

Families for Children Trust

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

Report and Financial Statements

For the Year Ended 31 December 2017

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 2017.

Reference and Administrative Details

Charity Name:	Families for Children Trust	
Charity Registration Number:	1093131	
Company Registration Number:	04460558	
Registered Office (and Principal Address):	Higher Mill 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 23 January 2015 and was incorporated as a Company on 13 June 2002.

As a registered charity, the Trust 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)

Chairman: Elected by the body of Trustees

Trustees appointed by the Bishop of Exeter

Mrs A Barwood BEM

Mr D Howell Chairman

Mr Roger Lake Vice Chairman

Mrs Susan Lucas

Trustees appointed by the Bishop of Plymouth

Mrs R Cook (Resigned 23rd February 2018)

Trustees appointed by the Trustees

Mr Hamish Adam Honorary Treasurer

Mr N Allan

Ms T Cook

Mr T Connor

Rev B Duncan MBE

Mrs C O'Kelly

Patrons

Michael Caines MBE

Lord Julian and Lady Emma Fellowes

Vice Patrons

Judi Spiers

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 Leadership (non-trustees)

Mrs C Davis OBE Chief Executive

Mrs J Parsons Head of Operations

Mr N Backhouse Head of Business

Caroline Davis is Chief Executive with overall strategic charge of the Agency. Jakki Parsons is Head of Operations managing the social work practice of the Agency and is the registered manager of the service for the purposes of adoption legislation. Jakki deputises for Caroline Davis in her absence. Nigel Backhouse, as Head of Business, manages the Finance and HR team and acts as Company Secretary for the Agency. The senior leadership share full responsibility for all fundraising, publicity and adopter recruitment matters.

After working for the Charity for 25 years Caroline will leave in September 2018. Caroline will be providing a handover period to a new Chief Executive who starts in September 2018.

Management Team

The Agency operates from three offices across the South West of England.

Devon (Head Office)

The Senior Leadership operates from the Devon office as does Tracy Ebbrell (Fundraising and Engagement Specialist) who leads the Charity's fundraising activities and team of fundraising specialists and volunteers.

Also based in our Devon office is Jackie Saunders (Family Finding Practice Manager) and Janet Smith (Adoption Support Manager).

Jackie's team has responsibility for the recruitment, assessment and preparation of prospective adoptive parents, as well as linking and placing children and post placement support. Jackie left the Charity in May 2017 and was replaced by Claudine Gilson in September 2017. Between May and September the team was led and supervised by the Head of Operations.

Janet Smith led 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. Janet left the Charity in August 2017 and was replaced by Pam Knight in September 2017.

North Devon

Jim Fitton (Family Finding Practice Manager) is based in our office in North Devon. Jim leads our family finding team that covers North Devon, Cornwall and Somerset. 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.

Dorset

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 the Regional Adoption Agency, Aspire.

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 to five Trustees can be nominated by the Bishop of Exeter with the others 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.

Any further relevant training is offered to Trustees to enhance their effectiveness and widen the skill set of the board.

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 AGM each year appoints new trustees and/or re-elects trustees, approves the Trustee Annual Report and Year End Accounts, and appoints the auditors for the following year.

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. Voluntary means that our professional adoption service is an alternative to the statutory services provided by the Local Authorities.

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, and through other forms of social media. The Charity also uses newspaper and radio advertising.

The adoption process is governed by Legislation, Regulation and Statutory Guidance. This was extensively revised during 2013 to create a two stage assessment process. The Agency recruits prospective adoptive parents and assesses and prepares them through the two stage 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.

The members of the Agency's Adoption Panel are volunteers and, although they are recruited by the Agency, the members are independent of the Agency and have their own Chair to conduct the proceedings. Members have various backgrounds and consists of practising social workers, ex-social workers, a medical advisor, adopters, adoptees and other people who have an interest in creating families.

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 - called Birth Family Matters (BFM) for Aspire, a regional adoption agency for Dorset, 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, and another service level agreement with Devon County Council to provide step parent assessments.

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

The Agency would like to start this section with a big congratulations to Caroline Davis, the Agency's Chief Executive. Caroline was honoured to accept the Gareth Marr Lifetime Achievement Award for her services to Children and Adoption Services. Held at the Foundling Museum, London in October 2017 the National Adoption Week Awards recognise and celebrate good practice and exceptional achievement among those working or involved in adoption in England.

Caroline has worked tirelessly for the past 40 years, 25 years as the Chief Executive of the Charity, improving the outcomes of children who have received such a poor start in life due to neglect and/or abuse. During her time at Families for Children Caroline has played a part in one way or another in placing over 600 children for adoption. Everyone who is currently involved, or has been involved, in the Agency wishes Caroline a happy and healthy retirement.

Chief Executive's Report

In 2016 Families for Children had to respond to the downturn in the number of children coming through for adoption, which was caused by a Court ruling made by Sir James Munby (Re BS). This had a significant impact upon the number of prospective adopters needed across the country and the work of adoption agencies. In response to this downturn, Trustees had to review and reduce staffing across the organisation. Trustees and staff were responsive to this challenge and staffing hours were reduced with minimal disruption to our work and organisational structure.

During 2017, FFC was continuing to recover from the impact of the 2016 challenges outlined above. Through careful stewardship and the professionalism and commitment of our staff, FFC was able to begin a careful recovery plan. By the end of the year we had found adoptive families for 47 children (30 separate placements), one of which was the placement of a sibling group of five children. We also recruited and approved 26 sets of adoptive families and at the end of the year we were supporting 120 children in their adoptive placements.

Through a successful bid for DfE funding, FFC was awarded in 2016 a significant Practice and Improvement Grant. With additional financial support provided by FFC, we were able to develop the Atrium, our Adoption Support Centre of Excellence. We knew that this would be a challenging development, particularly as the timing coincided with the increase in national Adoption Support Fund (ASF) applications. The vision for this service is to provide wraparound support to all adopted children in the South West, many of whom have suffered severe trauma, and their families. The service is based on a three tier model with Level One providing community based support, training and groups etc. through to Level Three where children who need intensive support are offered individualised therapeutic programmes, through a multi-disciplinary model (MDT). Funding for this is accessed through the ASF. In the medium term it is hoped that the Atrium can be used as a template to improve adoption services across other regions in the country.

FFC entered into a contractual relationship with Psychology Associates to provide MDT clinics and therapeutic work. The first few months of the project were challenging, with the establishment of the service and staff changes. Jakki Parsons, Head of Operations showed her great support and versatility by responding to staff changes and taking the lead on a number of different services, including temporarily managing the Buckfast Family Finding Support Team and the Atrium.

Jakki provided excellent support to FFC and staff throughout 2017. She was proactive in updating, and in some cases creating, numerous policies and procedures along with standardising practice for social workers and administrative staff across the offices. In addition Jakki took the lead on a number of projects including the workshops for adopters (Domestic Violence, Foetal Alcohol Syndrome, Sexual Abuse, Transitions and Life Story Work) and negotiated and supervised contracts for Life Story Books, Step Parent Adoption, Birth Family Matters project and Adult Adoption Counselling.

Nigel Backhouse continued to provide great support over the areas of finance, business and HR. As the Agency has grown, so has Nigel's workload and in order to assist him with these he was provided with additional time through an increase in Trish Pidek's hours and the appointment of Lewis Langton to the team.

Tracy Ebbrell, our Fundraising and Engagement Specialist managed a challenging fundraising year and was creative in accessing funding from Trusts and grants, along with a variety of local events and opportunities. Katey McDonald continued her recruitment and marketing work and was responsive to the needs of the various offices. This enabled a constant flow of adoptive applicants. As 2017 came to an end, it was evident that the number of children needing adoptive parents was increasing significantly.

The Agency has been fortunate in having a quality service provided by our skilled administrative team. When our team manager left at the end of the year, all the administrative staff pulled together to cover the gap. They are an innovative and well-motivated team who ensure the day to day work of FFC is completed efficiently and in a timely manner.

By the end of 2017 the number of staff working for FFC had increased to almost 50. We had the creation of new family support worker role in the Atrium all of whom have come with a variety of new skills and experience. They settled into our teams across the Agency and began to develop much needed support groups, family activities, music groups, support in schools etc. Our experienced social work team have worked hard to provide quality assessment of adoptive parents, good matching with children and sound support to our families and we are fortunate to have such skilled and committed workers.

A significant strategic challenge for FFC in 2017 was the uncertainty of the impact of Regional Adoption Agencies (RAAs). FFC continued to work closely with the two RAAs in our region, Adopt South West, ASW, (Devon, Dorset, Cornwall, Somerset, FFC and Barnardos) and Aspire (Dorset, Poole, Bournemouth and FFC).

In the spring of 2017 Aspire was launched and was one of the first RAAs to go live in the country. ASW went through a period of uncertainty and slow down during the year. It remains to be seen what the long term impact of these RAAs will be but it is clear that our continued positive working relationships are vital.

The quality of the work of FFC is overseen by our Board of Trustees who are proactive in their work with us and committed to providing robust governance for the Agency. Our Chairman, David Howell provided positive and accessible support throughout the year and I am grateful to him and all the Trustees for their understanding and enthusiasm for our work.

This is my last report as I am retiring from FFC in September after 25 years. It has been a privilege to be part of such an exciting and professional charity and to see it grow significantly over the years. The Agency is well positioned operationally, strategically and geographically to take on the new challenges around RAAs. I am grateful to all the Trustees and staff with whom I have worked with over the years and more importantly, to our wonderful adopters and children who have allowed FFC, and me, to play a small part in their lives.

Operation Review by the Head of Operations

As Head of Operations my role is to supervise the Practice Managers, oversee contract work and manage the Admin Team Manager and Panel. Externally I continued to represent the agency on the Operational Board of the Regional Adoption Agency in Devon (Adopt South West), at regional meetings for South West Adoption Consortium (SWAC) and at Regional Adoption Leadership Board meetings and other national meetings.

The Agency started to work towards becoming paperless in our case recording to cut down on cost of printing, paper and storage needs and began to develop the Website to be a space that is usable for adopters to access information through an adopter portal. The Agency has also opened up all the family activities to adopters in the region regardless of their agency of origin.

Adoption Panel

All Panel members are volunteers from a wide range of professional backgrounds and personal experience of adoption. There is one Chair for Buckfast/Dorset and another for North Devon and they provide a good standard of management of the panel function. The Senior Practitioners have been operating as Panel Advisors. The Agency developed more robust quality assurance processes and Panel training took place in March 2017.

The Agency employed a new panel administrator in June 2017 who brought a dynamism for change resulting in our last "paper-based" panel being held in December 2017.

Family Finding Activity

In 2017 we received 533 initial enquiries, from prospective adopters, an average of 45 per month. The shortage in adopters noticed by FFC was replicated across the country.

Disruptions

The Agency unfortunately had two disruptions in 2017. As always internal disruption meetings are conducted for every disruption with the learning shared with the wider agency.

Safeguarding

Altogether in 2017 the Agency raised 29 individual children safeguarding issues – some had more than one in the course of the year. Serious safeguarding concerns are always referred immediately to the relevant MASH or Safeguarding Team, and Ofsted.

Staff Training

The Agency has continued to value its staff in terms of their training opportunities and over 2017 offered a wide selection of learning events and access to development to all staff. All staff undertook the annual safeguarding training and Data Protection update prior to preparing for GDPR in 2018. All staff also completed an on-line module of the government Channel/Prevent programme on awareness of radicalisation.

One member of the admin team attended the Panel Administrator Course and some additionally undertook First Aid training.

The management team undertook team training in Finance and HR practices, and the new practice managers attended Leadership Skills and Managing Under-Performance Workshops. Our HR and Finance team have kept pace with required employment updates over the year.

Front line staff took part in a variety of training opportunities over 2017 including DDP Level 1 and 2, Theraplay Level 1 and 2, Non Violent Resistance, PACE, Video Interactive Guidance, permanence planning for children, Therapeutic Lifestory Work, Access to Birth Records and Intermediary/Reunification work, Attachment and Blocked Care, Helping Children Form Relationships and Foetal Alcohol Syndrome (long term implications). They also attended workshops run by other VAAs including A Secure Start run by CCS and Understanding LGBT Adoption run by New Family Social – this latter course was very well received and it will be repeated as part of the 2018 Panel training.

The Agency has successfully been running for a number of years a telephone counselling service, but due to the upsurge in demand for this in 2017 it was felt the need to expand this and the Agency was fortunate to identify two additional highly experienced counsellors to offer this support.

Adult Adoption/Birth Records Counselling

In early March 2017 the Social Worker who had taken the lead in Adult Adoption Counselling, retired. The Agency was able to recruit internally for this role. This service is offered to Families for Children adoptees with a total of 38 referrals in 2017. The Agency has a contract with Plymouth to also undertake the Birth Relative Counselling for Plymouth Adoptees and undertook 10 referrals in the year.

Birth Family Matters (previously IBRS)

FFC have had a longstanding contract with Bournemouth and Poole to offer support to birth families effected by adoption. In July 2017 the contract moved to Aspire RAA and the service was offered to Dorset birth parents. Referrals are often complex and many have safeguarding issues attached. The service was renamed, Birth Family Matters.

Life Story Books

The contract with Plymouth to complete Lifestory Books for Plymouth children placed for adoption continued in 2017. There were 39 referrals which resulted in 30 complete books delivered to timescale. The books continue to be of high quality.

Step Parent Adoptions

The contract with Plymouth for Step Parent Adoption Assessments for Court continued, with an average of 13 cases open each month. Assessments are also undertaken on behalf of Devon, with an average of 15 cases open each month. The Agency was also able to support Aspire in their early days with some outstanding SPAs.

Dorset

2017 was a time of a lot of changes for the Dorset team with longstanding team members leaving or retiring, and a lack of admin support for the early part of the year, however, by the end of 2017 the team were up to full strength. The Practice Manager for the team was heavily involved in the development of Aspire. The relationship between FFC and Aspire was very positive with a positive approach to joint working and sharing resources.

Devon

Buckfast Family Finding team had a number of changes as their manager left midway through the year. However the team is robust and managed the loss well and continued to work hard throughout. The office move in September 2017 was positive for all staff and re-energised the team, along with the employment of a full time manager in the same month.

North Devon

In North Devon one of the family finding team retired and recruitment to the post was challenging. The Practice Manager held casework for longer than was originally anticipated. The arrival of a highly motivated and enthusiastic Family Support Worker in Jan 2017 meant that the low level adoption support work could begin with a parent and child group being at the forefront of the services offered.

Somerset

A single Social Worker covered the area for the early part of 2017, meaning active family finding recruitment could not begin. An additional worker joined FFC in July 2017. One of the Social workers attended the Trinity Sailing Trip at Easter with a group of 8 children.

Cornwall

The team have been hugely successful at attracting adopters and achieving placements over the year. They have grown in reputation across the region and have started to forge positive links with the local authority.

Business Review by the Head of Business

This is my fifth annual report. I remember asking at my interview for the panel to describe a typical day at Families for Children. The reply I received was, there was not a typical day. After five years I can expand on this reply by saying there has not been a typical year. It is these changes in work, varying challenges and new projects to improve the services provided to families that makes working for Families for Children exciting.

Following the Charity's success in securing funding from the DfE in 2016, 2017 has focussed on the Atrium project by building a therapeutic service to our already excellent adoption support service and increasing reserves to necessitate the need to financially support the project through the initial loss making phase. With a grant of up to £489,221, for the period September 2016 to March 2018, the project has focussed on training our staff in therapeutic support, increasing the size of our support team and building on the breadth of services that the Charity can offer families. 2018 will see new services being offered to children and families in the South West, which in turn increases the Charity's attraction to prospective adopters to adopt through Families for Children.

If there is one constant, and this is the same for most charities, then it is the annual challenge of maintaining an income. This is to support the front line work of the social workers, who both family find and support families, and an income to support the back office work of the administration team, along with the fundraising team and the business support team (finance and HR). The Charity has two main income streams, placement fees and fundraising.

Placement fees is a set fee that all local authorities pay when placing a child with an agency. This fee was last set in 2011 at £27,000 for placing a single child with a family. In June 2018 this fee will rise to £31,000 for placing a single child, and will increase by the rate of inflation every April thereafter. This is good news for all voluntary adoption agencies (VAAs) but on the other hand not so good news in that VAAs will move from a level playing field to an uneven footing as local authorities will continue to pay each other the lower placement fee. It is hoped that this fee increase will not adversely reduce the number of placements the Charity makes each year but will allow the Charity to keep pace with annual increases in expenditure. The full effect of the increase in fee to the number of placements will likely be seen in 2019.

Fundraising income comes from three sources, individual donations, events held on behalf of Families for Children and charitable trusts. On the whole it can be difficult to predict fundraising income although the Charity has achieved an average of £279,358 per year for the past five years, with donations fluctuating little from the average of £28,370 per year.

In the past few years the Charity has established a fundraising objective of securing a third of the forthcoming year's income in the current year. Having such an objective removes the daunting prospect of having a zero base start each January.

A new source of income being established is the potential income from the Atrium services offered by the Charity. The prospect of charging local authorities for the support required by families or receiving income from the adoption support fund (ASF) will enable the Charity to sustain the increase in the adoption support team. Hopefully the added income from the Atrium services and the yearly increase in placement fees will ease the pressure on fundraising from what seems an ever increasing yearly target.

I would like to take this opportunity to thank the business support team, who I manage, for their work in maintaining the company finances and maintaining the HR function. I would also like to thank the Trustees for their support and particularly Hamish Adam for his role as honorary treasurer for the Charity.

Fundraising Review by the Fundraising and Engagement Specialist

Families for Children is a member of the following professional fundraising organisations – The Institute of Fundraising (IOF) and the newly created Fundraising Regulator. We continue to follow the Good Fundraising Code. Membership of these bodies ensures the Charity is adhering to good practice. The Charity worked throughout 2017 on being prepared for GDPR which takes effect in May 2018.

In April 2017, Antonia Poole joined as a part-time, sub contracted, additional, fundraising resource to cover Dorset and Somerset for the Charity. Antonia is well placed to cover this region and brings a wealth of experience in events and relationship management. Tracy Ebbrell now manages both of the sub contracted workers who support the fundraising effort, enabling the delivery of the five year fundraising strategy for the Charity. Amanda Bate continued in providing a research and bid writing service for the large grants & trusts part of the fundraising strategy. The increase in resource was much needed to cover the four counties in which the Charity operates, and also to support the creation of the new Centre of Excellence in Adoption Support services, known as the Atrium. The start-up of this pioneering new service was funded by a grant from the DfE and is due to end in March 2018.

The Charity was successful in securing a match funding need of £32,500 against the DfE income and it started to report against the Children In Need grant of £97,437 over three years, again in support of the adoption support work programme. As long standing grants come to an end and new ones come on stream, there is a continued reactionary need for Senior Managers to input into grant making applications and for budget and statistical information from the Head of Business. It is always vital for letters of support from Trustees, if applicable, to the success of many of these applications. These various inputs underline the fact that to be successful in grant applications, it requires a team effort across the Charity, and for the quality of financial information, statistics and measured outcomes to be robust to enable the fundraising team to be effective, and their efforts not be diluted.

Excluding legacies, the Agency's fundraising income and voluntary donations was £281,067 (2016: £268,143).

The Agency's expenditure on fundraising in 2017 was £48,733 (2016: £36,103). 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 any legacies, in 2017 was 1:6 (2016: 1:7).

Katey McDonald, from Marketing Angels, has continued to provide expert advice marketing and recruitment of new adopters. The number of enquiries this year was 533 (2016: 547). The Agency continues to develop its website and social media using various forms to promote the Charity.

Grant Making Trusts:

Target	£200,000	Achieved	£222,923	(2016: £197,225)
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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.

In February 2016 Families for Children secured £120,000 of funding from Porticus to be spread over two years. The Charity was able to “draw” down as income from Porticus £84,000 in 2016 and £36,000 in 2017. This grant was used to cover the salary and expense costs of a full time social worker of the adoption Support Team, £55,000 was spent in 2016 with the remaining £29,000 held in restricted reserve for 2017. This reserve was used in 2017 along with £31,000 from the second draw down of monies, leaving £5,000 in restricted reserve to be used in 2018.

In October 2016 Families for Children secured 3 year funding from The Sobell Foundation of £10,000 per year to part fund a rapid response helpline service. The second year of funding has been received. The Charity also secured £30,000 as the 3rd year of funding from The Dulverton Trust to cover some of the costs of the Adoption Support team.

In 2017 the Charity secured 3 years of funding from Children in Need to a value of £97,437. Starting from April 2017 the funding will be released to the Charity in quarterly “chunks” totalling the following values: year 1, £26,216; year 2, £35,478; and year 3, £35,743. £20,973 has been recognised in 2017.

The Charity also received £50,000 from Garfield Weston for a two year funding programme towards the Atrium project starting in September 2017. All monies has been treated as income with £8,333 being spent in 2017 and the remaining £41,667 being held in reserve, £25,000 will be used in 2018 and £16,667 used in 2019.

In 2017 the Charity received a further £30,000 for the Atrium project from the following foundations and trusts: Alice Ellen Cooper Dean; Gibbons Family; Norman Family; Persula; Souter and Valentine. This money has been kept in reserve to be spent on the Atrium project in the first half of 2018.

The Charity received a grant of £2.500 from Arbonne towards a sailing project for a few of our adopted children organised by the Trinity Sailing Project. The event is to be held in 2018 with the money being deferred.

Events and Organisational Donations:

Target	£71,500	Achieved	£23,609	(2016: £45,468)
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As in other years numerous events have been held in 2017 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 2017, as previous years. The Charity received donations totalling £3,341 (2016: £3,325).

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	£51,000	Achieved	£34,535	(2016: £25,450)
		Legacies	£3,500	(2016: £0)

The Charity achieved a total of £34,535 (2016: £25,450) in donations from individuals who have donated either by a one off payment or by means of a standing order. One particular generous donation of £2,500 was given towards the Atrium project, and similar to some of the trust grants, this money has been kept in reserve to be spent on the Atrium project in the first half of 2018.

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.

The Charity received a legacy of £3,500 during 2017. 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. This legacy was allocated to the general fund to support the work undertaken by the adoption support team.

Financial Review by Head of Business

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 again recognised in February 2018 when the Agency received its third 'Outstanding' rating by Ofsted, following the same recognition in May 2011 and 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 increased to £222,923 (2016: £197,225) with 23 successful grant applications. Overall the fundraising activities produced an income of £284,568 (2016: £268,143), which represented 15% (2016: 16%) of total income for the Agency in 2017.

Compared to 2016 total income for the year increased by 14% to £1,899,761 (2016: £1,662,970), with placement fee income increasing by 4% to £1,139,119 (2016: £1,093,952). The number of children receiving placement orders continued to increase in 2017 and the Agency was able to find loving families for some of these children. The Agency placed 47 children (2016: 40) in 30 loving families.

In 2017 the Charity received £329,770 from the Practice and Improvement Fund administered by the DfE. The project named the Atrium has an objective of broadening the current adoption support service by using clinicians from health, education and social care and providing access to a wide variety of therapists within its services. The funding period ends on 31st March 2018.

Due to the Atrium project the Charity naturally increased expenditure compared to 2016. Expenditure rose by 8% to £1,791,139 (2016: £1,653,731).

JM Finn and Co. Ltd, who have delegated powers of investment, manage funds that the Agency holds as reserves according to the Trustees' reserves policy. At the end of 2017 the investment was valued at £490,900 (2016: £448,382). Allowing for net cash released from investments the gain on investment was £39,376.

The Agency ended 2017 with a surplus of £147,998 (2016: £46,803) which was made up of a surplus on unrestricted activities of £58,454, a surplus on restricted activities of £50,168 (that will be spent in 2018) and gains on investments of £39,376. This surplus increased the Total Charity Funds on the balance sheet to £1,041,508 (2016: £893,510).

General reserves at 31 December 2017 were £79,557 (2016: £17,559), with a revaluation reserve of £81,126 (2016: £45,294). Designated reserves amount to £794,157 (2016: £794,157).

Trade creditors at the year-end are £60,664 (2016: £41,247).

Strategic Report

Plans for Future Periods

The current plan takes the Agency to 2022, but like all plans the Trustees constantly reviews its plans against any Government plans for Adoption, changes within the LA's future plans and market forces in recruiting adopters and/or the number of children with a placement order.

The key objectives of the Strategic Plan 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 50.
- **Profile** – to increase and expand PR activities throughout the region that will lead to greater awareness of the Agency in the South West. This includes the aim to be known in every Anglican and Catholic parish and every school in Devon, Dorset and Cornwall.
- **Fundraising** – 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 its original NatWest current and deposit account. Transactions within these accounts are minimal. The current account still receives regular donations.

Investment Powers and Policies

The Trust's Memorandum and Articles of Association empowers the Trustees to make any investments that are 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.

In 2014 JM Finn became the Agency's investment managers and have been managing the funds through delegated powers of investment since. The investment managers report to the Trustees on a half yearly basis and attend the Finance and Human Resources sub-committee once a year, or as required.

The Trustees keep the investment policy under regular review in order to manage risk against potential returns, invest in closely regulated markets, and maintain a suitably diverse portfolio. Excluding UK Treasury Stock and physically backed Exchange Traded Funds, no individual holding exceeds 10% of the total market value of the portfolio. A range of Fund Management houses is used to minimise both risk and exposure.

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 £85,000 in each of its various accounts through the Financial Services Compensation Scheme.

Reserves Policy (including Liquidity)

The objective of the reserves policy is to allow the Trust 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. The Trustees have identified that sudden dips in income may be as a result of Government policy and legislation, as identified in the Business Risk Assessment, and they review the operation reserve on a quarterly basis.

Liquidity

To maintain its charitable objects in the short term the Trust maintains its Liquidity as 2 to 3 months of budgeted operational costs. Liquidity is made up of current accounts, deposit accounts and debtors.

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

Designated Reserve (£794,157)

The designated reserve consists of the operation reserve and the redundancy reserve.

Operation Reserve (£665,000)

The number of adoption placements has been sensitive to changes in government policy and legal precedents over time leading to considerable volatility in year on year revenue on occasion. In light of this to maintain its charitable objects over the longer term the Trust has a target of having up to 6 months of budgeted operational costs kept in reserve. The Operation Reserve is made up of a managed investment portfolio, higher interest bearing account(s) and funds kept as part of its liquidity policy.

Redundancy Reserve (£129,157)

The reserve is required for the estimated 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).

Revaluation Reserve (£81,126)

The reserve represents the excess of the market value over the original cost of the investments that were held at the year end.

General Reserve (£79,557)

Any monies that is not allocated to any other reserve is held within the Trust's General Reserve.

Pay Policy for Senior Staff

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

The members of 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 similar posts within the local authorities and 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. The Trustees on an annual basis formally considered a full risk assessment document.

The operational responsibility of these risks rests with the senior leadership.

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, and have, affected the number of potential adopters wishing to adopt and/or the number of children being placed for adoption. This in turn influences the income of the Agency. The Agency reduces these risks by keeping abreast of all Government policies, responding to all draft documents issued, and maintaining its membership of the CVAA, which campaigns on behalf of all the voluntary adoption agencies. The Trustees also maintains an Operation Reserve, under its reserves policy, to aid cash flow at these times of volatility.

Health and Safety at Work

The Trust is committed to high standards of health and safety and this subject is a regular item on the agenda of the Board of Trustees and all sub-committees.

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: 13 July 2018

Honorary Treasurer and member of the Board

Independent Auditors' Report**Independent auditor's report to the trustees of Families for Children Trust****Opinion**

We have audited the financial statements of Families for Children Trust (the "Charity") for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at [date] and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144* of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report [including the Strategic Report].

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 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;
- the financial statements are not in agreement with the accounting records and returns;
- we have not obtained all the information and explanations necessary for the purposes of our audit;
- the directors were not entitled to [prepare the financial statements in accordance with the small companies regime] [and] [take advantage of the small companies' exemption in preparing the directors' report] [and] [take advantage of the small companies exemption from the requirement to prepare a strategic report].

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement [set out on page 18], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144* of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

Sharon Austen FCCA (Senior Statutory Auditor)
PKF Francis Clark
Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

13 August 2018

Statement of Financial Activities

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2017 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2016 £
Income from:							
Donations and legacies	3	128,500	156,067	284,567	105,500	162,643	268,143
Charitable activities	4	329,770	1,268,074	1,597,844	83,004	1,290,868	1,373,872
Investments	3	-	8,846	8,846	-	9,241	9,241
Other		-	8,504	8,504	-	11,714	11,714
Total Income		458,270	1,441,491	1,899,761	188,504	1,474,466	1,662,970
Expenditure on:							
Raising funds	5	-	48,733	48,733	-	36,103	36,103
Charitable activities	5	408,102	1,334,304	1,742,406	152,004	1,465,624	1,617,628
Total Expenditure		408,102	1,383,037	1,791,139	152,004	1,501,727	1,653,731
Net income/expenditure before gains/(losses) on investments		50,168	58,454	108,622	36,500	(27,261)	9,239
Net gains/(losses) on investments		-	39,376	39,376			37,564
Net income/(expenditure)		50,168	97,830	147,998	36,500	10,303	46,803
Transfer between funds		-	-	-	-	-	-
Net movement in funds		50,168	97,830	147,998	36,500	10,303	46,803
Reconciliation of funds:							
Total funds brought forward		36,500	857,010	893,510	-	846,707	846,707
Total funds carried forward		86,668	954,840	1,041,508	36,500	857,010	893,510

There were no other gains or losses for the year.

All income and expenditure derived from continuing activities.

The notes on pages 24 to 36 form part of these financial statements.

Balance Sheet

	Notes	2017 £	2016 £
Fixed Assets			
Tangible Assets	10	4,543	9,277
Investments	11	<u>490,900</u>	<u>448,382</u>
		<u>495,443</u>	<u>457,659</u>
Current Assets			
Debtors	12	261,840	131,538
Short Term deposits	13	88,762	88,626
Cash at bank and in hand		<u>437,796</u>	<u>358,156</u>
		<u>788,398</u>	<u>578,320</u>
Creditors – amount falling due within one year	14	<u>(134,515)</u>	<u>(123,391)</u>
Net current assets		<u>653,883</u>	<u>454,929</u>
Creditors – amount falling due after more than one year	14	<u>(107,818)</u>	<u>(19,078)</u>
Net assets		<u>1,041,508</u>	<u>893,510</u>
The funds of the Charity			
Restricted funds	17	86,668	36,500
Unrestricted funds			
General	17	79,557	17,559
Revaluation	17	81,126	45,294
Designated	17	794,157	794,157
Total Charity Funds		<u>1,041,508</u>	<u>893,510</u>

The notes on pages 24 to 36 form part of these financial statements.

Approved by the Board of Trustees on 13 July 2018 and signed on its behalf by

D Howell
Chairman

H Adam
Honorary Treasurer

Cash Flow Statement

		2017 £	2016 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	20	<u>80,197</u>	<u>36,879</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments	3b	8,417	8,260
Purchase of property, plant and equipment	10	(5,695)	(2,134)
Purchase of investments	11	(3,143)	(4,619)
Net cash provided by (used in) investing activities		<u>(421)</u>	<u>1,507</u>
Change in cash and cash equivalents in the reporting period		79,776	38,386
Cash and cash equivalents at the beginning of the reporting period		<u>446,782</u>	<u>408,396</u>
Cash and cash equivalents at the end of the reporting period	21	<u>526,558</u>	<u>446,782</u>

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: Higher Mill
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. Going concern

The Trustees' strategic plan has been to create sufficient reserves to cover six months operating costs. At the end of 2017 the Agency had approximately 5 months of operating costs in reserve (Operation Reserve).

Placement numbers stabilised in 2017 and 2018 has a similar outlook. The Atrium project is a new dimension to the Charity but considering the increasing need for these services in the South West, and with thought to the current operational circumstances the Trustees consider that adequate resources are available to fund the activities for the foreseeable future. The Trustees are of the view that the Trust is a going concern.

c. 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

d. 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 is probable and the amount can be quantified.

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.

e. 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.

f. Operating leases

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

g. 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).

h. 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.

i. **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.

j. **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	2017	2016
	£	£	£	£
a) Donations and legacies				
Donations	2,500	32,035	34,535	25,450
Legacies	-	3,500	3,500	-
Events (held for the charity)	-	23,609	23,609	45,468
Grants from grant making trusts	126,000	96,923	222,923	197,225
	<u>128,500</u>	<u>156,067</u>	<u>284,567</u>	<u>268,143</u>
b) Investments				
Bank Interest	-	429	429	981
Dividends and interest on investments	-	8,417	8,417	8,260
	<u>-</u>	<u>8,846</u>	<u>8,846</u>	<u>9,241</u>

4. Charitable activities

	Restricted Funds	Unrestricted Funds	2017	2016
	£	£	£	£
Adoption				
Placement fees	-	1,139,119	1,139,119	1,093,952
Birth Relative Services (Poole and Bournemouth)	-	21,417	21,417	15,000
Step Parent assessments (Plymouth)	-	37,089	37,089	18,986
Practice and Improvement Fund	329,770	-	329,770	23,804
Expansion	-	-	-	40,000
Therapeutic Parenting Course	-	-	-	25,450
Home for Good	-	-	-	16,818
Life Story (Plymouth)	-	25,724	25,724	32,188
Family Finding	-	3,053	3,053	17,300
Adult Counselling (Plymouth)	-	3,266	3,266	7,634
Adopt Wessex and Adopt South West	-	25,431	25,431	64,746
Adoption Support	-	12,975	12,975	17,994
	<u>329,770</u>	<u>1,268,074</u>	<u>1,597,844</u>	<u>1,373,872</u>

5. Expenditure

	Adoption Restricted	Adoption	Fundraising Publicity and Recruitment of Adopters	2017 Total	2016 Total
	£	£	£	£	£
Costs directly allocated to activities					
Salaries & on costs	209,947	817,699	27,049	1,054,695	1,088,068
Agreed additional pension contributions	-	113,091	-	113,091	-
Staff travel & other expenses	11,163	58,061	1,471	70,695	77,707
Sessional staff costs	-	16,873	13,466	30,339	29,239
Adoption expenses	122,369	15,200	-	137,569	48,104
Fundraising event costs and website	-	-	833	833	1,836
Marketing and Recruitment of adopters' costs	9,584	45,324	-	54,908	36,540
Training	28,694	8,158	-	36,852	9,991
Office expenses	4,355	4,786	-	9,141	9,492
Premises costs	-	9,747	-	9,747	10,339
Rent	-	43,075	-	43,075	44,315
Equipment & computer support	8,209	24,370	-	32,579	36,467
Depreciation	-	10,429	-	10,429	17,157
Accounting, legal & professional	1,500	10,223	-	11,723	8,791
Affiliation & subscriptions	-	8,586	585	9,171	9,685
Recruitment expenses	3,311	8,312	54	11,677	5,024
Bad debts	-	271	-	271	-
Doubtful debt provision	-	(36,000)	-	(36,000)	36,000
Support costs have been allocated as follows					
Salaries & on costs	7,981	132,259	-	140,240	145,757
Staff travel & other expenses	2	1,538	-	1,540	3,174
Insurances	-	17,138	-	17,138	13,529
Accounting, Audit, legal & professional	720	14,591	5,275	20,586	13,717
Recruitment expenses	-	1,008	-	1,008	1,554
Committee & sundry expenses	268	8,314	-	8,582	6,613
Trustees' expenses	-	1,250	-	1,250	632
	408,102	1,334,304	48,733	1,791,139	1,653,731

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

	2017	2016
	£	£
Salaries	1,050,587	1,099,669
Social Security	93,912	86,445
Pension costs	51,701	47,712
	<u>1,196,200</u>	<u>1,233,825</u>

One employee earned between £60,000 and £70,000, (the employer also contributed £6,248 to their pension scheme)

Average number of employees analysed by function

	2017	2016
Adoption	37	36
Fundraising & Publicity	1	1
Administration	10	11
	<u>48</u>	<u>48</u>

The total employee benefits of the senior leadership team of the Agency were £172,854 (2016: £172,495)

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 £275 and other out of pocket expenses including overnight stay amounting to £122. Other expenses relating to the trustees were meeting room costs of £45 and £142 for hospitality.

During the year two Trustees made donations to the charity, being £450 received from Ms T Cook and £135 received from Mrs C O'Kelly. In addition, 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:

	2017	2016
	£	£
Audit	12,030	9,927
Accountancy & financial advice – fees paid to current auditors	9,042	3,790
Other professional fees	11,237	8,791
Depreciation of fixed assets	10,429	17,158

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 January 2017	21,700	84,592	12,231	118,523
Additions	394	5,082	219	5,695
At 31 December 2017	22,094	89,674	12,450	124,218
Depreciation				
At 1 January 2017	19,141	79,958	10,147	109,246
Charge for year	2,106	6,167	2,156	10,429
At 31 December 2017	21,247	86,125	12,303	119,675
Net book value at 31 December 2017	847	3,549	147	4,543
At 31 December 2016	2,559	4,634	2,084	9,277

11. Fixed Assets Investments

	2017 £	2016 £
Quoted investments		
Brought forward at 1 January 2017	370,742	340,655
Net investment additions/(disposals)	3,142	4,619
Transfer from / (to) cash	67,628	(12,096)
Realised/Unrealised gains on investments	39,376	37,564
At 31 December 2017	480,888	370,742
Cash held as part of portfolio		
Brought forward at 1 Jan 2017	77,640	65,544
Transfer (to)/from quoted investments as at 31 December 2017	(67,628)	12,096
At 31 December 2017	10,012	77,640
Total Investments	490,900	448,382

Net cash released from investments in the year was £3,143 (2016: £4,619).

Included in the total investments of £490,900, is £178,379 (36.34%) which are held overseas and £312,521 (63.66%) which are held in the United Kingdom.

All investments are carried at their fair value being their market value using the bid price.

12. Debtors: Due within one year

	2017	2016
	£	£
Debtors	205,440	115,895
Prepayment and accrued income	56,400	15,643
	<u>261,840</u>	<u>131,538</u>

13. Current Asset Investments

	2017	2016
	£	£
UK Short term deposits	<u>88,762</u>	<u>88,626</u>

14. Creditors

	2017	2016
	£	£
i. Due within one year (unsecured)		
Trade creditors	60,664	41,247
Deferred income and accruals	50,869	75,644
Agreed additional pension contributions	22,982	6,500
	<u>134,515</u>	<u>123,391</u>
ii. Due after one year (unsecured)		
Agreed additional pension contributions	<u>107,818</u>	<u>19,078</u>

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 2017.

	2017	2016
	£	£
Balance at 1 January 2017	57,641	78,214
Amounts released to income earned from charitable activities	(57,641)	(77,414)
Amount deferred in the year	26,725	57,641
Amounts repaid to funder	-	(800)
Balance at 31 December 2017	<u>26,725</u>	<u>57,641</u>

16. Financial commitments

	2017	2016
	£	£
Amounts not provided for in the balance sheet:		
The total amount of financial commitments not included in the balance sheet is	<u>46,934</u>	<u>49,954</u>

17. Funds

Current year	Balance	Income	Gain on	Spent	Transfers	Balance
	01.01.17		Investments			31.12.17
	£	£	£	£	£	£
Restricted Funds						
Post adoption salary grants	29,000	86,000	-	(68,332)	-	46,668
Adoptive Families in Crisis	7,500	10,000	-	(10,000)	-	7,500
Atrium	-	32,500	-	-	-	32,500
Practice and Improvement grant	-	329,770	-	(329,770)	-	-
	<u>36,500</u>	<u>458,270</u>	<u>-</u>	<u>(408,102)</u>	<u>-</u>	<u>86,668</u>
Unrestricted Funds						
General reserve	17,559	1,441,491	-	(1,383,037)	3,544	79,557
Operation Reserve	665,000	-	-	-	-	665,000
Revaluation Reserve	45,294	-	39,376	-	(3,544)	81,126
Designated Redundancy Reserve	129,157	-	-	-	-	129,157
	<u>857,010</u>	<u>1,441,491</u>	<u>39,376</u>	<u>(1,383,037)</u>	<u>-</u>	<u>954,840</u>
	<u>893,510</u>	<u>1,899,761</u>	<u>39,376</u>	<u>(1,791,139)</u>	<u>-</u>	<u>1,041,508</u>

a. Restricted Funds

Post adoption salary grants:

The restricted funds include two further grants of £36,000 and £50,000 which were added to the £29,000 fund balance brought forward for post adoption social worker salaries and expenses. £68,332 of this grant was spent in the year, leaving £46,668 carried forward to 2018.

Adoptive Families in Crisis:

There was another grant from the Sobell Foundation of £10,000 for salaries of a rapid response service of which £7,500 was carried forward to 2018.

Practice and Improvement grant:

The Agency was successful in being awarded a grant through a Practice and Improvement fund created by the Department of Education (DfE). The grant is £489,221 until March 2018, and the Agency is able to claim funds from the DfE on a quarterly basis based on actual expenditure. The Agency claimed a further £329,960 in 2017 and this money was spent in full.

Atrium funding:

The charity was successful in obtaining further grants and donations of £32,500 from several organisations towards the new Atrium services. These funds have been carried forward to 2018.

b. Unrestricted Funds

The unrestricted funds currently consist of four reserves.

The redundancy reserve was set up to maintain a redundancy provision in the event of a serious and sustained downturn in activity. The value of £129,157 meets the policy target.

The revaluation reserve which represents the amount by which the market value of investments at 31st December 2017 exceeds their original cost was £81,126.

The operation reserve was set up to manage the potential volatility in year on year revenue and has a target of having up to 6 months of budgeted operational costs kept, has a value of £665,000.

After taking into effect the redistribution of funds within the various reserves, the general reserve shows a surplus of £79,557.

Previous year	Balance 01.01.16	Income	Gain on Investments	Spent	Transfers	Balance 31.12.16
	£	£	£	£	£	£
Restricted Funds						
Post adoption salary grants	-	84,000	-	(55,000)	-	29,000
Expansion Grant	-	40,000	-	(40,000)	-	-
Trinity Sailing Project	-	3,500	-	(3,500)	-	-
Therapeutic Parenting Course	-	19,200	-	(19,200)	-	-
Birth Tracing	-	4,500	-	(4,500)	-	-
Activity days	-	3,500	-	(3,500)	-	-
Adoptive Families in Crisis	-	10,000	-	(2,500)	-	7,500
Practice and Improvement grant	-	23,804	-	(23,804)	-	-
	-	188,504	-	(152,004)	-	36,500
Unrestricted Funds						
General reserve	66,812	1,474,466	-	(1,501,727)	(21,992)	17,559
Operation Reserve	665,000	-	-	-	-	665,000
Revaluation Reserve	9,679	-	37,564	-	(1,949)	45,294
Designated Redundancy Reserve	105,216	-	-	-	23,941	129,157
	846,707	1,662,970	37,564	(1,653,731)	-	893,510

18. Analysis of Net Assets between Funds

Current year	Tangible Fixed		Net Current	Creditors	Total
	Assets	Investments	Assets	> 1 year	
	£	£	£	£	£
Restricted Funds	-	-	86,668	-	86,668
Unrestricted Funds					
General Reserve	4,543	-	182,832	(107,818)	79,557
Revaluation Reserve	-	81,126	-	-	81,126
Designated Operation Reserve	-	409,774	255,226	-	665,000
Designated Redundancy Reserve	-	-	129,157	-	129,157
	4,543	490,900	653,883	(107,818)	1,041,508

Previous year	Tangible Fixed		Net Current	Creditors	Total
	Assets	Investments	Assets	> 1 year	
	£	£	£	£	£
Restricted Funds	-	-	36,500	-	36,500
Unrestricted Funds					
General Reserve	9,277	-	27,360	(19,078)	17,559
Revaluation Reserve	-	45,294	-	-	45,294
Designated Operation Reserve	-	403,088	261,912	-	665,000
Designated Redundancy Reserve	-	-	129,157	-	129,157
	9,277	448,382	454,929	(19,078)	893,510

19. Pensions

a. **Church of England Defined Benefits Scheme (DBS)**

Families for Children Trust (DBS) participates in the Defined Benefits 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.

Defined Benefits Scheme

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool. 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).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit and this increased the Employer contributions that would otherwise have been payable.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay expenses of £2,600 per year. In addition deficit payments of £28,019 per year have been agreed for 5 years from 1 April 2018 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the financial statements.

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

The next valuation of the scheme is being carried out as at December 2019.

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.

Pension Builder Scheme

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 is because 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 employees are required to contribute a minimum contribution of 5%. Families for Children contributions for the year totalled £51,701 (2016:£ 47,712), and there were no contributions outstanding at the year end.

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

	2017	2016
	£	£
Net income for the reporting period (as per the statement of financial activities)	147,999	46,803
Depreciation charges	10,429	17,158
(Gains)/losses on investments	(39,376)	(37,564)
Dividends, interest and rents from investments	(8,417)	(8,260)
(Increase)/decrease in debtors	(130,302)	67,696
Increase/(decrease) in creditors	99,864	(48,952)
Net cash provided by (used in) operating activities	80,197	36,879

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

	2017	2016
	£	£
Cash in hand	437,796	358,156
Notice deposits (less than 3 months)	88,762	88,626
Total cash and cash equivalents	526,558	446,782

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 £	2017 Total £	2016 Total £
Income					
Investments	3	8,846	-	8,846	9,241
Donations and legacies		-	-	-	
Individual Donations	3	-	34,346	34,346	25,450
Legacies	3	-	3,500	3,500	-
Fundraising events and grants	3	-	23,609	23,609	45,468
Grants from grant making trusts		-	222,923	222,923	197,225
Charitable activities:					
Fees Received	4	1,598,034	-	1,598,034	1,373,872
Other		8,504	-	8,504	11,714
Total Income		1,615,384	284,378	1,899,762	1,662,970
Expenditure on:					
Cost of generating funds	5		48,733	43,457	36,103
Charitable expenditure	5	1,742,406	-	1,747,682	1,617,628
Total expenditure		1,742,406	48,733	1,791,139	1,653,731
(Deficit)/Surplus on activities (before investment gains/losses)		(127,022)	235,645	108,623	9,239