

Families for Children Trust

(A company limited by guarantee and not having share capital)

Report and Financial Statements

For the Year Ended 31 December 2015

Charity Number: 1093131
Company Number: 4460558

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Trustees' Annual Report

The Trustees are pleased to present their report, together with the financial statements of the Charity for the year ending 31 December 2015.

Reference and Administrative Details

Charity Name:	Families for Children Trust	
Charity Registration Number:	1093131	
Company Registration Number:	04460558	
Registered Office (and Principal Address):	Southgate Court Buckfast Buckfastleigh TQ11 0EE	
Company Secretary:	Mr N Backhouse	
Auditors:	PKF Francis Clark Sigma House Oak View Close Edginswell Park Torquay TQ2 7FF	
Bankers:	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4TA	National Westminster Bank Plc 59 High Street Exeter EX4 3DP
Investment Advisors:	JM Finn & Co. 31 Great George Street Bristol BS1 5QD	
Legal Consultants:	Tozers LLP Broadwalk House Southernhay West Exeter Devon EX1 UA	

The Trust / Taxation Status

Families for Children (the Trust) is a Registered Charity (No. 1093131) and a Company Limited by guarantee (No. 04460558). The Trust is governed by Memorandum and Articles of Association updated 23rd January 2015 and was incorporated as a Company on 13th June 2002.

The Trust is a registered charity and as such is exempt from most taxation.

Directors, Trustees and Patrons

All the powers of the Trust are vested in the Executive Committee, which is responsible for the proper management of the Trust. For the purposes of charity law the Members of the Executive Committee are the Trustees of the Charity. For the purposes of company law the Members of the Executive Committee are also Directors of the Company. The Executive Committee must consist of between four and fourteen individuals, who may only be appointed from amongst the membership of the Trust.

The Trustees serving during the year and since the year end were as follows:

Presidents: The Bishop of Exeter (Anglican)
The Bishop of Plymouth (Roman Catholic)
(until 23 Jan 2015)

Chairman: Elected by the body of Trustees

Trustees appointed by the Bishop of Exeter

Mrs A Barwood BEM Vice Chairman

Mr D Howell Chairman

Mr Roger Lake

Mr P Jewels

Mrs Susan Lucas (from 20th January 2016)

Trustees appointed by the Bishop of Plymouth

Mr N Allan Honorary Treasurer (until 16th July 2015)

Mrs R Cook

Ms T Cook

Mr T Connor

Trustees appointed by the Trustees

Mrs C O'Kelly (from 23 January 2015)

Mr Hamish Adam (from 17th July 2015) Honorary Treasurer (from 17th July 2015)

Patrons

Michael Caines MBE Caroline Quentin (until July 2015)

Lord Julian and Lady Emma Fellowes

Vice Patrons

Judi Spiers Mark Tyler (until February 2016)

David Lawrence Jones

Board Members Interests in Shares and Dividends

The Trust is a company limited by guarantee and Trustees may derive no benefit, income, or capital interest in the Trust's financial affairs other than reimbursement of out-of-pocket expenses. The Trust has no share capital and is precluded from the payment of dividends. Each trustee may be required to contribute a sum not exceeding ten pounds in the event of winding up. Professional Indemnity Insurance is taken out by the Charity to cover both its employees and Trustees.

Senior Management Team (non-trustees)

Mrs C Davis OBE Chief Executive

Mr G Pellew (until 31st March 2016) Deputy Chief Executive

Mrs J Parsons (from 1st April 2016) Deputy Chief Executive

Mr N Backhouse Business Manager

Caroline Davis is Chief Executive with overall strategic charge of the Agency. Graham Pellew deputises for Caroline Davis and is the registered manager of the service for the purposes of adoption legislation. Nigel Backhouse, as Business Manager, leads the administration team and acts as Company Secretary for the Agency. The senior management team share full responsibility for all fundraising, publicity and adopter recruitment matters.

Towards the end of 2015 and into early 2016 the Charity went through some staff changes that changed the management structure of the Charity.

Ally Colton (Fundraising and Publicity Co-ordinator) left the Charity in July 2015 after 15 years of service. Whilst the Charity sought a replacement a consultant was used to continue and maintain the fundraising of the Charity. Tracy Ebbrell (Fundraising and Engagement Specialist) started with the Charity in January 2016 to lead the Charity's fundraising activities.

The Agency has 4 teams of specialist social workers that cover the South West of England.

Our Devon team is led by Kath Drescher (Family Finding Practice Manager) based in our office at Buckfast. The team is responsible for the recruitment, assessment and preparation of prospective adoptive parents, as well as linking and placing children and post placement support.

Kath Drescher left the Charity in January 2016 and was replaced by Jackie Saunders. Jackie was the Adoption Panel Manager but the Agency decided to remove this post once the Agency had completed its expansion.

Venessa Collins (Social Work Practice Manager) is based in our office in Dorset. The team provides family finding services, adoption support services and an Independent Birth Family Support service which is commissioned by 2 Local Authorities.

Jakki Parson (Family Finding Practice Manager) leads our family finding team that covers North Devon, Cornwall and Somerset. The team works through the North Devon office, following the closure of the Cornwall and Somerset offices in early 2016. Jakki Parsons was appointed Deputy Chief Executive in April 2016 and manages this responsibility along with her Family Finding Practice Manager responsibilities.

Janet Smith (Adoption Support Manager) is based in Buckfast and leads the Adoption Support team that covers the whole of the South West of England. The support is provided to adoptive families, adopted adults and birth parents.

Structure, Governance and Management

Governing Document

Families for Children (the Trust) is registered as a Charity and is also a company limited by guarantee; it is governed by its Memorandum and Article of Association updated 23rd January 2015, and was incorporated as a Company on 13th June 2002. The Trust was registered as a charity on 25th June 2002.

Anyone over the age of 18 can become a Member of the Company (the Trust). In the event of the Trust being wound up, Members are required to contribute an amount not exceeding £10.

The Charity originated from the joint venture of the Catholic Children's Society (Plymouth) and the Exeter Diocesan Board for Christian Care (since dissolved) to undertake work on behalf of both parties.

The Trust was established to promote the relief of children who need protection and care, and of their families and carers, from all sections of society, operating in accordance with Christian principles as espoused (among others) by the Anglican Diocese of Exeter and the Roman Catholic Diocese of Plymouth. Its principal object and activity is to operate a voluntary adoption agency.

Appointment of Trustees

The Charity can have between four and fourteen Trustees (directors). Up until 23rd January 2015 ten Trustees were nominated between the two President Bishops and four appointed following election by majority of the nominated Trustees. Since the changes to the Memorandum and Articles of Association on 23rd January 2015 five Trustees are nominated by the Bishop of Exeter and nine are appointed following election by majority of the nominated Trustees.

The Trust recognises the importance of maintaining the balance of skills and professional backgrounds of the members of the Board. When considering co-opting Trustees, the Board has regard to the requirement for any specialist skill(s) needed.

The Trustees are elected or appointed in accordance with the Articles, and together form the Board. The Chief Executive reports on a regular basis to the Board which governs the policies for the Agency.

All Trustees give their time voluntarily and receive no benefits from the Charity.

Trustees Inductions and Training

New Trustees will have a meeting with the Chief Executive and the Chairman to get an overview of the Charity, its culture, ethos and values. New Trustees will then be invited by the Chief Executive to attend an 'introduction to Families for Children' day. The day includes meeting the management team and visiting the head office to familiarise themselves with the range of services which are provided across the Charity.

New Trustees are required to complete declarations that they are eligible to act as a Trustee, they understand their role as a Trustee, they consent to be a Trustee and they will maintain confidentiality at all times with information in connection to Families for Children. All new Trustees will complete a Disclosure and Barring Service check and will have references verified.

New Trustees are also supplied with a Trustee Induction Pack that includes the Charity's latest Statement of Purpose, Memorandum and Articles of Association, the latest OFSTED report, the latest Financial Year Accounts, and two documents from the Charity Commission on an Effective Charity and the Essential Trustee.

Organisational Structure

The Board of Trustees governs the Charity. The Board meets quarterly, or more frequently if necessary. There are three sub-committees, one covering Finance and Human Resources, one covering Professional Issues and the third covering Fundraising Issues.

The Chief Executive is appointed by the Trustees to manage the strategic objectives and supervise the management of the day to day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority from the Trustees for these matters.

Related Parties

Several of the Trustees have other trusteeships but none have a governing influence over the operation of the Charity.

Objectives and Activities

Families for Children is a voluntary adoption agency placing children from all over the UK with families in Devon, Dorset, Cornwall (including The Isles of Scilly) and Somerset.

The mission statement, which summarises the objectives of the Charity is as follows:

"We believe that the best place for children to grow up is within their family of origin. Where this is not possible, we endeavour to find adoptive families for children who need them. We place a high value on offering these children and families ongoing support.

We recognise the diverse society in which we live and, in the services we offer, seek to meet the complex needs of children, valuing and respecting their culture, identity and personal history.

As a Christian organisation concerned with the welfare of children, parents and families, our attitude and practices are shaped by Christian values and we therefore aim to uphold the importance of love, marriage, family life and the dignity of each individual."

The assessment policy for the Agency is as follows:

"Adoption is a way of providing security of a new family when it is not possible for a child to be brought up by his/her own parents.

There is a legal requirement that people must be aged over 21 to adopt; there is no upper age limit. People who have committed offences involving children will not be able to adopt.

Apart from the above restrictions, anyone can ask to be assessed as an adopter, regardless of marital status, disability, gender, religion or sexual orientation.

All kinds of people, from different backgrounds can adopt. Adopters do not need to own their own home, can live in a house or flat, do not need to be well off, can be unemployed, can have children of their own, or be childless.

What is important is that adopters are able to meet the needs of children, and provide a stable, loving home environment.”

The Charity endeavours to achieve these objectives via the operation of a voluntary adoption agency, in which the care and support of all individuals involved in the adoption process are considered fundamental to the charity's work.

In order to achieve these objectives, the Charity publicises its activities in as wide a forum as possible including its website www.familiesforchildren.org.uk.

The adoption process is governed by Legislation, Regulation and Statutory Guidance. This was extensively revised during 2013 to create a 2 stage assessment process. The Agency recruits prospective adoptive parents and assesses and prepares them through the 2 stage process assessment process. The assessment is then considered by the Agency's Adoption Panel (Approval Panel) which makes a recommendation about whether the prospective adopters are approved. This recommendation is then considered by the Agency Decision Maker (Caroline Davis, Chief Executive), who makes the decision on whether the prospective adopters are approved.

Following approval the prospective adopters and their assessing social worker begin the task of considering children who could be placed with the family. Once an appropriate match has been made and approved by the child's Local Authority's Adoption Panel (Matching Panel), introductions take place, following which the child is placed with the new parents. Families for Children social workers then provide support to the family until they are ready to apply for an Adoption Order, often several months after placement. Following the Adoption Order being granted, Families for Children provides ongoing adoption support (largely funded by fundraising) through the 'forever' policy of aftercare, at any time it is needed and requested by the family. All the social work and management staff are suitably qualified and specialists in their field.

Public Benefit

The Trustees have complied with their statutory duty to have regard to the Charity Commission guidance on public benefit. According to the charitable purposes provided in the Charities' Act 2011, Families for Children provides:-

- The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.

As a voluntary adoption agency, Families for Children seeks to place children from Local Authority care throughout the country with new families in Devon, Dorset, Cornwall (including The Isles of Scilly) and Somerset. Voluntary means that our mission is to offer a professional adoption service to complement and provide an alternative to the statutory services offered by local authorities. The Agency operates alongside other voluntary adoption agencies situated throughout the UK. The Agency co-operates with many other agencies, notably through membership of the Consortium of Voluntary Adoption Agencies (CVAA) and the Buckfast Group which combines all faith based voluntary adoption agencies.

The agency clearly fulfils the Charity's registered principal objective “to promote the relief of children who need protection and care and of their families and carers, from all sections of society, operating in accordance with Christian principles...”

The beneficiaries of the Charity are principally those children which the Agency places for Adoption. In addition, the Charity provides an assessment service for prospective adopters, 'forever' post adoption care (subject to resources) for its adoptive families, an adult adoptee counselling service and, under a service level agreement, an Independent Birth Relative Service (IBRS) for the Local Authorities of Poole and Bournemouth. The Agency also has three service level agreements with Plymouth Children's Services to provide step parent assessments, adult counselling and life story books.

Fee income received is paid by local authorities placing children in their care, and for the various service level agreements. The beneficiaries of the Charity's activities do not pay for the Agency's services, including those who receive adoption support. The Charity has to raise funds to continue the work of the Adoption Support team and any deficit in income.

The agency has a thorough assessment policy for its prospective adopters set out in legislation and covered by the National Minimum Standards. It has an open assessment policy as outlined in its objectives and activities.

Child Protection

Families for Children aims to provide secure and permanent families for children who are unable to grow up within the birth family.

The primary aim of the Agency, in all of its work, is to seek to meet the needs of children and as such it is of paramount importance that the Agency protects children from abuse and attempts to prevent abuse occurring. Families for Children believes that children have a right to be listened to, to be heard and to be protected from physical, sexual and emotional harm, deprivation and disadvantage.

The Agency will ensure that all work with children and families is carried out in accordance with the principles established by the Children Act 1989 and within the framework for the care and protection of children reflected in Department for Education "Working Together to Safeguard Children" updated March 2013.

Achievements and Performance

Chief Executive's Report of the Year

2015 was a mixed year for Families for Children Adoption Agency. In January the Agency was inspected by Ofsted and the Judgement Outcome was Outstanding.

Another significant highlight was that 50 children were placed in new adoptive families across the South West. This was our highest number of children ever placed in one year and an amazing achievement by all. Not least, because the impact of case law (Re BS) reached FFC and by the end of the summer we were beginning to identify a slowdown in the number of children for whom Placement Orders were granted. This decrease was experienced across the country and had a significant impact on all adoption agencies.

In 2015 FFC approved 47 new sets of adoptive parents. Roger Lake initially continued to Chair our South West Panel. As the Panel workload grew, we set up an additional Panel in North Devon. Roger took the responsibility as the Chairman for this Panel and we were fortunate to be joined by Karen Cleave, another extremely skilled social worker and manager, who took over the chairing of our North Devon Panel. Both Chairs and Panel members (all volunteers) worked hard to ensure a high standard of work across the social work team and Panels. The work of Panels was monitored by our Professional Issues Sub-Committee, through our Quality Assurance processes.

Other sub-committees with an oversight of our work were the Finance and Human Resources sub-committee along with a new sub-committee focussing on Fundraising.

In 2014 I reported on our success in being awarded a Government Expansion Grant (based on our Strategic Plan) to increase the number of adopters we could recruit. We were successful in setting up new offices in Somerset, Cornwall and North Devon and appointing 11 excellent and very experienced staff to management, administrative and social work posts across our offices.

On 15th May 2015 FFC hosted a national symposium with child psychologist Dr Margot Sunderland. Margot spoke eloquently about the needs of children and families and the impact of trauma on the development of the brain. The conference was extremely well received and attended by colleagues across the country.

Katey McDonald continued to show her ingenuity and flexibility in marketing skills and ensured that we ran a number of campaigns focussing on the needs of the diminished numbers of children available for adoption. In 2015 we received 708 initial enquiries (349-2014) from prospective adoptive parents. Katey also continued responsibility for marketing, website, social media and liaison with regional groups.

We were sorry to lose the services of Ally Colton who had grown into becoming our great fundraiser from starting out with us in an administrative role 13 years ago. Ally's departure was at the same time as FFC undertook a formal fundraising review of FFC and looked to appoint a Strategic Fundraiser for this growing area of our work. Nigel Backhouse, Business Manager was active in successfully pursuing Trust and Grant fund applications.

FFC increased contracted work (8 contracts) to undertake Life Story books for Plymouth City Council. These were very well received. Our administrative team continued to provide a quality service and Lesley Andreassen along with Katey McDonald took a lead in the development of our versatile database.

Our Adoption Support team, ably led by Janet Smith was hugely affected by the implementation of the Adoption Support Fund. This in itself provided an excellent way of obtaining much needed financial help for families, in order to access therapeutic services. Unfortunately the process for the assessment of the services and money was through local authorities which took the responsibility away from voluntary agencies such as FFC and watered down our role. In addition Eric Merriott continued to be on long term sick (throughout the year) from his role in the Adoption Support Team.

The Government pushed forward with an agenda of creating Regional Adoption Agencies (RAAs) across the country with the purpose of addressing inefficiencies in the sector (reducing costs and improving quality), improving the matching of children with adopters, recruiting more adoptive children for 'harder to place' (priority) children and providing more quality of adoption support. The Government were clear on the importance of voluntary adoption agencies such as FFC playing an important part in RAAs.

Due to the already positive working relationships and contracts FFC had with our local authority colleagues, we were in the fortunate position of being incorporated into two RAAs. Adopt South West; Plymouth City, Devon, Torbay and Somerset local authorities along with Barnardo's and FFC plus Wessex Adoption; Bournemouth, Poole and Dorset local authorities working with FFC. A considerable amount of staff time was provided to the projects by FFC.

By the middle of 2015 it was becoming clear that the drop in the number of children coming forward for adoption was not a 'blip' but more of a trend. Senior Management Team and Trustees monitored the situation on a weekly basis. I wrote to the Minister, Edward Timpson to highlight the impact of Re BS and there was national and Government concern about the raised expectations of adopters and adoption agencies alongside the reality of the impact of Re BS. The Consortium of Voluntary Adoption Agencies (CVAA) worked alongside Government, the Adoption Leadership Board and the Courts to try to address the difficulties.

It became clear that FFC would need to take urgent action and Trustees invited staff to an emergency meeting in December 2015. At this meeting staff were asked to consider cutting down their hours and it was agreed that two of our new offices, Somerset and Cornwall would have to close. Staff, whilst upset, responded positively to the news and the request and quickly came back with ideas and responses.

Our managers, Venessa Collins, Dorset, Jackie Saunders and Kath Drescher and Janet Smith, Buckfast and Jakki Parsons North Devon provided great support to their teams and came up with positive ideas about how we could review our structures in a positive way at the same time as saving money on salaries.

We were sorry to lose Kath to a senior post in Devon but grateful to Jakki and Jackie who accepted the significant reviews of their posts with such grace and enthusiasm. The Trustees have been a great source of support and have been available throughout the year to oversee our many challenges. Particular thanks to our Chairman David Howell and Vice Chair Ann Barwood who were accessible and receptive to my regular contacts. Also Nick Allan who continued to provide invaluable advice as Honorary Treasurer, until the appointment of Hamish Adam.

Once again I was extremely grateful for the thoughtful support provided by Graham Pellew (DCEO) and Nigel Backhouse (Business Manager). We needed to work together extremely closely throughout this challenging year and they were both consistent in their support and committed to achieving the best possible outcomes for FFC, our children and our families.

Fundraising Review of the Year

Families for Children is a member of the following professional fundraising organisations – The Institute of Fundraising (IOF), The Fundraising Standards Board (FRSB) and the Good Fundraising Code. Members of these organisations are encouraged to use the logos on all literature and websites. Donors are advised to look for these marks to ensure that the Charity is adhering to good practice.

Sadly Ally Colton, who led the work of fundraising for the organisation, left the Charity in July 2015. During her time with the organisation Ally worked with enthusiasm and skill to promote the Charity. Ally was not initially replaced but the fundraising activities were maintained by an independent consultant until the organisation was able to successfully recruit to this post. Tracy Ebbrell started with the Charity in January 2016 bringing many years of fundraising experience, knowledge and contacts. Tracy has made an impressive start to the task ahead.

In addition, the rest of the management team in particular contributes to the preparation of grant making applications with the written material prepared by the Business Manager. Contacts made, and maintained, by the Senior Management Team and all Trustees, are vital to the success of many of these applications.

Due to the staff changes that occurred during the year fundraising lost some of its impetus which resulted in reduced fundraising income by the end of the year. Excluding legacies, the Agency's fundraising income and voluntary donations was £191,520 (2014: £360,708).

The Agency continued to be prudent in its expenditure on fundraising and in 2015 this was contained at £28,240 (2014: £25,689). The Agency has continued its strategy of placing greater emphasis on providing support to others holding events on its behalf, rather than directly arranging events.

The Charity's fundraising cost/income ratio, excluding the legacy, in 2015 was 1:6 (2014: was 1:14).

2015 was the sixth year of investing in the marketing to, and recruitment of, new adopters. Katey McDonald, from Marketing Angels, has continued to provide expert advice in this area. The number of enquires this year was 735 (2014: 364). The Agency continues to develop its website and social media using various forms to promote the Charity.

Grant Making Trusts:

Target £170,000 Achieved £126,461 (2014: £203,888)

Repeat funding from two trusts ended in 2015 after three years of support. Families for Children was unable to secure further funding from one of the trusts but secured two year funding from the other trust in February 2016. The fundraising team worked hard to secure funding from existing supporting trusts and sought support from other trusts who have not supported Families for Children in the past.

The grant making trusts from whom we were delighted to receive assistance are as follows:

	£
The Aurum Charitable Trust (rec'd 2013)	211
The Buckfast Abbey Trust	4,000
The Dulverton Trust	5,000
Anon	5,000
Anon	250
Henry Smith Charity (3 rd of 3 years - rec'd 2014)	45,200
Anon (3 rd of 3 years – rec'd 2014)	45,000
Anon	1,500
R.S.Brownless Charitable Trust	250
Shanly Foundation	10,000
Sir John and Lady Heathcoat Amory's Charitable Trust	300
Souter Charitable Trust (rec'd 2014)	3,750
The Syder Foundation	1,000
Valentine Trust	5,000

In 2014, the Agency received the final payment of a three year grant from a foundation who wish to remain anonymous (£45,000) and the Henry Smith Charity (£45,200). Both of these were deferred as income to 2015, to cover salary costs of the Adoption Support team.

The Agency also received in 2014 a grant from the Souter Charitable Trust (£5,000) to cover the cost of a sailing project for a few of our adopted children organised by the Trinity Sailing Project. £1,250 was used to pay for the deposit in 2014, and £3,750 was deferred to 2015 for the final payment.

The Agency received a grant in 2013 from the Aurum Charitable Trust of £46,300, £41,988 of this was recognised in 2014, with the remaining £211 recognised in 2015 to continue funding future salary costs.

Towards the end of 2015 the Agency received the first of a three year grant from The Dulverton Trust (£30,000 per year). The Agency has recognised £5,000 in 2015 and has deferred £25,000 as income to 2016. The funding is to cover costs of the Adoption Support team.

In addition, the Agency received a total of £18,000 from four grant making trusts to fund training places for adopters on Therapeutic Parenting courses run by the Agency (see table below). The Agency did not fund any places during 2015 and the funds have been deferred to 2016.

	£
The Alice Ellen Cooper Dean Charitable Foundation	5,000
Gibbons Family Trust	5,000
Norman Family Trust	500
The Persula Foundation	7,500

Events and Organisational Donations:

Target	£120,000	Achieved	£41,420	(2014: £129,295)
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As in other years numerous events have been held in 2015 on behalf of the Agency. As always the Charity extends its grateful thanks to all who arrange and/or participate in them. The Charity benefits two-fold from these events 1) by the raising of much needed funds to support the objectives the Charity and 2) by raising the Charity's profile both locally and nationally, with the further potential of recruiting new adopters.

Where possible the Charity makes full use of gift aid to increase its income.

The Charity again benefited from the congregations of local Churches who have again been so generous in 2015, as previous years. The Charity received donations totalling £1,016 (2014: £4,343).

Families for Children has developed links with several local businesses in which the Charity has commercial agreements in place to help provide regular donations. One of these is through our Patron Michael Caines MBE who during 2015 donated £9,325 (2014: £8,918) via his fine-dining restaurant 'MC at Abode Exeter'.

It is through our fundraising events that the value of our Patrons, along with our Trustees, is particularly prominent. They provide publicity and valuable contacts for the Agency and we thank them all for their continuing commitment.

Individual Donations (including legacies):

Target	£25,000	Achieved	£23,639	(2014: £27,525)
		Legacies	£7,083	(2014: £57,621)

The Charity achieved a total of £23,639 (2014: £27,525) in donations from individuals who have donated either via a one off payment or via a standing order payment.

The Charity was able to claim gift aid on many of these individual donations. The Agency continues to concentrate its efforts on increasing the number of regular donations and to increase its income from gift aid.

In 2015, the Agency was the beneficiary of two legacies totalling £7,083. Understanding the difficulties in budgeting for income from legacies the Trustees have decided that any legacy gain should where practicable be designated to projects as deemed fit by the Trustees to advance the objectives of the Charity and not necessarily be allocated to the general fund.

Financial Review

In 2002 Families for Children became a separate charity and this is its thirteenth full year results since that year.

The Trustees continue to carry out detailed reviews of the Charity's activities at each Board meeting and receive management accounts (prepared monthly) that compares budget with actual figures. The Trustees review the level of reserves following the Treasurer's report at each board meeting, and regularly review the major risks of the Charity.

There has been considerable pro-active fundraising and grant application activity during the year, both for specific projects and for the day-to-day operation of the Agency. Fundraising, publicity and recruitment are inseparable and not necessarily fully reflected in the financial figures. Publicity and the recruitment of adopters are the lifeblood of the Charity. It is key to the objectives of the Agency in placing children into loving homes.

The Trustees remain committed to the 'forever' policy of support for its families at any time that it is needed and recognise that much of its fundraising effort is focused on fulfilling this pledge. The value of this work was recognised in the 'outstanding' status for all areas of work awarded to the Agency by Ofsted in May 2011 and again in January 2015.

The Ofsted report in 2015 recognised the great contribution our grant makers make to the services provided by the Agency. Ofsted reported that the Agency's fundraising

“... ensures that this lifeline of support is available to all who were adopted through the agency, throughout their lives.”

Income from grant making trusts is a key ingredient in supporting the Agency's activities especially in the field of adoption support work, which is non-funded. Grant income decreased to £126,461 (2014: £203,888) with the number of successful grants being 15.

The number of placements made by the Charity, 50, was up from 2014: 32 and set a new record for the Agency. However, towards the end of 2015 and in early 2016 the number of placements had reduced dramatically and early figures suggest that 2016 may be a lean year. Much of this downturn has been suggested on case law from a judgement passed in 2014 from which has seen a reduction of placement orders. The Government has advocated the need to change the law on adoption orders to reverse the outcome of this judgement. It is hoped that this change will increase placement orders during 2016.

The Agency has received £360,000 of the £400,000 funding from the Department of Education to help the expansion of the Agency. The remaining £40,000 is due once the Agency meets its target of increasing the number of approved adopters by the end of March 2016. At the end of 2015 the Agency was on target to achieve this objective in 2016. Due to the downturn in placements at the end of 2015 the Agency decided to close the Cornwall and Somerset offices in early 2016, offices which the Agency opened as part of the expansion. This was not a reduction of staff but a reduction of office overheads.

Income during the year increased in total to £1,785,285 (2014: £1,556,902). This increase was mainly due to the increase in placements and thus placement fees were £1,162,785 (2014: £934,775).

Total expenditure increased during the year in total to £1,938,769 (2014: £1,578,263) mainly due to the increase in staff costs due to the Agency's expansion. Some of this increase was off-set by the income received in 2015 from the expansion grant from the Department of Education.

General reserves at 31 December 2015 were £66,812 (2014: £549,941) with a revaluation reserve of £9,679 (2014: £3,909). Designated reserves amount to £770,216 (2014: £444,703).

JM Finn and Co. Ltd, who have delegated powers of investment, manage funds which the Agency holds as reserves according to the reserves policy. At the end of 2015 the investment was valued at £406,199.

Individual donations (voluntary income) amounted to £23,639 (2014: £27,525). Legacy income amounted to £7,083 (2014: £57,621). Income from events and grants totalled £167,881 (2014: £333,183). Total fundraising income was therefore £198,603 (2014: £418,329), with costs relating to fundraising being £28,240 (2014: £25,689).

The full costs of the Agency's expansion was reflected in the increased expenditure of 2015 and along with the reduced fundraising income produced a deficit of £157,549 (2014: £855 surplus). This resulted in a reduced balance sheet of £846,707 (2014: £1,004,256), despite an increase in placements.

Trade creditors at the year-end are £57,549 (2014: £50,185).

Strategic Report

Plans for Future Periods

In 2009 the Trustees agreed a five year strategic plan to end in 2014. The Trustees continually monitor the Agency's progress against this strategic plan and reviews its annual plans and budgets to enable the Agency to meet the objectives of the strategic plan. In 2012 an interim review of the progress of the Strategic Plan took place and it was acknowledged that progress had been slowed by the difficulties experienced during an exceptional year in 2011. It was subsequently decided that the Strategic Plan be extended by one year (2009-2015).

In June 2015 the Government announced that they wish for all local authorities to be part of regional agencies along with voluntary adoption agencies. This announcement has delayed the publication of a new strategic plan for the Agency.

The key objectives of the Strategic Plan (2009-2015) are:-

- **Economic Growth** – to increase income over expenditure so that there are, within five years, sufficient reserves to cover six months operating costs.
- **Adoptions** – to make sufficient resources available to increase adoptions on a year by year basis to a target of 40 per year by 2015.
- **Profile** – to increase and expand PR activities throughout the region that, along with the aim to be known in every Anglican and Catholic parish and every school in Devon, Dorset and Cornwall, will lead to greater awareness of the Agency in the South West.
- **Fund raising** – to grow and develop a dedicated fundraising resource that from year two of the Plan onwards will deliver targeted income at a level that will significantly contribute to the building of the reserve funds.
- **Bigger and stronger** – to consolidate its position as the largest Voluntary Adoption Agency in the South West and grow its importance outside of the region through merger or organic growth.
- **Centre of Excellence** – to ensure that by action and example Families for Children will be widely recognised as an adoption agency Centre of Excellence through Ofsted recognition and by benchmarking against comparable agencies.

Bank Accounts

The Agency uses CAF Bank for its daily current account activities as it offers two levels of authorisation for monies leaving the bank account. The Agency also has a deposit account with CAF.

The Agency still operates a Natwest current and deposit account. It was envisaged that these two accounts would be closed during 2015 but the current account still receives donations which has taken longer than anticipated to transfer to CAF.

Investment Powers and Policies

The Trust's Memorandum and Articles of Association empowers the Trustees to make any investments as they see fit ultimately for the purposes of furthering the objects of the Trust, subject to the requirement of the Trustee Act 2000.

Funds held in excess of those required to maintain the planned level of liquidity are regarded as investments.

Following a process of selection JM Finn became the Agency's investment managers with effect from November 2014. By January 2015 the Agency was fully invested with JM Finn and Co. The investment

managers report back to the Trustees on a half yearly basis and attend the Finance and Human Resources sub-committee on a yearly basis, or as required.

The investment policy is kept under regular review by the Trustees in order to manage risk against potential returns, to invest in closely regulated markets and to have a suitably diverse portfolio.

Investment Accounts

Apart from the CAF accounts and the Natwest accounts, the Trust operates various deposit accounts as investment accounts which seek a better return than a bank deposit account.

By operating various deposit accounts the Trust is able to protect up to a total of £75,000 in each of its various accounts through the Financial Services Compensation Scheme.

Liquidity

The Trustees maintain a conservative policy as regards to liquidity as income streams, which can be affected by issues outside the control of the Charity, can be volatile and there is a high level of operating costs.

To maintain its charitable objects in the short term the Trust maintains its liquidity (readily realisable assets) as 2 to 3 months of budgeted operational costs.

Liquidity is made up of current accounts, deposit accounts and debtors.

Reserves Policy

The Trust aims to meet its charitable objects both in the short term and over the longer term. In order to avoid the need to make sudden large adjustments in the level of support provided in response to sudden dips or surges in income the Trust aims to hold some funds in reserve.

For the short term the Trustees maintain a liquidity policy, for the longer term the Trustees maintain a number of reserves.

The Expansion Reserve was created to provide funds for the Agency's expansion under a Government initiative and was fully utilised in 2015. This is not required in 2016.

The Redundancy Reserve (£105,216) formally known as the Consolidated Reserve, is required for the implicit costs of providing redundancies, in the event of a serious and sustained downturn in activity. The Redundancy Reserve is calculated as the total statutory entitlement of all employees based on the end of the budget year. The amount does not include any statutory notice period payment. The Redundancy Reserve is made up of higher interest bearing account(s).

To help protect the Trust during any sudden dip in income the Trustees have created an Operation Reserve as a way of maintaining its charitable objects. The Operation Reserve has a target of up to 6 months of budgeted operational costs. The Operation Reserve is made up of a managed investment portfolio and higher interest bearing account(s). For 2016 the Trustees set the Operation Reserve as just under 5 months of budgeted operational costs (£665,000).

The Trust created a Pension Liability Reserve to provide for the current deficit in the defined benefits scheme creating a liability of £39,355. Changes to the SORP, in which a pension liability is now treated as a creditor, has resulted in the Pension Liability cleared to Nil.

Any increase or decrease in the market value of the Trust's investment portfolio, as compared to the cost value, is held within the Revaluation Reserve (£9,679)

Other monies that is not allocated to any other reserve is held within the Agency's General Reserve (£66,812).

Pay Policy for Senior Staff

Key management personnel of the Agency, as defined by the trustees, are the executive committee and the senior management team. The key management personnel of the Agency are in charge of directing and controlling, running and operating the Agency on a day to day basis.

The executive committee give of their time freely and no director received remuneration in the year. Details of trustees' remuneration are disclosed in note 7.

The pay of the senior staff is annually reviewed and normally increased in accordance with increases in the NJC pay scales, set within local government. Pay is also benchmarked against posts within the local authorities and benchmarked against similar posts of other voluntary adoption agencies.

Risk Management

The major risks to which the Charity is exposed, as identified by the Trustees, have been and continue to be reviewed. Systems and procedures have been established to mitigate these risks.

In order to manage the perceived risks adequately, the Trustees have divided them into the following categories:

- 1) Strategic
- 2) Financial
- 3) Operational
- 4) Regulatory

The Trustees recognise that the risk management process is ongoing, and reviews matters of each of the above categories as they arise at regular Board meetings and with the sub-committees. A full risk assessment document is formally considered by the Trustees on an annual basis.

The operational responsibility of these risks rests with the management team.

The business risk assessment has identified that the Agency's major risks are "Vulnerability to Government policy" and "Case law", both of which can affect the number of potential adopters wishing to adopt and/or the number of children being placed for adoption. This in turn can affect the income of the Agency. The Agency reduces these risks by keeping abreast of all Government policies, responding to all draft documents issued and maintains its membership of the CVAA who campaigns on behalf of all the voluntary adoption agencies.

Health and Safety at Work

The Trust has maintained a commitment to high standards and this subject has featured as a regular item on the agenda of the Board of Trustees.

Statement of Trustees' Responsibilities

The trustees (who are also directors of Families for Children Trust for the purposes of company law) are responsible for preparing the Trustees report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, 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 charity will continue in business.

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

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and

- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Charity Commission requires that the Trustees subscribe to the charity's Statement of Public Benefit as set out on page 7 of this report.

Status of Report

This report has been prepared in accordance with the Charities SORP (FRS102) and in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small entities.

By order of the board of Trustees

.....
D Howell

Chairman

.....
H Adam
Date:

Honorary Treasurer and member of the Board

Independent Auditors' Report

We have audited the financial statements of Families for Children Trust for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective Responsibilities of Trustees and Auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view, of the state of the affairs of the charitable company as at 31 December 2015 and of the incoming resources and application of resources, including its income and expenditure, for the year ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Mr Christopher Hicks BA FCA DchA (Senior Statutory Auditor)
PKF Francis Clark
Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

.....

Registered Auditor

Statement of Financial Activities

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2015 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2014 £
Income from:							
Donations and legacies	3	95,661	102,942	198,603	143,938	274,391	418,329
Charitable activities	4	267,773	1,282,062	1,549,835	112,227	981,469	1,093,696
Investments	3	-	11,768	11,768	-	19,863	19,863
Other		-	25,079	25,079	-	25,014	25,014
Total Income		363,434	1,421,851	1,785,285	256,165	1,300,737	1,556,902
Expenditure on:							
Raising funds	5	-	28,240	28,240	-	25,689	25,689
Charitable activities	5	358,487	1,552,042	1,910,529	240,408	1,312,166	1,552,574
Total Expenditure		358,487	1,580,282	1,938,769	240,408	1,337,855	1,578,263
Net gains/(losses) on investments		-	(4,065)	(4,065)	-	22,216	22,216
Net income/(expenditure)		4,947	(162,496)	(157,549)	15,757	(14,902)	855
Transfer between funds		(10,650)	10,650	-	(10,054)	10,054	-
Net movement in funds		(5,703)	(151,846)	(157,549)	5,703	(4,848)	855
Reconciliation of funds:							
Total funds brought forward		5,703	998,553	1,004,256	-	1,003,401	1,003,401
Total funds carried forward		-	846,707	846,707	5,703	998,553	1,004,256

There were no other gains or losses for the year.

All income and expenditure derived from continuing activities.

The notes on pages 23 to 33 form part of these financial statements.

Balance Sheet

	Notes	2015 £	2014 £
Fixed Assets			
Tangible Assets	10	24,301	19,431
Investments	11	406,199	342,475
		<u>430,500</u>	<u>361,906</u>
Current Assets			
Debtors	12	199,234	172,877
Short Term deposits	13	307,971	728,141
Cash at bank and in hand		100,425	258,015
		<u>607,630</u>	<u>1,159,033</u>
Creditors – amount falling due within one year	14	<u>(164,472)</u>	<u>(482,203)</u>
Net current assets		<u>443,158</u>	<u>676,830</u>
Creditors – amount falling due after more than one year	14	<u>(26,951)</u>	<u>(34,480)</u>
Net assets		<u>846,707</u>	<u>1,004,256</u>
The funds of the Charity			
Restricted funds			
Expansion Grant	17	-	5,703
Unrestricted funds			
General	17	66,812	549,941
Revaluation	17	9,679	3,909
Designated	17	770,216	444,703
Total Charity Funds		<u>846,707</u>	<u>1,004,256</u>

The notes on pages 23 to 33 form part of these financial statements.

Approved by the Board of Trustees on and signed on its behalf by

.....
D Howell
Chairman

.....
H Adam
Honorary Treasurer

Cash Flow Statement

		2015	2014
		£	£
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	20	(497,243)	448,353
Cash flows from investing activities:			
Dividends, interest and rents from investments		9,601	16,195
Purchase of property, plant and equipment		(22,332)	(16,231)
Purchase of investments		(67,786)	4
Net cash provided by (used in) investing activities		(80,517)	(32)
Change in cash and cash equivalents in the reporting period		(577,760)	448,321
Cash and cash equivalents at the beginning of the reporting period		986,156	537,835
Cash and cash equivalents at the end of the reporting period	21	408,396	986,156

Notes to the Financial Statement

1. General Information

The charity is a company limited by guarantee and has no share capital; it is incorporated in Great Britain. The members may be required to contribute a sum not exceeding £10 each in the event of winding up.

The address of the registered office is: Southgate Court
Buckfast
Buckfastleigh
TQ11 0EE

2. Accounting Policies

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Families for Children Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

b. Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

- i. At the date of transition in applying the requirement to recognise liabilities relating to agreed additional pension contributions in respect of the multi-employer defined benefit pension plan, there was no such liability to be recognised. However, during the year ended 31 December 2014 the results of the most recent actuarial valuation became known and an agreement was made for the payment of additional contributions of £39,355 in respect of the charity's share of the deficit. Accordingly a liability and an expense for this amount has been recognised in the comparative figures for the year ended 31 December 2014.
- ii. Also applying the requirement to relocate investment gains so that they are reflected in net income, has resulted in an increase in net income for the year ended 31 December 2014 of £22,216. However, being a presentational issue only, this has no effect on the overall net movement in funds for the year.

No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income is provided.

Reconciliation of funds and balances	1 January 2014 £	31 December 2014 £
Fund balances as previously stated	1,003,401	1,043,611
Agreed additional pension contributions	-	(39,355)
 Fund balances as restated	<hr/> 1,003,401 <hr/>	<hr/> 1,004,256 <hr/>

Reconciliation of net income	Year Ended December 2014
	£
Net income as previously stated	17,994
Agreed additional pension contributions	(39,355)
Relocation of net investment gains	22,216
Net income as restated	<u>855</u>

c. Going concern

The Trustees' strategic plan has been to create sufficient reserves to cover six months operating costs. At the end of 2015 the Agency had approximately 5 months of operating costs in reserve (Operation Reserve).

Understanding placement numbers are likely to remain low during 2016 the Trustees have reviewed the current circumstances and consider that adequate resources are available to fund the activities of the Agency for the foreseeable future. The Trustees are of the view that the Trust is a going concern.

d. Tangible fixed assets

Individual fixed assets costing £100 or more are capitalised at cost.

Depreciation is provided at the following annual rates in order to write off each asset over 3 years.

Equipment 33% / year Computer Equipment 33% / year Furniture & Fixtures 33% / year

e. Income

i. Donations, legacies and other voluntary income

Donations and other voluntary income are recognised in the period in which they are receivable. Legacies are recognised when the charity is advised by the personal representatives of an estate that probate has been granted, that payment will be made and the amount can be quantified with reasonable certainty.

ii. Fees

Fees for the placement of adoptive children are recognised when the placement has been made.

Fees for the adoption of children are recognised when invoiced between the dates of the placement and adoption.

Fees for post-adoption services are also recognised when invoiced between the dates of the placement and adoption. These services are provided out of current income as the need arises. Accordingly income is matched against current costs.

iii. Grants

Grants receivable are recognised when the charity has received notification of the grant and it has met any conditions attached. Where a grant specifies that it is to fund specific expenditure in a future accounting period, the grant is deferred.

Where a grant includes performance related conditions, incoming resources are recognised to the extent that the charity has provided the services.

f. Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings.

Cost of raising funds primarily comprise the fundraising staff costs.

Expenditure on charitable activities includes the cost of adoption and post adoption services. Support costs have been allocated in full to expenditure on charitable activities and include back office costs, finance, personnel, payroll and governance costs.

g. Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the terms of the lease.

h. Pension costs

The charity participates in a defined contribution scheme set up for all new employees since 1 January 2003. In accordance with SORP (FRS102) contributions to the scheme are charged to the Statement of Financial Activities as they fall due

The charity also has a multi-employer pension scheme. Where there is an agreed payment plan for deficits, the payments are recognised as a liability in accordance with SORP (FRS102).

i. Investments

As well as bonds, investments include holdings in investment trusts that do not meet the definition of basic financial instruments. All investments are initially recognised and then subsequently measured at fair value at the balance sheet date. The income from investments is accounted for in the period in which the Charity is entitled to receipt. Realised and unrealised gains and losses are disclosed in the Statement of Financial Activities. Investments include cash balances held by the Investment Manager.

j. Fund accounting

Funds held by the charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Designated funds - these are funds transferred by the Trustees out of unrestricted general funds for specific future purposes or projects.
- Restricted funds – these are funds that are subject to specific trusts that must be applied for specific purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

k. Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no critical estimates or judgements that the Trustees have made in the process of applying the accounting policies.

3. Income

	Restricted Funds £	Unrestricted Funds £	2015 £	2014 £
a) Donations and legacies				
Donations	-	23,639	23,639	27,525
Legacies	-	7,083	7,083	57,621
Events (held for the charity)	-	41,420	41,420	129,295
Grants from grant making trusts	95,661	30,800	126,461	203,888
	<u>95,661</u>	<u>102,942</u>	<u>198,603</u>	<u>418,329</u>
b) Investments				
Bank Interest	-	2,167	2,167	3,668
Dividend on UK investments	-	9,601	9,601	16,195
	<u>-</u>	<u>11,768</u>	<u>11,768</u>	<u>19,863</u>

4. Charitable activities

	Restricted Funds £	Unrestricted Funds £	2015 £	2014 £
Adoption				
Placement fees	-	1,162,785	1,162,785	934,775
Birth Relative Services (Poole and Bournemouth)	-	19,560	19,560	20,000
Step Parent assessments (Plymouth)	-	28,407	28,407	11,694
Expansion	250,273	-	250,273	109,727
Therapeutic Parenting Course	17,500	12,500	30,000	2,500
Family for Me	-	-	-	15,000
Home for Good	-	20,567	20,567	-
Life Story (Plymouth)	-	19,633	19,633	-
Family Finding	-	14,328	14,328	-
Adult Counselling (Plymouth)	-	4,282	4,282	-
	<u>267,773</u>	<u>1,282,062</u>	<u>1,549,835</u>	<u>1,093,696</u>

5. Expenditure

	[Restricted]	[-- Unrestricted --]		2015	2014
	Adoption	Adoption	Fundraising & Publicity	Total	Total
	£	£	£	£	£
Costs directly allocated to activities					
Salaries & on costs	230,952	1,061,484	23,084	1,315,520	1,004,789
Staff travel & other expenses	26,578	88,335	2,267	117,180	103,054
Sessional staff costs	3,754	8,213	1,152	13,119	28,659
Adoption expenses	23,821	52,457	-	76,278	42,029
Fundraising event costs and website	-	1,152	707	1,859	3,154
Marketing and Recruitment of adopters' costs	21,735	45,057	-	66,792	44,709
Training	144	8,858	-	9,002	8,736
Office expenses	4,689	14,937	26	19,652	14,252
Premises costs	2,260	13,290	-	15,550	11,858
Rent	14,355	32,810	-	47,165	34,628
Equipment & computer support	8,626	32,903	-	41,529	18,779
Depreciation	-	17,457	-	17,457	11,265
Accounting, legal & professional	-	9,204	-	9,204	2,955
Affiliation & subscriptions	-	5,459	1,004	6,463	11,182
Recruitment expenses	2,086	10,274	-	12,360	5,089
Doubtful debt provision	-	(30,646)	-	(30,646)	30,646

Support costs have been allocated in full to Adoption as follows:

Salaries & on costs	18,258	140,254	-	158,512	135,404
Staff travel & other expenses	1,224	2,187	-	3,411	1,742
Agreed additional pension contributions	-	-	-	-	39,355
Training	-	-	-	-	352
Insurances	-	14,367	-	14,367	10,717
Accounting, Audit, legal & professional	-	16,820	-	16,820	11,702
Committee & sundry expenses	5	5,851	-	5,856	2,091
Trustees' expenses	-	1,320	-	1,320	1,116
	<u>358,487</u>	<u>1,552,042</u>	<u>28,240</u>	<u>1,938,769</u>	<u>1,578,263</u>

6. Staff Costs, Numbers and Costs of Key Management Personnel

	2015	2014
	£	£
Salaries	1,288,914	994,314
Social Security	122,978	93,574
Pension costs	58,720	52,304
Agreed additional pension contributions	-	32,500
	<u>1,470,612</u>	<u>1,172,692</u>

One employee earned between £60,000 and £70,000, (the employer also contributed £5,937 to their pension scheme)

Average number of full time equivalent employees analysed by function

	2015	2014
Adoption	30	22
Fundraising & Publicity	1	1
Administration	9	8
	<u>40</u>	<u>31</u>

The total employee benefits of the key management personnel of the Agency were £173,693 (2014: £162,133)

7. Trustees' Remuneration

The Trustees have not received any remuneration from the charity during the year.

Two Trustees were reimbursed for travel expenses amounting to £307 and other out of pocket expenses including overnight stay amounting to £335. Other expenses relating to the trustees were meeting room costs of £320 and £152 for hospitality.

No Trustee made any donations to the charity, and apart from the small amount of travel expenses claimed, many of the Trustees during the year waived numerous expenses, such as mileage.

8. Resources Expended

Resources expended include the following:	2015	2014
	£	£
Audit	12,557	7,080
Accountancy & financial advice – fees paid to current auditors	4,263	4,622
Other professional fees	9,204	2,955
Depreciation of fixed assets	17,462	11,265

9. Taxation

The charitable company is exempt from corporation tax on its charitable activities.

10. Tangible Fixed Assets

	Equipment £	Computer Equipment £	Furniture & Fixtures £	Total £
Cost				
At 1 st January 2015	15,879	71,896	6,282	94,057
Additions	4,111	12,272	5,949	22,332
At 31st December 2015	19,990	84,168	12,231	116,389
Depreciation				
At 1 st January 2015	14,759	57,799	2,068	74,626
Charge for year	1,878	11,546	4,038	17,462
At 31st December 2015	16,637	69,345	6,106	92,088
Net book value at 31st December 2015	3,353	14,823	6,125	24,301
At 31 st December 2014	1,120	14,097	4,214	19,431

11. Fixed Assets Investments

	2015	2014
	£	£
Quoted investments		
Brought forward at 1 st January 2015	188,949	320,263
Net investment additions/(disposals)	67,786	(4)
Transfer from / (to) cash	87,982	(153,526)
Realised/Unrealised gains on investments	(4,062)	22,216
At 31st December 2015	340,655	188,949

Cash held as part of portfolio

Brought forward at 1 st Jan 2015	153,526	-
Transfer (to)/from quoted investments as at 31 st December 2015	(87,982)	153,526
At 31 st December 2015	65,544	153,526
Total Investments	406,199	342,475

Net cash released from investments in the year was £67,786 (2014: £4).

Included in the total investments of £406,199, is £134,525 (33.12%) which are held overseas and £271,674 (66.88%) which are held in the United Kingdom.

The following material investments were held at 31st December 2015

	Market Value
	£
Security	
City of London Investment Trust ord GBP0.25	21,285
Vanguard Investment series FTSE100 EFT Inc Nav	25,182
Vanguard Funds PLC S&P ETF Inc Nav	21,114
Guinness Asset Management Global Equity Inc GBP Z	20,534
Fundsmith LLP Equity I Inc Nav	22,959
	<u>111,074</u>

12. Debtors: Due within one year

	2015	2014
	£	£
Debtors	181,130	148,412
Prepayment and accrued income	18,104	24,465
	199,234	<u>172,877</u>

13. Current Asset Investments

UK Short term deposits	307,971	<u>728,141</u>
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14. Creditors

i. Due within one year (unsecured)

Trade creditors	57,549	50,185
Deferred income and accruals	100,423	427,143
Agreed additional pension contributions	6,500	4,875
	164,472	<u>482,203</u>

ii. Due after one year (unsecured)

Agreed additional pension contributions	26,951	<u>34,480</u>
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15. **Deferred Income**

Deferred income comprises grants or income received under contracts that have been received by the charity but that have not been recognised as income because of conditions attaching to them that result in the charity not having entitlement to the funds at 31 December 2015.

Balance at 1 January 2015	410,688
Amounts released to income earned from charitable activities	(249,067)
Amount deferred in the year	43,593
Amounts repaid to funder	(27,000)
Balance at 31 December 2015	<u>78,214</u>

16. **Operating Leases**

The total minimum lease payments due over the term of the lease are as follows:

Land and buildings expiring:		
Less than one year	<u>32,500</u>	<u>32,500</u>
Equipment expiring:		
Less than one year	<u>902</u>	<u>902</u>
	<u>902</u>	<u>902</u>

17. **Funds**

	Balance		Loss on			Balance
	01.01.15	Income	Investments	Spent	Transfers	31.12.15
	£	£	£	£	£	£
Restricted Funds						
Post adoption salary grants	-	90,200	-	(90,200)	-	-
Expansion Grant	5,703	250,273	-	(245,326)	(10,650)	-
Trinity Sailing Project	-	3,750	-	(3,750)	-	-
Therapeutic Parenting Course	-	17,500	-	(17,500)	-	-
University Assistance	-	1,500	-	(1,500)	-	-
Family Finding Salary Grant	-	211	-	(211)	-	-
Unrestricted Funds						
General reserve	549,941	1,421,322	-	(1,251,644)	652,807	66,812
Operation Reserve	-	-	-	-	665,000	665,000
Revaluation Reserve	3,909	-	(4,065)	-	9,835	9,679
Designated Redundancy Reserve	94,703	529	-	-	9,984	105,216
Designated Expansion Reserve	350,000	-	-	(328,638)	(21,362)	-
	<u>1,004,256</u>	<u>1,785,285</u>	<u>(4,065)</u>	<u>(1,938,769)</u>	<u>-</u>	<u>846,707</u>

a. **Restricted Funds**

The restricted funds include two grants for post adoption social worker salaries and expenses. In each case, the grants were spent in full. In addition, a grant of £211 was received to fund the salary and expenses of a family finding social worker who commenced employment in November 2013 (Family for Me project). Of this grant £4,101 was spent in 2013, £41,988 was spent in 2014 and the remaining £211 was spent in 2015.

The Agency was successful in being awarded a grant through the Government's Expansion Grant of up to £400,000. Money from the grant is released to the Agency when it is spent and defined targets have been met. In 2014 the Agency received £160,000 of which £50,273 was deferred to 2015 because the Agency did not incur the expenditure in 2014. £5,703 related to prepaid invoices for email security software and therefore shows as being carried forward as at the end of December 2014. During 2015, the charity received a further £200,000.

Plymouth City Council (PCC) have pre-paid £40,000 to fund 32 places on a Therapeutic Parent Course run by the Agency at £1,250 per place. In 2014 PCC filled 2 places on the course at a cost of £2,500, which the Agency drew down from the pre-payment. The remaining £37,500 was deferred to 2015. During 2015, a further 14 places were taken up, with the remaining £20,000 being deferred to contribute to future places on the course. In addition to this, in 2015 grants totalling £18,000 were received from four different organisations to fund the places on the course for participants outside of the Plymouth area.

Another grant was received to assist an adopted child through the first year of University. This grant was spent in full.

Further to these grants, in 2014, £5,000 was received from The Souter Charitable Trust to fund a project enabling some of our young people to go sailing for a week. The project was run by the Trinity Sailing Project. Of this grant £1,250 was spent in 2014, and the balance of £3,750 was spent in 2015.

b. Unrestricted Funds

The unrestricted funds currently consist of four reserves, one being the general reserve.

The revaluation reserve represents the amount by which the market value of the investments at 31st December 2015 exceeds their original cost. However, the cost exceeds the market value as at 31st December 2015, therefore the remaining balance has been transferred to unrestricted general reserve so not to create a negative reserve.

The operation reserve was set up in 2015 by the Trustees with a target of having up to 6 months budgeted operational costs kept in reserve.

The redundancy reserve (formerly consolidated reserve) was set up to maintain a redundancy provision in the event of a serious and sustained downturn in activity.

Both the pension liability reserve and the expansion reserve have been cleared to Nil.

The pension liability reserve was created in 2014 to provide a provision to pay the interest attaching to the additional pension contributions required to eliminate the deficit of the defined benefits scheme. Changes to the SORP, in which a pension liability is now treated as a creditor, has resulted in the Pension Liability cleared to Nil.

The expansion reserve was created in 2014 to sustain the cash flow due to the increased expenditure as the expansion project progresses. The expansion project was complete in the year and as a result the expansion reserve has been cleared to Nil.

18. Analysis of Net Assets between Funds

	Tangible Fixed		Net Current	Total
	Assets	Investments	Assets	
	£	£	£	£
Unrestricted Funds				
General Reserve	24,301		42,511	66,812
Revaluation Reserve	-	-	9,679	9,679
Designated Operation Reserve	-	406,199	258,801	665,000
Designated Redundancy Reserve	-	-	105,216	105,216
	<u>24,301</u>	<u>406,199</u>	<u>416,207</u>	<u>846,707</u>

19. Pensions

a. Church of England Defined Benefits Scheme (DBS)

Families for Children participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pension Fund.

Following consultations with the affected employees, the Trustees terminated the Defined Benefits Scheme as at 1 April 2012.

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and

former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 and as such contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2013. Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay expenses of £2,200 per year. In addition deficit payments of £7,871 per year have been agreed for 5 years from 1 April 2015 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the financial statements (Note 14) on transition to SORP (FRS102) as explained in Note 1b(i).

At 31st December 2015 the Agency had 0 active members and 10 deferred pensioner members in the Fund. Since 1 April 2012, Families for Children ceased to use the DBS as a vehicle for providing future pension benefits for its employees and all active members became deferred pensioners with effect from that date.

b. Church of England Pension Builder Scheme

Families for Children Trust (PB Classic) participates in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement.

Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable.

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2013. This revealed, on the ongoing assumptions used, a surplus of £0.5m. There is no requirement for deficit payments at the current time.

Pension Builder 2014 will be valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. Pension Builder 2014 commenced in February 2014 so the first full valuation of that section will be carried out at the next CWPF valuation date, 31 December 2016.

Families for Children contributes between 5% and 10% of basic salary and the employees are required to contribute a minimum contribution of 5%. Families for Children contributions for the year totalled £58,720 (2014: £52,304) and there were no contributions outstanding at the year end.

20. **Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2015	2014
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(157,549)	855
Depreciation charges	17,457	11,265
(Gains)/losses on investments	4,065	(22,216)
Dividends, interest and rents from investments	(9,601)	(16,195)
(Increase)/decrease in debtors	(26,356)	294,727
Increase/(decrease) in creditors	(325,259)	179,917
Net cash provided by (used in) operating activities	(497,243)	448,353

21. **Analysis of cash and cash equivalents**

	2015	2014
	£	£
Cash in hand	100,425	258,015
Notice deposits (less than 3 months)	307,971	728,141
Total cash and cash equivalents	408,396	986,156

Management Information

The following pages do not form part of the statutory financial statements which are subject of the independent auditor's report on pages 16 and 17.

Analysis of Activities – General Funds

	Notes	Adoption £	Fundraising & Publicity £	2015 Total £	2014 Total £
Income					
Investments	3	11,768	-	11,768	19,863
Donations and legacies					
Individual Donations	3	-	23,639	23,639	27,525
Adoption support contributions	3	-	-	-	-
Legacies	3	-	7,083	7,083	57,621
Fundraising events and grants	3	-	41,420	41,420	129,295
Grants from grant making trusts		-	126,461	126,461	203,888
Charitable activities:					
Fees Received	4	1,549,835	-	1,549,835	1,093,696
Other		25,079	-	25,079	25,014
Total Income		1,586,682	198,603	1,785,285	1,556,902
Expenditure on:					
Cost of generating funds	5	-	28,240	28,240	25,689
Charitable expenditure	5	1,910,529	-	1,910,529	1,552,574
Total expenditure		1,910,529	28,240	1,938,769	1,578,263
(Deficit)/Surplus on activities (before investment gains/losses)		(323,847)	170,363	(153,484)	(21,361)