

# **Families for Children Trust**

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

Report and Financial Statements

For the Year Ended 31 December 2014

Charity Number: 1093131  
Company Number: 4460558

# Families for Children Trust

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

## Report and Financial Statements

Year Ended 31 December 2014

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## Legal and Professional Details

Year Ended 31 December 2014

The Trustees are pleased to present their report, together with the financial statements of the Charity for the year ending 31 December 2014.

### Reference and Administrative Details

<b>Charity Name:</b>	Families for Children Trust	
<b>Charity Registration Number:</b>	1093131	
<b>Company Registration Number:</b>	04460558	
<b>Registered Office (and Principal Address):</b>	Southgate Court Buckfast Buckfastleigh TQ11 0EE	
<b>Company Secretary:</b>	Mr N Backhouse	
<b>Auditors:</b>	Francis Clark LLP Sigma House Oak View Close Edginswell Park Torquay TQ2 7FF	
<b>Bankers:</b>	National Westminster Bank Plc 59 High Street Exeter EX4 3DP	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4TA
	Virgin Money Jubilee House Gosforth Newcastle upon Tyne NE3 4PL	
<b>Investment Advisors:</b>	CCLA Investment Management Ltd 80 Cheapside London EC2V 6DZ (until October 2014)	JM Finn & Co. 31 Great George Street Bristol BS1 5QD (from November 2014)
<b>Legal Consultants:</b>	Tozers LLP Broadwalk House Southernhay West Exeter Devon EX1 UA	

### ***The Trust***

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<sup>rd</sup> January 2015 and was incorporated as a Company on 13<sup>th</sup> June 2002.

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## Trustees' Annual Report

Year Ended 31 December 2014

### **Directors and Trustees**

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

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

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

**Chairman:** Elected by the body of Trustees

#### **Trustees appointed by the Bishop of Exeter**

Mrs A Barwood BEM Vice Chairman  
Mr D Howell Chairman  
Mr Roger Lake  
Mr P Jewels  
Mr D Wakely (until 20 May 2014) Honorary Treasurer

#### **Trustees appointed by the Bishop of Plymouth**

Mr N Allan Honorary Treasurer  
Miss N Byrne (until 20 May 2014)  
Mrs R Cook  
Ms T Cook  
Mr T Connor

#### **Trustees appointed by the Trustees**

Mrs C O'Kelly (from 23 January 2015)

#### **Management Team (Non-trustees)**

Mrs C Davis OBE Chief Executive  
Mr G Pellew Deputy Chief Executive  
Mr N Backhouse Business Manager

#### **Patrons**

Michael Caines MBE Caroline Quentin  
Lord Julian and Lady Emma Fellowes

#### **Vice Patrons**

Judi Spiers Mark Tyler  
David Lawrence Jones

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Year Ended 31 December 2014

This year the Agency would like to start its Annual Report with a big congratulations to Caroline Davis, the Agency's Chief Executive. Caroline was honoured in the 2014 New Year's honours list with an OBE for her services to children and families in the South West. Caroline has been Chief Executive at Families for Children for 22 years and during that time the Agency has placed over 500 children for adoption.

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

The Fundraising and Publicity Co-ordinator, Ally Colton takes the leading role in the fundraising and publicity for the Agency.

The Agency has 4 teams of specialist social workers. Kath Drescher is the Practice Manager for the Family Finding team based in our office at Buckfast. The team comprises 9.2 full time equivalent posts and is responsible for the recruitment, assessment and preparation of prospective adoptive parents, as well as linking and placing children and post placement support. In addition the Senior Practitioner for the Family for Me project, which finds adoptive families for children with some of the most complex needs, is based in this team.

Venessa Collins is the Practice Manager for Dorset where the team comprises 5.0 full time equivalent social worker posts. This team additionally includes some dedicated time for adoption support and for an Independent Birth Family Support service, commissioned by 2 Local Authorities.

Jakki Parsons is the newly appointed Practice Manager for the family finding team that is being established to cover North Devon, Cornwall and Somerset, with office bases in each location. This team has initially been part funded through a Government Expansion Grant. Appointments have been made to many of the posts and the team is now operational.

Janet Smith is the Agency's Adoption Support Manager, based in Buckfast. This team comprises 7.3 full time equivalent social worker posts and provides adoption support services to adoptive families, adopted adults and birth parents.

Jackie Saunders has recently been appointed to the post of Adoption Panel Manager. This post has been created to manage the additional Adoption Panel activity as a consequence of the Agency's expansion.

### **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 23<sup>rd</sup> January 2015, and was incorporated as a Company on 13<sup>th</sup> June 2002. The Trust was registered as a charity on 25<sup>th</sup> 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 up to fourteen Trustees (directors). Up until 23<sup>rd</sup> January 2015 ten Trustees were nominated between the two President Bishops and four appointed following election by majority of the

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Year Ended 31 December 2014

nominated Trustees. Since the changes to the Memorandum and Articles of Association on 23<sup>rd</sup> January 2015 five Trustees are nominated by the Bishop of Exeter and nine are appointed following election by majority of the nominated Trustees.

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

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

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

### ***Trustees Induction and Training***

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

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

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

### ***Organisational Structure***

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

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

### ***Related Parties***

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

### ***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

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

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

### **Objectives and Activities**

Families for Children is a voluntary adoption agency placing children from all over the UK with families in Devon, Dorset, Cornwall and Somerset.

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

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

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

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

The assessment policy for the Agency is as follows:

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

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

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

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

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

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

In order to achieve these objectives, the Charity publicises its activities in as wide a forum as possible including its website [www.familiesforchildren.org.uk](http://www.familiesforchildren.org.uk).

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

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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, 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 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 CSAN (Caritas Social Action Network), and the Buckfast Group which combines all faith based agencies.

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

The beneficiaries of the Charity are principally those children which the Agency places for Adoption. In addition, the Charity provides an assessment service for prospective adopters, 'forever' post adoption care (subject to resources) for its adoptive families, an adult adoptee counselling service and under a service level agreement, an Independent Birth Relative Service (IBRS) for the Local Authorities of Poole and Bournemouth. The Agency also has a service level agreement to provide step parent assessments for Plymouth Children's Services. Each year, the Agency aims to place up to 60 children with new families, has over 100 open post adoption cases and provides adoption counselling for up to 70 adult adoptee enquirers.

Fee income received is paid by local authorities placing children in their care, and for the IBRS and step parent assessment services. 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.

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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**

#### ***Operation Review of the Year by the Chief Executive***

2014 was a year of challenge and change for Families for Children. Following a good year in 2013 with forty-eight children being placed it was anticipated that this would continue into 2014. However, comments made through case law, by the most senior family court judge, Sir James Munby, challenged the appropriateness of some Placement Orders and adoption plans being made by local authorities. This had a significant impact on the number of children coming through for adoption and affected the number of children placed through adoption agencies across the country. In December 2014 Sir James sought to bring some clarity to the widespread confusion caused by the case law and reiterated the importance of adoption, when appropriate.

In 2014 FFC placed 32 children and 42 new adoptive parents were approved through the Adoption Panel with Roger Lake as our excellent Panel Chair. Roger continued to be highly regarded by staff and adoptive parents. Quality Assurance monitoring of Adoption Panel and all aspects of our work in 2014, continued through the Professional Issues Sub-Committee and was extremely positive.

Graham Pellew, Deputy CEO and the operational manager of the services helped to steer the Agency through a very challenging year and I am grateful for his great support and wisdom.

At the same time as the down turn in the number of children being placed, FFC was awarded an Expansion Grant through the Government to fund the recruitment of additional adoptive parents. Considerable work was undertaken through the Agency to facilitate the implementation of the Strategic Plan, which incorporated our plans for growth. This included the creation of three new offices at Filleigh in North Devon, Bodmin, Cornwall and Taunton, Somerset with an additional Practice Manager, Jackie Parsons, and 7 new social work posts. In addition other posts were created to support the development, including an Adoption Panel Manager, Admin worker for North Devon and Placement Assistant.

The Dorset office had additional family finding hours and Venessa Collins, Practice Manager, supported her team well throughout the year. At Buckfast our Business Manager, Nigel Backhouse put in a considerable amount of work to ensure the financial and administrative tasks of setting up the new offices went smoothly, alongside the continuation of our established service. In order to support Nigel, alongside his Finance Assistant, Trish Pidek, an additional post of HR assistant was created and filled by Sue Lethbridge. Kath Drescher took up the post of Practice Manager at Buckfast and settled into the role quickly.

Katey McDonald continued to keep the profile of FFC high across the South West with initial enquiries from prospective adoptive parents reaching 349 in 2014 (2013 – 319). Katey also revamped our Website, took the lead in creating our new database and worked alongside Plymouth, Devon and Torbay, on a new recruitment contract, Adopt South West. Ally Colton, fundraiser, worked alongside Katey and continued her great links with businesses looking to take on FFC as their Charity of the Year.

FFC also continued the valued work with our local authorities and by the end of 2014 had eight Contracts in place with local authorities across the south west, providing a variety of services including, Step Parent Adoption, Independent Birth Relative Counselling and therapeutic parenting courses. Janet Smith, Practice Manager of our Adoption Support Services developed the therapeutic parenting course alongside our colleagues from the adoption support service, The Consultancy. In addition Janet commenced the strategic review of the adoption support services which will continue into 2015.

The Trustees of Families for Children played an active part in the work of the Agency. David Howell, Chair and Ann Barwood, Vice Chair, along with all Trustees were supportive throughout the challenges of 2014. As the 5 year Strategic plan comes to an end in 2015 the Trustees will be involved in the planning and development of a new plan for the next 5 years. Nick Allan continued his role as Treasurer and was also proactive in fundraising, including raising £93,017 through a London wine tasting event.

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All our patrons took part in a variety of fundraising and PR events for FFC and we were grateful as always for the support of Michael Caines, Caroline Quentin, Judi Spiers, Mark Tyler, David Lawrence Jones and Lord Julian and Lady Emma Fellowes.

In 2014 the vacancies left by our previous Presidents, Bishop Michael and Bishop Christopher who had both retired, were filled in the Anglican Diocese of Exeter, by Right Rev Robert Atwell and in the Roman Catholic Diocese of Plymouth, by Right Rev Mark O'Toole. We were saddened that Bishop Mark felt unable to continue the link with FFC by becoming a President. We were delighted however, that Bishop Robert was happy to accept this responsibility and look forward to working together to the benefit of our children and families.

### ***Fundraising Review of the Year***

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

The work of fundraising by the organisation is led by Ally Colton. Ally continues to work with enthusiasm and skill to promote the Charity, as well as assisting the Agency's support groups. Katey McDonald, from Marketing Angels, has continued to provide expert marketing and recruit of adopters advice on a sessional basis.

In addition, the rest of the management team in particular contributes to the preparation of grant making applications with the written material prepared by the Business Manager. Contacts made, and maintained, by the Chief Executive, Deputy Chief Executive, Chairman of Trustees, Honorary Treasurer and all Trustees, are vital to the success of many of these applications.

In 2014 the Agency benefitted greatly by unexpected legacies totalling £57,621. Excluding legacies, the Agency continued to increase its fundraising income and voluntary donations to £360,708, (2013: £295,351).

The Agency has again been prudent in its expenditure on fundraising and in 2014 this was contained at £25,689 (2013: £25,589). The Agency has continued its strategy of placing greater emphasis on providing support to others holding events on its behalf, rather than directly arranging events.

The Charity's fundraising cost/income ratio, excluding the legacy, in 2014 was 1:14 (2013: was 1:11).

2014 was the fifth year of investing in the marketing to, and recruitment of, new adopters. The number of enquires this year was 364 (2013: 319). The Agency also continued to develop its website and social media policy.

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## Trustees' Annual Report

Year Ended 31 December 2014

### **Grant Making Trusts:**

Target	£150,000	Achieved	£203,888	(2013: £159,476)
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Families for Children was fortunate enough to benefit from repeat funding from several grants, and worked very hard to approach new trusts. During 2014 the Agency was successful in receiving grants from 15 grant making trusts.

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

	£
The Alice Ellen Cooper Dean Charitable Foundation	5,000
The Aurum Charitable Trust	41,988
The Buckfast Abbey Trust	4,000
The Earmark Trust	1,000
Anon	250
Henry Smith Charity (2 <sup>nd</sup> of 3 years)	45,200
The Marjorie & Geoffrey Jones Charitable Trust	1,000
Porticus UK (2 <sup>nd</sup> of 3 years)	45,000
Anon	28,000
Anon	400
Scott Bader Commonwealth	1,000
Shanley Foundation	5,000
Sir John and Lady Heathcoat Amory's Charitable Trust	300
Souter Charitable Trust	1,250
The Sobell Foundation (3 <sup>rd</sup> of 3 years)	10,000
The Tanner Trust	2,500
The 29 <sup>th</sup> May 1961 Charitable Trust	2,000
Valentine Trust	10,000

In addition, in 2014, the Agency received the final payment of a three year grant from both the Porticus Foundation (£45,000) and the Henry Smith Charity (£45,200). Both of these have been deferred as income to 2015, to cover salary costs of the Adoption Support team.

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

The Agency received a grant in 2013 from the Aurum Charitable Trust of £46,300, £41,988 of this has been recognised in 2014 and at the end of 2014 £211 was still to be expended and this has been deferred to 2015 to continue funding future salary costs.

In 2015, the aim is to reach the target of £170,000.

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Year Ended 31 December 2014

### **Events and Organisational Donations:**

Target	£100,000	Achieved	£129,295	(2013: £105,174)
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As in other years numerous events have been held in 2014 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.

Some examples of events held in 2014 for the Charity:

- Adopted Child sponsored silence
- Charity of the month – Gidleigh Park
- Christmas Pudding Making with Michael Caines
- Collections from Michelmores, Hill House Nursery, Crealy, Highways Agency, Totnes Market etc.
- Concert by New Egham Singers
- Donations from a dinner event at Parnham House
- Donations from Christmas Card Sale
- Donations received from a Sci-fi Convention
- Dorset Food Fair collection and face painting
- Exeter Food and Drink Festival
- Exeter lodge donation
- Fundraising collection at Exeter Chiefs organised by Exeter Foundation
- Rotary club donation
- Sponsored running and static cycle rides
- Various fundraising events by Milford School
- Waitrose Community Support

In 2014 the Agency was delighted to be one of three Charities to benefit from The Wine Dinner, an annual event held at The Savoy, London. Our greatest of thanks goes to The Wine Dinner and to one of our Trustees, Nick Allan, who canvassed for the Agency to be a nominated Charity for many months. The event raised £93,017 for the Agency.

The Charity again benefited from the congregations of local Churches who have again been so generous in 2013, as previous years. The Charity received donations totalling £4,343 (2013: £3,656).

Families for Children has developed links with several local businesses in which the Charity has commercial agreements in place to help provide regular donations. One of these is through our Patron Michael Caines MBE who during 2014 donated £8,918 (2013: £10,796) via his fine-dining restaurant 'MC at Abode Exeter'.

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

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In 2015, the aim is to reach the target of £120,000.

### **Individual Donations (including legacies):**

Target	£50,000	Achieved	£27,525	(2013: £30,701)
		Legacies	£57,621	(2013: £176,555)

The Charity achieved a total of £27,525 (2013: £30,701) in donations from individuals who have donated either via a one off payment or via a standing order payment.

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

In 2014, the Agency was the beneficiary of four legacies totalling £57,621. 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. The legacies received in 2013 and 2014 have been designated to help fund the expansion of the Agency.

In 2015, the aim is to reach the target of £25,000.

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## Trustees' Annual Report

Year Ended 31 December 2014

### Financial Review

This is the twelfth full year for Families for Children as a separate charity.

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

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

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

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 £203,888 (2013: £159,476) with the number of successful grants staying the same as last year, 16.

The number of placements made by the Charity, 32, was down on the record year of 2013: 48. This reduction was a national trend and not specific to this Agency. Families for Children is optimistic that the number of placements will increase in 2015, and early figures suggest that this might be the case.

The Agency was successful in obtaining funding of up to £400,000 from the Department of Education. The funding is over a two year period and has the objective of increasing the number of approved adopters by 30 by the end of March 2016. To meet this objective the Agency has decided to increase its family finding team and open new offices in Cornwall, North Devon and Somerset. At 31<sup>st</sup> December 2014 the Agency had received funding of £160,000 but had only incurred costs of £109,727. The balance of £50,273 has been treated as deferred income as entitlement to the funding depends on costs being incurred. To help manage cash flow during the first three years of the project the Trustees agreed to designate £350,000 of its own reserves to this expansion until the project becomes self-sustaining, projected to be 2018.

Income resources during the year decreased in total to £1,556,902 (2013: £1,717,694). This decrease was mainly due to the decrease in placements and thus placement fees were £934,775 (2013: £1,185,375). The decrease in placements was seen nationally and was not isolated to the Agency.

Resources expended increased during the year in total to £1,538,908 (2013: £1,219,675) mainly due to the increase in staff costs due to the Agency's expansion. Some of this increase was off-set by the income received in 2014 from the expansion grant from the Department of Education.

During 2014 the Trustees decided to move the investments to an investment fund manager (JM Finn) rather than using two COIF investment funds. The Agency sold both of its COIF funds, income units in Nov 2014 and property units in Dec 2014. The proceeds of both sales were transferred to JM Finn in two separate transfers of £338,407, in December 2014, and £60,005, in January 2015, respectively. The accounts show that the £60,005 is in the bank, and therefore at the time not invested.

Voluntary income (defined as individual donations) amounted to £27,525 (2013: £37,837). Including legacy income this amounted to £85,146 (2013: £214,392). Fundraising totalled £333,183 (2013: £264,650) with costs relating to fundraising being £25,689 (2013: £25,589).

The level of income reserves, not designated at 31 December 2014 is £553,850 (2013: £910,240) and includes a revaluation reserve of £3,909 (2013: £42,851). Designated reserves amount to £484,058 (2013: £93,161).

# Families for Children Trust

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

## Trustees' Annual Report

Year Ended 31 December 2014

The balance sheet has increased to £1,043,611 (2013: £1,003,401) despite a decrease in placements for the year but was helped by a gain on investments, unforeseen legacies and control of expenditure. There was a surplus of £40,210 (£521,651).

Trade creditors at the year-end are £50,185 (2013: £60,867).

### **Bank Accounts**

In 2014 the Trustees agreed to move its banking from Natwest to CAF Bank. The move followed the review of the Business Risk Assessment in 2014, which identified the need to have two levels of authorisation for monies leaving the bank account. The Agency opened both a CAF current account and a deposit account. It is envisaged that during 2015 the Natwest account will be closed once the Agency is reasonably assured that all incoming transactions have been transferred to CAF.

### **Investment Powers and Policies**

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

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

Through 2014 investments were made following advice from CCLA Investment Management Ltd with the intention that capital should be protected and enhanced where possible and to produce an income stream commensurate with risk undertaken. During 2014, with the Charity now having significant funds invested, the Trustees decided to review the management of its investments. After a thorough process of selection the Trustees agreed that JMFinn & Co. become investment managers for the Agency.

JM Finn became the Agency's investment managers with effect from November 2014, with monies transferred to their accounts during December 2014 and January 2015. JM Finn will initially report back to the Trustees on a quarterly basis for the first year, and then half yearly.

The Trust currently operates with two CCLA deposit accounts, and a CAF current and deposit account. The Trust will continue with its Natwest business and deposit accounts for the foreseeable future.

In 2014 the Trust closed its Virgin Money Charity Deposit Account and in 2015 opened a CAF 90 day notice account in which to deposit the proceeds. CAF 90 day notice account is operated by Scottish Widows and is protected up to a total of £85,000 by the Financial Services Compensation Scheme.

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

### **Reserves Policy**

The consolidated reserve is maintained to provide for the implicit cost of providing for redundancies in the event of a serious and sustained downturn in activity (£94,703). The pension liability reserve is maintained to provide for the current deficit in the defined benefits scheme of £32,500, which is payable over five years at £7,871 per annum, creating a total pension liability of £39,355. The expansion reserve is maintained to provide for the expected increase in expenditure during the Agency's expansion project (£350,000). All the reserves are currently held within the liquid funds.

As part of its strategic plan, it is the objective of the Charity to increase its total reserves to the equivalent of six months' operating costs. At the end of 2014, total reserves were £1,043,611 (2013: £1,003,401). Six months' operating costs amounted to £769,454.

Of the unrestricted funds at 31 December 2014, the general reserve was £549,941 (2013: £867,389), the revaluation reserve was £3,909 (2013: £42,851) and the total designated reserve £484,058 (2013: £93,161).

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Year Ended 31 December 2014

### ***Liquidity***

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

For this reason it is considered that working capital consisting of readily realisable assets representing at least three months' operational costs should be held.

Liquidity is made up of cash, debtors, a current and deposit account, interest bearing accounts and a floating rate deposit account.

### **Plans for the Future**

In 2009 the Trustees agreed a five year strategic plan to end in 2014. The Trustees continually monitor the Agency's progress against this strategic plan and reviews its annual plans and budgets to enable the Agency to meet the objectives of the strategic plan. In 2012 an interim review of the progress of the Strategic Plan took place and it was acknowledged that progress had been slowed by the difficulties experienced during an exceptional year in 2011. It was subsequently decided that the Strategic Plan be extended by one year (2009-2015). The Trustees will be agreeing a 2016-2020 Strategic Plan in 2015.

The key strategic objectives are:-

***Economic Growth*** – to increase income over expenditure so that there are, within five years, sufficient reserves to cover six months operating costs.

***Adoptions*** – to make sufficient resources available to increase adoptions on a year by year basis to a target of 40 per year by 2014.

***Profile*** – to increase and expand PR activities throughout the region that, along with the aim to be known in every Anglican and Catholic parish and every school in Devon, Dorset and Cornwall, will lead to greater awareness of the Agency in the South West.

***Fund raising*** – to grow and develop a dedicated fundraising resource that from year two of the Plan onwards will deliver targeted income at a level that will significantly contribute to the building of the reserve funds.

***Bigger and stronger*** – to consolidate its position as the largest Voluntary Adoption Agency in the South West and grow its importance outside of the region through merger or organic growth.

***Centre of Excellence*** – to ensure that by action and example Families for Children will be widely recognised as an adoption agency Centre of Excellence through Ofsted recognition and by benchmarking against comparable agencies.

### **Health and Safety at Work**

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

### **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.

### **Taxation Status**

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

# Families for Children Trust

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## Trustees' Annual Report

Year Ended 31 December 2014

### **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 6 of this report.

### **Status of Report**

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) 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

.....

N Allan

Treasurer and member of the Board

Date:

# Families for Children Trust

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

## Independent Auditors' Report to the Members

Year Ended 31 December 2014

We have audited the financial statements of Families for Children Trust for the year ended 31 December 2014 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (April 2008) (United Kingdom Generally Accepted Accounting Practice – applicable to Smaller Entities).

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

### Respective Responsibilities of Trustees and Auditors

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

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

### Scope of the audit of the financial statements

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

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view, of the state of the charitable company's affairs as at 31 December 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matters prescribed by the Companies Act 2006

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

# Families for Children Trust

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## Independent Auditors' Report to the Members

Year Ended 31 December 2014

### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The Trustees were not entitled to prepare financial statements in accordance with the small companies' regime and to take advantage of the small companies' exemption from the requirement to prepare a strategic review or in preparing the trustees' annual report.

Mr Christopher Hicks BA FCA DchA (Senior Statutory Auditor)

For and on behalf of Francis Clark LLP

Sigma House

Oak View Close

Edginswell Park

Torquay

TQ2 7FF

.....

**Registered Auditor**

# Families for Children Trust

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

## Statement of Financial Activities (Incorporating the Income and Expenditure Account)

Year Ended 31 December 2014

		[ -- Unrestricted -- ]			Total Funds	Total Funds
	Notes	Restricted Fund	Designated Fund	General Fund	2014	2013
		£	£	£	£	£
<b>Incoming Reserves</b>						
Incoming resources from generated funds:						
Voluntary individual donations	3	-	-	85,146	85,146	214,392
Activities for generating funds						
Fundraising events and grants	3	143,938	-	189,245	333,183	264,650
Investment income	3	-	1,542	18,321	19,863	12,590
Incoming resources from charitable activities:						
Fees for care and support services	4	112,227	-	981,469	1,093,696	1,216,108
Other incoming resources		-	-	25,014	25,014	9,954
<b>Total incoming resources</b>		<b>256,165</b>	<b>1,542</b>	<b>1,299,195</b>	<b>1,556,902</b>	<b>1,717,694</b>
<b>Resources expended</b>						
Cost of generating funds	5	-	-	25,689	25,689	25,589
Charitable expenditure	5	240,408	-	1,264,615	1,505,023	1,187,183
Governance costs	6	-	-	8,196	8,196	6,903
<b>Total resources expended</b>		<b>240,408</b>	<b>-</b>	<b>1,298,500</b>	<b>1,538,908</b>	<b>1,219,675</b>
<b>Net income for the year pre transfers</b>		<b>15,757</b>	<b>1,542</b>	<b>695</b>	<b>17,994</b>	<b>498,019</b>
Transfers		(10,054)	389,355	(379,301)	-	-
<b>Net incoming/(outgoing) resources before other recognised gains/losses</b>		<b>5,703</b>	<b>390,897</b>	<b>(378,606)</b>	<b>17,994</b>	<b>498,019</b>
<b>Other recognised gains and losses</b>						
Gain on investment		-	-	22,216	22,216	23,632
<b>Net movement in funds</b>		<b>5,703</b>	<b>390,897</b>	<b>(356,390)</b>	<b>40,210</b>	<b>521,651</b>
Balance brought forward at 1 <sup>st</sup> January		-	93,161	910,240	1,003,401	481,750
<b>Total funds carried forward at 31<sup>st</sup> December 2014</b>		<b>5,703</b>	<b>484,058</b>	<b>553,850</b>	<b>1,043,611</b>	<b>1,003,401</b>

There were no other gains or losses for the year

# Families for Children Trust

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## Balance Sheet

31 December 2014

	Notes	2014 £	2013 £
<b>Fixed Assets</b>			
Tangible Assets	11	19,431	14,465
Investments	12	<u>342,475</u>	<u>320,263</u>
		<u>361,906</u>	<u>334,728</u>
<b>Current Assets</b>			
Debtors	13	172,877	467,604
Short Term deposits	14	728,141	470,092
Cash at bank and in hand		<u>258,015</u>	<u>67,743</u>
		<u>1,159,033</u>	<u>1,005,439</u>
<b>Creditors – amount falling due within one year</b>	15	<u>(477,328)</u>	<u>(336,766)</u>
Net current assets		<u>681,705</u>	<u>668,673</u>
<b>Net assets</b>		<u>1,043,611</u>	<u>1,003,401</u>
<b>The funds of the Charity</b>			
<b>Restricted funds</b>			
Expansion Grant	17	5,703	-
<b>Unrestricted funds</b>			
General	17	549,941	867,389
Revaluation	17	3,909	42,851
Designated	17	484,058	93,161
<b>Total Charity Funds</b>		<u>1,043,611</u>	<u>1,003,401</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006, and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

.....  
D Howell  
Chairman

.....  
N Allan  
Treasurer

# Families for Children Trust

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

## Notes to the Financial Statements

Year Ended 31 December 2014

### 1 Accounting Policies

#### a) Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006.

#### b) 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

#### c) Incoming resources

##### (i) Donations, legacies and other voluntary income

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

##### (ii) Fees

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

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

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

##### (iii) Grants

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

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

#### d) Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Costs of generating funds represent the salaries, direct expenditure and overhead costs of the staff who promote fundraising events.

Charitable expenditure comprises the salaries and direct expenditure of the staff who operate the statutory adoption agency.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

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## Notes to the Financial Statements

Year Ended 31 December 2014

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Other costs, which are attributable to more than one activity, have been allocated in full to charitable activities as any amount relating to costs of generating funds and governance would be minimal.

e) **Operating leases**

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

f) **Pension costs**

The charity participates in a defined contribution scheme set up for all new employees since 1 January 2003.

In accordance with Financial Reporting Standard 17, contributions to the scheme are charged to the Statement of Financial Activities as they fall due.

g) **Investments**

All investments are included at market 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.

h) **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.

# Families for Children Trust

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## Notes to the Financial Statements

Year Ended 31 December 2014

### 2 Company Status

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

### 3 Incoming Resources

	Restricted Funds	Designated Funds	General Funds	2014	2013
	£	£	£	£	£
<b>a) Voluntary Individual Donations</b>					
Donations	-	-	27,525	27,525	30,701
Adoption support contributions	-	-	-	-	7,136
Legacies	-	-	57,621	57,621	176,555
	-	-	85,146	85,146	214,392
<b>b) Fundraising</b>					
Events	-	-	129,295	129,295	105,174
Grants from grant making trusts	143,938	-	59,950	203,888	159,476
	143,938	-	189,245	333,183	264,650
<b>c) Investment Income</b>					
Bank Interest	-	1,542	2,126	3,668	3,745
Dividend on UK investments	-	-	16,195	16,195	8,845
	-	1,542	18,321	19,863	12,590

### 4 Incoming Resources from Charitable Activities

	Restricted Funds	Designated Funds	General Funds	2014	2013
	£	£	£	£	£
<b>Adoption</b>					
Placement fees	-	-	934,775	934,775	1,185,375
Birth Relative Services	-	-	20,000	20,000	17,083
Step Parent assessments	-	-	11,694	11,694	4,000
Intervention therapy contract	-	-	-	-	4,000
Conference income	-	-	-	-	5,650
Expansion	109,727	-	-	109,727	-
Therapeutic Parenting Course	2,500	-	-	2,500	-
Family for Me	-	-	15,000	15,000	-
	112,227	-	981,469	1,093,696	1,216,108

# Families for Children Trust

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## Notes to the Financial Statements

Year Ended 31 December 2014

### 5 Resources Expended

	[ Restricted ]	[ -- Unrestricted -- ]		2014	2013
	Adoption	Adoption	Fundraising	Total	Total
	£	£	& Publicity	£	£
			£		
Costs directly allocated to activities					
Salaries & on costs	193,229	792,210	19,350	1,004,789	776,667
Staff travel & other expenses	18,482	81,911	2,661	103,054	105,433
Sessional staff costs	4,325	24,334	-	28,659	19,616
Adoption expenses	9,796	32,233	-	42,029	19,396
Fundraising event costs and website	-	-	3,154	3,154	1,805
Marketing and Recruitment of adopters' costs	5,522	39,187	-	44,709	25,146
Training	386	8,350	-	8,736	11,607
Office expenses	825	13,401	26	14,252	22,360
Premises costs	305	11,553	-	11,858	10,918
Rent	3,046	31,582	-	34,628	32,960
Equipment & computer support	518	18,261	-	18,779	14,546
Depreciation	-	11,265	-	11,265	1,951
Accounting, legal & professional	-	2,955	-	2,955	2,317
Affiliation & subscriptions	-	10,684	498	11,182	10,183
Recruitment expenses	3,889	1,200	-	5,089	16,406
Doubtful debt provision	-	30,646	-	30,646	-
Support costs have been allocated in full to Adoption as follows:					
Salaries & on costs	-	135,404	-	135,404	121,731
Staff travel & other expenses	-	1,742	-	1,742	1,744
Training	-	352	-	352	1,033
Insurances	-	10,717	-	10,717	12,005
Accounting, legal & professional	-	4,622	-	4,622	4,562
Committee & sundry expenses	85	2,006	-	2,091	386
	<u>240,408</u>	<u>1,264,615</u>	<u>25,689</u>	<u>1,530,712</u>	<u>1,212,772</u>

# Families for Children Trust

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## Notes to the Financial Statements

Year Ended 31 December 2014

### 6 Governance Costs

	Adoption £	Fundraising & Publicity £	2014 Total £	2013 Total £
<b>General Funds</b>				
Audit & accountancy support	7,080	-	7,080	6,800
Trustees' expenses	1,116	-	1,116	103
	<u>8,196</u>	<u>-</u>	<u>8,196</u>	<u>6,903</u>

### 7 Staff Costs and Numbers

	2014 £	2013 £
Salaries	994,314	780,501
Social Security	93,574	75,780
Pension costs	52,304	53,699
Pension deficit payment	-	4,900
	<u>1,140,192</u>	<u>914,880</u>

One employee earned between £60,000 and £70,000,  
(the employer also contributed £5,655 to their pension scheme)

Average number of full time equivalent employees analysed by function

	2014	2013
Adoption	28	20
Fundraising & Publicity	1	1
Administration	9	7
	<u>38</u>	<u>28</u>

\* note, the difference between pension costs of 2013 and 2014 is due to change in coding pension sacrifice

### 8 Trustees' Remuneration

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

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

### 9 Resources Expended

Resources expended include the following:	2014 £	2013 £
Audit	7,080	7,080
Accountancy & financial advice – fees paid to current auditors	4,622	4,282
Other professional fees	2,955	-
Depreciation of fixed assets	<u>11,265</u>	<u>1,951</u>

# Families for Children Trust

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

## Notes to the Financial Statements

Year Ended 31 December 2014

### 10 Taxation

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

### 11 Tangible Fixed Assets

	Equipment £	Computer Equipment £	Furniture & Fixtures £	Total £
<b>Cost</b>				
At 1 <sup>st</sup> January 2014	14,063	63,763	-	77,826
Additions	1,816	9,320	6,282	17,418
Disposal of an asset	-	(1,187)	-	(1,187)
<b>At 31<sup>st</sup> December 2014</b>	<b>15,879</b>	<b>71,896</b>	<b>6,282</b>	<b>94,057</b>
<b>Depreciation</b>				
At 1 <sup>st</sup> January 2014	12,009	51,352	-	63,361
Charge for year	2,750	6,447	2,068	11,265
<b>At 31<sup>st</sup> December 2014</b>	<b>14,759</b>	<b>57,799</b>	<b>2,068</b>	<b>74,626</b>
<b>Net book value at 31<sup>st</sup> December 2014</b>	<b>1,120</b>	<b>14,097</b>	<b>4,214</b>	<b>19,431</b>
At 31 <sup>st</sup> December 2013	2,055	12,410	-	14,465

### 12 Fixed Assets Investments

	2014 £	2013 £
<b>Quoted investments</b>		
Brought forward at 1 <sup>st</sup> January 2014	320,263	196,631
Net investment additions/(disposals)	(4)	100,000
Transfer to cash	(153,526)	-
Realised/Unrealised gains on investments	22,216	23,632
<b>At 31<sup>st</sup> December 2014</b>	<b>188,949</b>	<b>320,263</b>
<b>Cash held as part of portfolio</b>		
Brought forward at 1 <sup>st</sup> Jan 2014	-	-
Transfer from quoted investments and at 31 <sup>st</sup> December 2014	153,526	-
<b>Total Investments</b>	<b>342,475</b>	<b>320,263</b>

# Families for Children Trust

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## Notes to the Financial Statements

### Year Ended 31 December 2014

All investment assets are held in the United Kingdom.

The following material investments were held at 31<sup>st</sup> December 2014

	<b>Market Value</b>
	<b>£</b>
<b>Security</b>	
City of London Investment Trust ord GBP0.25	20,867
Vanguard Investment series FTSE100 EFT Inc Nav	26,618
Temple Bar Investment Trust ord GBP0.25	15,483
Guinness Asset Management Global Equity Inc GBP Z	20,649
Fundsmith LLP Equity I Inc Nav	20,077
M&G Investment Management Limited Corporate Bond I Inc	20,160
SVS Church House Investment Mngmnt Investment Grade Fixed Int Inc	20,035
Scottish Mortgage Inv Trust ord GBP0.05	15,500
Jupiter Unit Trust Managers Strategic Bond	14,552
Finsbury Growth & Income Trust ord GBP0.25	15,008
	<u>188,949</u>

### 13 Debtors: Due within one year

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Debtors	148,412	276,295
Prepayment and accrued income	24,465	191,309
	<u>172,877</u>	<u>467,604</u>

### 14 Current Asset Investments

UK Short term deposits	<u>728,141</u>	<u>470,092</u>
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### 15 Creditors: Due within one year (unsecured)

Trade creditors	50,185	60,867
Deferred income and accruals	427,143	275,899
	<u>477,328</u>	<u>336,766</u>

### 16 Operating Leases

The following payments are committed to be paid within one year:

Land and buildings expiring:		
Within two and five years	<u>32,500</u>	<u>32,500</u>
Equipment expiring:		
Less than one year	902	-
Within two to five years	-	815
	<u>902</u>	<u>815</u>

# Families for Children Trust

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

## Notes to the Financial Statements

Year Ended 31 December 2014

### 17 Funds

	Balance 01.01.14	Income	Gain on Investments	Spent	Transfers	Balance 31.12.14
	£	£	£	£	£	£
<b>Restricted Funds</b>						
Post adoption salary grants	-	95,200	-	(95,200)	-	-
Expansion Grant	-	109,727	-	(93,970)	(10,054)	5,703
Trinity Sailing Project	-	1,250	-	(1,250)	-	-
Tanner Trust Grant	-	2,500	-	(2,500)	-	-
Therapeutic Parenting Course	-	2,500	-	(2,500)	-	-
University Assistance	-	3,000	-	(3,000)	-	-
Family Finding Salary Grant	-	41,988	-	(41,988)	-	-
<b>Unrestricted Funds</b>						
General reserve	867,389	1,299,195	-	(1,298,500)	(318,143)	549,941
Revaluation Reserve	42,851	-	22,216	-	(61,158)	3,909
Designated Consolidated Reserve	93,161	1,542	-	-	-	94,703
Designated Pension Liability Reserve	-	-	-	-	39,355	39,355
Designated Expansion Reserve	-	-	-	-	350,000	350,000
	<u>1,003,401</u>	<u>1,556,902</u>	<u>22,216</u>	<u>(1,538,908)</u>	<u>-</u>	<u>1,043,611</u>

#### a) Restricted Funds

The restricted funds include three grants for post adoption social worker salaries and expenses. In each case, the grants were spent in full. In addition, a grant of £46,300 was received to fund the salary and expenses of a family finding social worker who commenced employment in November 2013 (Family for Me project). Of this grant £4,101 was spent in 2013, £41,988 was spent in 2014 and the remaining £211 has been deferred to contribute to future salary payments.

The Agency was successful in being awarded a grant through the Government's Expansion Grant of up to £400,000. Money from the grant is released to the Agency when it is spent and defined targets have been met. In 2014 the Agency received £160,000 of which £50,273 has been deferred to 2015 because the Agency did not incur the expenditure in 2014. Of the £109,727 expenditure, £10,054 related to equipment that had been capitalised and was therefore not included in expenditure in the accounts. £5,703 related to prepaid invoices for email security software and therefore shows as a balance on the fund.

Further to these grants, a grant was received from The Souter Charitable Trust of £5,000. The grant was used to fund a project enabling some of our young people to go sailing for a week. The project was run by the Trinity Sailing Project. Of this grant £1,250 was spent in 2014, as a deposit, and the remaining £3,750 has been deferred to pay the remaining costs of the project. A grant was made to fund places at a Falcon camp for young adults from The Tanner Trust of £2,500 in 2013 but deferred to 2014. This grant was spent in full.

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

Plymouth City Council (PCC) have pre-paid £40,000 to fund 32 places on a Therapeutic Parent Course run by the Agency at £1,250 per place. In 2014 PCC filled 2 places on the course at a cost of £2,500, which the Agency drew down from the pre-payment. The remaining £37,500 has been deferred to contribute to future places on the course.

# Families for Children Trust

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## Notes to the Financial Statements

Year Ended 31 December 2014

### b) Unrestricted Funds

The unrestricted funds currently consists of five reserves, one being the general reserve.

The revaluation reserve represents the amount by which the market value of the investments at 31<sup>st</sup> December 2014 exceeds their original cost. The amount of £3,909 is lower than the opening balance as the original investment was sold and re-invested in other quoted investments during the year.

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

The pension liability reserve was created in 2014 to provide a pension provision to pay the additional pension contributions required to eliminate the deficit of the defined benefits scheme of £32,500 as at 31<sup>st</sup> December 2013. It has been agreed to pay the deficit over five years at £7,871 per annum starting from April 2015, creating a total pension liability of £39,355.

The expansion reserve was created in 2014 to sustain the cash flow due to the increased expenditure as the expansion project progresses.

### 18 Analysis of Net Assets between Funds

	Tangible Fixed		Net Current	Total
	Assets	Investments	Assets	
	£	£	£	£
<b>Restricted Funds</b>				
Expansion Grant	-	-	5,703	5,703
<b>Unrestricted Funds</b>				
General reserve	19,431	338,566	191,944	549,941
Revaluation Reserve	-	3,909	-	3,909
Designated Consolidated Reserve	-	-	94,703	94,703
Designated Pension Liability Reserve	-	-	39,355	39,355
Designated Expansion Reserve	-	-	350,000	350,000
	<u>19,431</u>	<u>342,475</u>	<u>681,705</u>	<u>1,043,611</u>

### 19 Pensions

#### (a) Church of England Defined Benefits Scheme (DBS)

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

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

Families for Children is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. A further valuation of the Fund was carried out as at 31<sup>st</sup> December 2013 showing a deficit of £32,500. It has been agreed to fully pay this deficit over five years at £7,871 per annum amounting to a total payment of £39,355.

At 31<sup>st</sup> December 2014 the Agency had 0 active members and 10 deferred pensioner members in the Fund. Since 1 April 2012, Families for Children ceased to use the DBS as a vehicle for providing future

# Families for Children Trust

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

## Notes to the Financial Statements

Year Ended 31 December 2014

pension benefits for its employees and all active members became deferred pensioners with effect from that date.

### **(b) Church of England Pension Builder Scheme (formerly Church of England Defined Contributions Scheme (DCS))**

For eligible salaried employees who commenced employment after 1 April 2012, Families for Children participates in the Church of England Pension Builder Scheme (PBS), within the Church Workers Pension Fund, which is administered by the Church of England Pensions Board.

The PBS 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 payable from retirement, accumulated from contributions paid and converted into a pension benefit 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.

At 31 December 2014, Families for Children had 40 active members, 4 deferred members and 0 pensioners in the Pension Builder Classic section, and 0 members, active or deferred, in the Pension Builder 2014 section.

The assets of the PBS are held separately from those of the employer. As at the formal valuation as at December 2010, the PBS was in surplus on an ongoing funding basis. A formal valuation of the PBS is being carried out as at December 2013 but, as at February 2015, the final results have yet to be announced.

Families for Children is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the PBS. For schemes like this, paragraph 9(b) of financial Reporting Standard 17 (FRS17) required Families for Children to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

Families for Children contributes between 5% and 10% of basic salary and the employees are required to contribute a minimum contribution of 5%. Families for Children contributions for the year totalled £52,304 (2013: £53,699) and there were no contributions outstanding at the year end.

# **Families for Children Trust**

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

## Management Information

Year Ended 31 December 2014

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

# Families for Children Trust

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## Management Information

Year Ended 31 December 2014

### Analysis of Activities – General Funds

	Notes	Adoption £	Fundraising & Publicity £	2014 Total £	2013 Total £
Incoming resources from generated funds:					
Investment income	3	19,863	-	19,863	12,590
Voluntary individual donations					
Individual Donations	3	-	27,525	27,525	30,701
Adoption support contributions	3	-	-	-	7,136
Legacies	3	-	57,621	57,621	176,555
Activities for generating funds					
Fundraising events and grants	3	-	129,295	129,295	105,174
Grants from grant making trusts		-	203,888	203,888	159,476
Incoming resources from charitable activities:					
Fees Received	4	1,093,696	-	1,093,696	1,216,108
Other incoming resources		25,014	-	25,014	9,954
		<u>1,138,573</u>	<u>418,329</u>	<u>1,556,902</u>	<u>1,717,694</u>
Cost of generating funds					
Cost of generating funds	5	-	25,689	25,689	25,589
Charitable expenditure	5	1,505,023	-	1,505,023	1,187,183
Governance costs	6	8,196	-	8,196	6,903
<b>Total expenditure</b>		<u>1,513,219</u>	<u>25,689</u>	<u>1,538,908</u>	<u>1,219,675</u>
<b>Surplus on activities</b>		<u>(374,646)</u>	<u>392,640</u>	<u>17,994</u>	<u>498,019</u>