u>1,766,125</u>	<u>990,218</u>	<u>2,756,343</u>	<u>2,166,977</u>
<b>Resources Expended</b>					
<b>Cost of generating funds:</b>					
Fundraising and publicity		106,038	-	106,038	85,028
Investment management fees		28,255	-	28,255	32,666
Legal fees	4	19,936	-	19,936	18,870
		<u>154,229</u>	<u>-</u>	<u>154,229</u>	<u>136,564</u>
<b>Charitable Activities:</b>					
Clinical and preventive services		838,414	261,992	1,100,406	1,275,825
Post graduate training		431,629	-	431,629	410,017
Research		364,060	224,705	588,765	175,196
Conferences and study events		226,434	41,944	268,378	200,089
Library		36,343	-	36,343	29,631
		<u>1,896,880</u>	<u>528,641</u>	<u>2,425,521</u>	<u>2,090,758</u>
<b>Governance costs</b>		<u>25,612</u>	<u>-</u>	<u>25,612</u>	<u>20,466</u>
<b>Total Resources Expended</b>	3	<u>2,076,721</u>	<u>528,641</u>	<u>2,605,362</u>	<u>2,247,788</u>
<b>Net (outgoing)/incoming resources before transfers</b>		(310,596)	461,577	150,981	(80,811)

**THE ANNA FREUD CENTRE**

**STATEMENT OF FINANCIAL ACTIVITIES (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2008**

	Notes	Unrestricted Funds 2008 £	Restricted Funds 2008 £	Total Funds Year to 31 August 2008 £	Total Funds Year to 31 August 2007 £
<b>Net (outgoing)/incoming resources</b>					
<b>Before transfers</b>		(310,596)	461,577	150,981	(80,811)
Transfers between funds		21,969	(21,969)	-	-
<b>Net(outgoing)/incoming resources</b>		(288,627)	439,608	150,981	(80,811)
<b>Net investment (losses)/gains</b>		(419,062)	-	(419,062)	348,068
<b>Net movement in funds</b>		(707,689)	439,608	(268,081)	267,257
Fund balances brought forward at 1 September 2007	11	8,444,231	4,716	8,448,947	8,181,690
<b>Fund balances carried forward at 31 August 2008</b>	11	<u>£7,736,542</u>	<u>£444,324</u>	<u>£8,180,866</u>	<u>£8,448,947</u>

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.

**THE ANNA FREUD CENTRE**

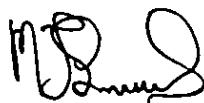
**BALANCE SHEET**

**AS AT 31 AUGUST 2008**

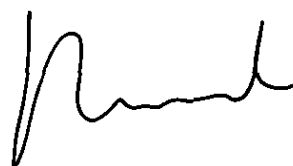
	Notes	2008 £	2007 £
<b>Fixed assets</b>			
Tangible assets	6	2,502,091	2,118,103
Investments	7	5,588,473	6,796,117
		<u>8,090,564</u>	<u>8,914,220</u>
<b>Current assets</b>			
Debtors	8	441,613	243,669
Cash at bank and in hand		207,653	134,112
		<u>649,266</u>	<u>377,781</u>
<b>Creditors: amounts falling due within one year</b>	9	(558,964)	(838,855)
<b>Net current assets/(liabilities)</b>		<u>90,302</u>	<u>(461,074)</u>
<b>Total Assets less current liabilities</b>		<u>8,180,866</u>	<u>8,453,146</u>
<b>Creditors: due after one year</b>	10	-	(4,199)
<b>Net assets</b>		<u>£8,180,866</u>	<u>£8,448,947</u>
<b>Funds</b>			
General funds		4,931,169	5,946,347
Designated funds		2,805,373	2,497,884
Restricted funds		444,324	4,716
<b>Total funds</b>	11	<u>£8,180,866</u>	<u>£8,448,947</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 26 February 2009 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**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

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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) Cash Flow Statement**

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard 1 '(Revised) Cash Flow Statements'.

**2) 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

**d) 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.

**e) Incoming Resources**

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

**f) 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.

**g) VAT**

Where appropriate, expenditure includes irrecoverable value added tax.

**h) 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.

**2) 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.

**2) 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 2008

2. GRANTS AND DONATIONS	2008 £	2007 £
<b>Incoming resources from generated funds:</b>		
<i>Unrestricted funds</i>		
Donations	63,591	70,705
Anna Freud Foundation	-	3,536
G Kennedy Charitable Trust	15,000	-
Edith Bauxbaum Foundation	3,590	-
	<u>£82,181</u>	<u>£74,241</u>
<i>Restricted funds</i>		
Treatment service:		
Anna Freud Foundation	20,174	16,894
Freud Centenary Fund	9,750	12,000
Sundry donations	400	514
Parent/infant:		
Big Lottery Fund	18,787	72,823
Camden PCT	15,375	75
Jeremy & John Sacher Charitable Trust	-	20,000
The Lewis Family Foundation	8,750	10,000
The Earl of Listowel	3,600	3,600
E Meyer	10,000	-
Wates Foundation	10,000	20,000
The Tompkins Foundation	5,000	10,000
Sundry Donors	4,086	1,388
Kilburn Priory Toddler Group:		
Surestart	10,833	10,805
Prisons Project		
Hostels		
SEI	3,930	5,088
MBFT (previously SMART) GOSH Renal		
Rosetrees Trust	-	5,000
MBFT (previously SMART) Pilot		
Henry Smith Charity	35,125	50,000
Camden PCT	25,000	-
Young Persons Service		
Equitable Trust	14,049	25,000
North London Post Permanent Placement Consortium:		
Department of Children, Schools and Families	31,285	-
Primary School Project		
Lehmann Brothers	15,000	-
Carried forward	<u>241,144</u>	<u>263,187</u>

THE ANNA FREUD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2008

2. GRANTS AND DONATIONS (continued)	2008 £	2007 £
Brought forward	241,144	263,187
Mellow Parenting		
Department of Health	89,018	38,563
Adolescent Multi-Modal		
John Lyons Charity	7,500	30,000
Jeremy and John Sacher Charitable Trust	10,000	-
Teenager Becoming Parents Project		
Department of Health	27,393	-
Adoption Adolescent Follow-up Study		
Big Lottery Fund	50,844	52,843
4/5 year training:		
Sundry Donors	-	550
University Based Education:		
IIPA	1,667	5,000
PEP	11,980	-
Outcomes review		
Department of Children, Schools and Families	47,641	-
Marie Curie EU (DISCOS) Grant	31,763	-
Me and My School Project (TaMHSE)		
UCL	148,591	-
ESRC – Infant processing		
University of Reading	49,634	-
CPT Process Study		
Sundry donors	2,835	1,190
EEG Laboratory		
The Lewis Family Trust	-	10,000
The Peter Samuel Charitable Trust	10,000	-
Genetic/environmental study		
IPA	2,517	-
	<u>732,527</u>	<u>401,333</u>
<b>Total grants and donations</b>	<u><u>£814,708</u></u>	<u><u>£475,574</u></u>



THE ANNA FREUD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2008

3. TOTAL RESOURCES EXPENDED	Salaries £	Consultants £	Post Graduate Grants £	Other Expenses £	Support Services Allotment £	2008 Total Expenditure £	2007 Total Expenditure £
<i>Cost of generating Funds</i>							
Fundraising and publicity	63,480	-	-	26,211	16,347	106,038	85,028
Investment Management Fees	-	-	-	28,255	-	28,255	32,666
Legal fees regarding Marilyn Monroe LLC	-	-	-	19,936	-	19,936	18,870
	<u>63,480</u>	<u>-</u>	<u>-</u>	<u>74,402</u>	<u>16,347</u>	<u>154,229</u>	<u>136,564</u>
<i>Charitable Expenditure</i>							
Clinical and preventive services	838,117	3,266	24,767	81,957	152,299	1,100,406	1,275,825
Post graduate training	323,777	3,662	-	45,172	59,018	431,629	410,017
Research	379,893	8,833	-	117,435	82,604	588,765	175,196
Conferences and study events	152,415	2,603	-	76,933	36,427	268,378	200,089
Library	25,489	-	-	10,854	-	36,343	29,631
	<u>1,719,691</u>	<u>18,364</u>	<u>24,767</u>	<u>332,351</u>	<u>330,348</u>	<u>2,425,521</u>	<u>2,090,758</u>
Governance	11,455	-	-	14,157	-	25,612	20,466
Total Resources Expended	<u>£1,794,626</u>	<u>£18,364</u>	<u>£24,767</u>	<u>£420,910</u>	<u>£346,695</u>	<u>£2,605,362</u>	<u>£2,247,788</u>

**THE ANNA FREUD CENTRE**

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

**FOR THE YEAR ENDED 31 AUGUST 2008**

<b>3. RESOURCES EXPENDED (continued)</b>	<b>2008 £</b>
<b>Support costs</b>	
Computer expenses	47,300
Property maintenance	21,309
Printing, postage and stationery	22,952
Telephone	24,506
Rates	15,012
Insurance	30,295
Depreciation	115,985
Light and heat	14,957
Office expenses	32,383
Bank charges	4,437
Travel costs	14,337
Foreign exchange gains	(3,430)
Staff related costs	6,515
Other costs	137
	<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 £6,750 (2007: £6,450)

**4. DISTRIBUTION FROM THE MARILYN MONROE LLC**

No licensing income (2007: £Nil) was receivable by the Centre. Legal fees totalling £396,538 (2007:£177,022), 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 £19,936 (2007: £18,870).

<b>5. INVESTMENT INCOME</b>	<b>2008 £</b>	<b>2007 £</b>
Income from listed investments	216,737	183,489
Interest from cash instruments	22,139	31,855
Bank interest receivable	23,955	32,075
	<u>£262,831</u>	<u>£247,419</u>

THE ANNA FREUD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2008

6. TANGIBLE FIXED ASSETS	Freehold Land £	Freehold Properties £	Furnishings and Equipment £	Total £
<b>COST</b>				
At 1 September 2007	850,000	1,468,008	225,426	2,543,434
Additions	-	307,025	194,801	501,826
Disposals	-	-	(66,127)	(66,127)
At 31 August 2008	850,000	1,775,033	354,100	2,979,133
<b>DEPRECIATION</b>				
At 1 September 2007	-	307,413	117,918	425,331
Charge for year	-	33,019	82,966	115,985
Eliminated on disposals	-	-	(64,274)	(64,274)
At 31 August 2008	-	340,432	136,610	477,042
<b>NET BOOK VALUE</b>				
At 31 August 2008	£850,000	£1,434,601	£217,490	£2,502,091
At 31 August 2007	£850,000	£1,160,595	£107,508	£2,118,103
<b>7. INVESTMENTS</b>			<b>2008 £</b>	<b>2007 £</b>
Market value at 1 September 2007			6,796,117	6,439,572
Additions			-	192,569
Disposal proceeds			-	(172,615)
Net investment (losses)/gains			(419,062)	348,068
Movement in deposits and cash instruments			(788,582)	(11,477)
Market value at 31 August 2008			£5,588,473	£6,796,117
Historical cost at 31 August 2008			£4,965,544	£5,755,974
The realised loss based on historic cost is £Nil (2007: profit £4,402)				
<b>Listed Investments (Market Value)</b>				
UK fixed interest			803,857	807,069
UK equity shares			3,435,568	3,737,265
Overseas equities			1,167,620	1,283,917
Market value of listed investments			5,407,045	5,828,251
Cash Instruments and amounts held on deposit			177,076	963,089
Cash			4,352	4,777
Total			£5,588,473	£6,796,117

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 2008 is £28,255 (2007: £32,666).

**THE ANNA FREUD CENTRE**

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

**FOR THE YEAR ENDED 31 AUGUST 2008**

<b>8. DEBTORS</b>	<b>2008 £</b>	<b>2007 £</b>
Other debtors	243,151	120,139
Prepayments and accrued income	198,462	123,530
	<u>£441,613</u>	<u>£243,669</u>
<b>9. CREDITORS: Amounts falling due within one year</b>	<b>2008 £</b>	<b>2007 £</b>
Trade creditors	248,689	394,875
Taxation and social security costs	47,620	40,755
Hire purchase lease	4,200	3,782
Accruals and deferred income	258,455	399,443
	<u>£558,964</u>	<u>£838,855</u>
<b>10. CREDITORS: Amounts falling due after one year</b>	<b>2008 £</b>	<b>2007 £</b>
Hire purchase lease	<u>£ -</u>	<u>£4,199</u>

THE ANNA FREUD CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2008

11. STATEMENT OF FUNDS

	1 September 2007 £	Income £	Expenditure £	Net Investment Losses £	Transfers £	31 August 2008 £
<b>Unrestricted Funds</b>						
General Funds	5,946,347	250,307	(391,473)	(419,062)	(454,950)	4,931,169
<b>Designated Funds</b>						
Fixed Asset Fund	2,118,102	-	-	-	383,988	2,502,090
Treatment Services Fund	186,604	623,698	(834,443)	-	221,000	196,859
Toddler Groups Fund	46,645	28,140	(65,858)	-	27,000	35,927
MSc Fund	(4,477)	440,656	(353,658)	-	(82,521)	-
4/5 year training fund	26,259	48,074	(81,785)	-	7,452	-
Research Projects fund	54,751	375,250	(330,069)	-	(80,000)	19,932
Diploma in OBT	70,000	-	(19,435)	-	-	50,565
Total designated funds	2,497,884	1,515,818	(1,685,248)	-	476,919	2,805,373
<b>Restricted Funds</b>						
Building development fund	-	257,691	-	-	(21,969)	235,722
Intensive Treatment by staff	-	30,325	(30,325)	-	-	-
Kilburn Priory Toddler Group	-	10,833	(10,833)	-	-	-
Parent/infant project @AFC	-	42,946	(28,071)	-	-	14,875
Kilburn Priory Surestart	-	4,615	(4,615)	-	-	-
PIP Hostels	-	3,930	(3,930)	-	-	-
PIP RCT	-	27,537	(27,537)	-	-	-
Young Persons Service	-	14,049	(14,049)	-	-	-
CPT Process Study	826	2,835	-	-	-	3,661
EBG Baby Labs	-	10,000	(10,000)	-	-	-
Psychoanalytic Education	-	13,646	(13,646)	-	-	-
Genetic/Environmental						
Attachment Project	3,890	2,518	(4,485)	-	-	1,923
Adolescent Multi Modal	-	17,500	(17,500)	-	-	-
Follow-Up Project	-	50,844	(49,394)	-	-	1,450
Mellow Parenting	-	89,018	(67,541)	-	-	21,477
Primary School Project	-	15,000	(11,443)	-	-	3,557
Camden MBFT Pilot	-	60,625	(60,625)	-	-	-
NLPPC	-	31,284	(3,024)	-	-	28,260
Teenage Mother Project	-	27,393	(24,444)	-	-	2,949
ESRC – Infant processing	-	49,634	(49,634)	-	-	-
DISCOS	-	31,763	(31,763)	-	-	-
EPBU	-	196,232	(65,782)	-	-	130,450
Total restricted income funds	4,716	990,218	(528,461)	-	(21,969)	444,324
<b>Total funds</b>	<b>£8,448,947</b>	<b>£2,756,343</b>	<b>£(2,605,362)</b>	<b>£(419,062)</b>	<b>-</b>	<b>£8,180,866</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2008

11. STATEMENT OF FUNDS (Continued)

**Fixed Asset Fund**

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

**Treatment Services Fund**

The treatment period for patients receiving psychotherapy varies between one to two years and the trustees have designated one year's net costs.

**Toddler Groups Fund**

The trustees have designated the forward commitments of costs to take children through a year in their toddler groups and the fund therefore includes one year's costs of the Toddler Groups.

**Building Development Fund**

This represents the capital donations made in the year of £257,691, which contributed towards the cost of the EEG laboratory building work and equipment. The transfer is the depreciation charge for the year attributable to these assets.

**Follow-Up Project**

The Follow-Up Project examined the impact of childhood treatment on subsequent adult life from a psychoanalytical perspective.

**CAMHS EBPU**

The Child and Adolescent Mental Health Services Evidence-Based Practice Unit (CAMHS EBPU) is an academic unit that is part of University College London (UCL) and The Anna Freud Centre. The unit aims to develop and disseminate information about the latest research relating to helping children and young people with emotional and behavioural difficulties, and their families. The unit actively seeks to promote outcomes based and evidence-informed practice. This involves advising child mental health professionals about the strengths and the limitations of the evidence base, and about how to use routine outcome evaluation to reflect on and improve practice. As such, the unit aims to help professionals in developing the best practice methods possible. The unit is also committed to helping children, young people and their families in choosing the help that is right for them. The figure of £130,450 in the Statement of Funds are monies received by the Unit for current and future projects.

12. STAFF COSTS AND NUMBERS

	2008 £	2007 £
(a) <b>Staff Costs</b>		
Wages and salaries	1,596,518	1,395,210
Social security costs	137,277	121,798
Pension costs	60,831	56,528
	<u>£1,794,626</u>	<u>£1,573,536</u>
 Emoluments over £60,000	 No.	 No.
£60,001 - £70,000	<u>1</u>	<u>1</u>

4 further employees are employed part-time on salaries whose equivalent full time salary rates are more than £60,000 p.a. (2007: 4).

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

**THE ANNA FREUD CENTRE**

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

**FOR THE YEAR ENDED 31 AUGUST 2008**

**12. STAFF COSTS AND NUMBERS (continued)**

	2008 No.	2007 No.
(a) Clinical and treatment	33	31
Training	17	10
Research	19	7
Management	3	3
Administrative	21	17
Finance	2	2
	<u>95</u>	<u>70</u>

**(b) Trustees**

Trustees received no salary during the year (2007: £Nil). Reimbursed expenses were £1,496 (2007: £Nil).

**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 2008 the Anna Freud Foundation Inc made payments totalling £20,174 (2007: £20,430) 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 2008 are as follows:

	2008 £	2007 £
Leases expiring:		
Within one year	-	5,863
Between one to two years	3,787	-
Between two to five years	-	3,787
	<u>£3,787</u>	<u>£9,650</u>

**16. PENSION COMMITMENTS**

The organisation makes contributions to personal pension schemes on behalf of some of its employees. Contributions in the year totalled £60,831 (2007: £56,528).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2008

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
Fund balances at 31 August 2008 are represented by:	£	£	£	£
Tangible fixed assets	-	2,266,369	235,722	2,502,091
Investments	4,931,169	539,004	118,300	5,588,473
Net current assets	-	-	90,302	90,302
	<u>£4,931,169</u>	<u>£2,805,373</u>	<u>£444,324</u>	<u>£8,180,866</u>