

THE ADOLESCENT AND CHILDREN'S TRUST

England & Wales · Charity number 1018963

Details

Other names TACT

Status Registered

Legal form Charitable company

Company number [02779751](#)

Registered 1993-03-19

Register [View on the Charity Commission register](#)

Contact

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Energy House
Tir Llwyd Industrial Estate
Kinmel Bay
LL18 5JA

Phone 02086958135

Email CorporateServices@tactcare.org.uk

Website www.tactcare.org.uk

Activities

Objects: (1) TO RELIEVE CHILDREN AND YOUNG PEOPLE WHO BY REASON OF THEIR CIRCUMSTANCES HAVE NEED OF FOSTER, ADOPTIVE OR SUBSTITUTE CARE BY PLACING CHILDREN IN FOSTER HOMES OR ADOPTIVE PLACEMENTS AND BY TRAINING FOSTER OR ADOPTIVE PARENTS TO DEAL WITH THE NEEDS OF CHILDREN IN THEIR CARE;(2) OTHERWISE TO PROMOTE THE CARE AND UPBRINGING AND ESTABLISHMENT IN LIFE OF CHILDREN IN NEED THEREOF INCLUDING BY PROMOTION OF THEIR HEALTH, DEVELOPMENT AND EDUCATIONAL ATTAINMENT AND PARTICULARLY CHILDREN IN FOSTER OR ADOPTIVE CARE; AND BY THE PROVISION OF SUPPORT AND ASSISTANCE TO THEIR CARERS(3) TO PROMOTE EDUCATION AND RESEARCH FOR THE PUBLIC BENEFIT IN THE SUBJECT OF CHILDREN IN CARE AND ADULTS WITH CARE EXPERIENCE, PUBLIC POLICY ON CARE AND THE NEEDS OF CHILDREN ENTERING AND LEAVING THE CARE SYSTEM.

Activities: TACT IS A DIVERSIFIED CHILDREN'S CHARITY PREDOMINANTLY PROVIDING FOSTERING, ADOPTION AND PERMANENCY FOR CHILDREN AND YOUNG PEOPLE IN PUBLIC CARE OR ON THE CUSP OF CARE. THE CHARITY ALSO CAMPAIGNS AND ADVOCATES ON BEHALF OF

LOOKED AFTER CHILDREN.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Children/young People

Geography

- Scotland
- Throughout England And Wales

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|-------------|-------------|------------|-----------|
| 2025-03-31 | £27,757,000 | £27,189,000 | £9,764,000 | 228 |
| 2024-03-31 | £26,378,000 | £25,204,000 | £9,196,000 | 204 |
| 2023-03-31 | £26,322,000 | £24,371,000 | £8,022,000 | 199 |
| 2022-03-31 | £63,000 | £24,237,000 | £6,071,000 | 191 |
| 2021-03-31 | £25,597,000 | £23,910,000 | £4,869,000 | 184 |

Trustees

| Name | Role | Appointed |
|------------------------------|-------|------------|
| Bert O'Donoghue | Chair | 2024-03-22 |
| Chizoma Okaro | | 2024-06-19 |
| Francisco Yeo | | 2024-06-19 |
| Jennifer O'Connell | | 2021-09-21 |
| Michael Lister | | 2025-11-04 |
| Michael Scott | | 2020-09-23 |
| Paul Anderson | | 2021-01-26 |
| Professor Lorraine Johnstone | | 2024-09-11 |
| Richard Penney | | 2024-06-19 |
| Tom Bingham | | 2021-11-30 |
| Tusnyrne Ghilani | | 2026-02-13 |

THE ADOLESCENT AND CHILDREN'S TRUST

England & Wales - Charity number 1018963

Accounts



Charity Registration No. 1018963

Charity Registration No. SC039052 (Scotland)

Company Registration No. 02779751 (England and Wales)

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--|---|
| Trustees | Mr B. O'Donoghue (Chair) Mr M. Scott (Vice Chair & Treasurer) Mr. P. Woodman Mr P. Anderson Mrs J O'Connell Mr T, Bingham Mr F. Yeo Ms C. Okaro Mr R. Penney Ms L. Johnstone |
| Chief Executive | Mr A. Elvin |
| Secretary | Mr L. King |
| Charity number (England and Wales) | 1018963 |
| Charity number (Scotland) | SC039052 |
| Company number | 02779751 |
| Principal address and registered office | 98 Station Road, Sidcup, Kent, DA15 7BY |
| Auditors | HW Fisher Audit Acre House 11-15 William Road London NW1 3ER |
| Bankers | HSBC Plc Level 3 8 Canada Square London E14 5HQ |
| Lawyers | |
| Corporate & Employment | Lee Bolton Monier-Williams, 1 The Sanctuary, London, SW1 3JT |
| Social Care | S. Carr & Co, 416 Mare Street, Hackney, London E8 1HP |
| Property | Meade King LLP, Springfield House, 45 Welsh Back, Bristol, BS1 4AG |
| Contracts & Charity | DAC Beachcroft LLP, Portwall Place, Portwall Lane, Bristol, BS1 9HS |
| Mergers & Acquisitions | DTM Legal Archway House, Station Road Chester Cheshire CH1 3DR |

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THE ADOLESCENT AND CHILDREN'S TRUST

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TRUSTEES REPORT

CHAIRMAN'S STATEMENT

It is my privilege to present the Annual Report and Financial Statements of The Adolescent and Children's Trust (TACT) for the year ended 31 March 2025. This has been a year of both consolidation and growth. Despite a highly challenging environment for foster carer recruitment and the ongoing pressures of the cost-of-living crisis, TACT has remained true to its mission: to provide high-quality, not-for-profit foster care where children and young people can thrive.

We are proud that all of TACT's services remain rated Good or Outstanding by our regulators. Alongside this, TACT was recognised as the fifth best charity to work for in 2024, securing our first ever three-star accreditation for world-class employee engagement. This reflects the dedication and professionalism of our staff and foster carers, who consistently go above and beyond for children in our care. Innovation has continued to define our work, with the expansion of TACT Connect, our lifelong community for care-experienced young people, receiving national awards for innovation and impact. We also piloted initiatives such as our Inclusive Weekend for families with children with disabilities, and further embedded trauma-informed practice across our organisation.

A particular highlight was the successful acquisition of Foster Care Values Limited in North Wales, bringing 27 carers and 46 children into the not-for-profit sector. This strengthens our presence in Wales and aligns with the Welsh Government's commitment to end profit in children's social care.

We have also strengthened the direct support available to children through our education and health services. In education, we worked with 240 young people this year, preventing exclusions, supporting exam success, and helping unaccompanied asylum-seeking children with tailored resources and advice. In health, we began redesigning our approach so that children facing long waits for CAMHS or struggling with traditional clinical models can receive timely and effective support. By focusing on self-harm, suicidal ideation, and other priority areas, we are building a service that addresses urgent needs and helps young people engage positively with their education and family life.

Financially, TACT delivered a surplus of £568k (2024: £1,174k). While this represents a reduction compared with last year, it was achieved alongside significant investment in carers and staff, including over £800k in enhanced support and reward packages. Free reserves rose to £9.7m, well above our minimum policy requirement, and cash balances closed the year at £8.1m. This strong position allows us not only to withstand sector headwinds but also to invest in opportunities for growth and impact.

The fostering sector continues to face acute pressures. The loss of experienced carers, combined with the challenges of recruiting new ones, remains the most significant risk to meeting children's needs. TACT is addressing this with a transformed recruitment approach, a renewed rewards framework, and a focus on well-being, education and health expertise to strengthen the support we provide to families. We also remain alert to the wider economic environment. Inflation and

funding constraints for local authorities continue to place pressure on foster carers and on the sustainability of provision. Our strong reserves give us confidence that TACT can remain resilient, but we must also continue to adapt and advocate for systemic reform.

I would like to thank my fellow Trustees, our Chief Executive, Andy Elvin, and the dedicated staff and foster carers across TACT. Their commitment ensures that thousands of children and young people have

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stability, care, education, health support, and opportunities to flourish. TACT remains determined to provide value-driven, ethical fostering, reinvesting every pound into improving lives. With a strengthened financial base, a clear strategic direction, and a community united by purpose, I am confident that we will continue to make a lasting difference.

Bert O'Donoghue

Bert O'Donoghue

Chair

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STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board presents its report with the financial statements and the auditor’s report for the financial year ended 31 March 2025. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (FRS102) (effective 1 January 2019).

LEGAL STATUS

The Adolescent and Children’s Trust (TACT) was incorporated as a company limited by guarantee, on the 14 January 1993. On the 19 March 1993, TACT sought and obtained charitable status.

TACT is described as an ‘incorporated’ charity with company registration number of 0277951 and charity registration number 1018963. On the 8 April 2008, TACT was formally registered as a charity in Scotland (Reg No: SC039052).

THE ORGANISATIONAL AND DECISION-MAKING STRUCTURE

The Board of Trustees

The Trustees who served during the year were:

| Name | Occupation | Appointed | Resigned |
|-----------------------|---|------------|------------|
| Bert O Donoghue | Retired Business Director | 27/03/2024 | |
| Michael Scott | Retired | 23/09/2020 | |
| Philip B. Woodman | Accountant | 05/12/2023 | |
| Paul Anderson | Social Worker | 26/01/2021 | |
| Jennifer O’Connell | Global Legal, Regulatory, and Compliance Lead (former Lawyer) | 21/09/2021 | |
| Tom Bingham | Retired Marketing and Communications Director | 30/11/2021 | |
| Richard Penney | Finance Director | 19/06/2024 | |
| Chizoma Okaro | Director of Human Resources | 19/06/2024 | |
| Francisco Yeo | Chief Information & Technology Officer | 19/06/2024 | |
| Lorraine Johnstone | Consultant Clinical and Forensic Psychologist | 11/09/2024 | |
| Lisa Waterman-Glasgow | Communications Director | 30/06/2015 | 19/06/2024 |
| Marium Shafique | Service Manager | 11/09/2024 | 31/01/2025 |

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Structure

At 31 March 2025, the Board of Trustees comprised ten members.

The Board of Trustees govern the Charity and manage its resources so that it can meet its charitable objectives. They review the mission, vision and values regularly and have concluded that they are still relevant.

To effectively undertake its governance responsibility, the Board delegates detailed scrutiny to: *(i) the Finance, Audit and Risk Committee; (ii) the Children's Services and Safeguarding Committee; (iii) the People & Culture Committee. The membership of each Committee is as follows:*

| Finance, Audit and Risk (FARC) Committee | Children's Services and Safeguarding Committee | People & Culture Committee |
|--|---|---------------------------------------|
| M Scott (Chair) T Bingham P Woodman F Yeo R Penney | T Bingham (Chair) P Anderson | C Okaro (Chair) B O Donoghue |

The Chair of each Committee reports to the Board, and this informs the decision making at that level. All new Trustees undergo an induction process, which includes TACT's governance arrangements, and clarifies the Trustees duties and responsibilities and sets out its key organisational policies. Ongoing training is provided for Trustees as need identified through annual performance review discussions.

The Board of Trustees is always keen to evaluate its effectiveness and to find varying ways to add value to the Charity. Every year, the Trustees undertake an 'Away Day'. The intent is to enable them to consider their inter-relationships at Board level, the degree of cohesiveness and how these factors influence 'decision making', especially on matters of critical strategic significance.

SENIOR MANAGEMENT STRUCTURE

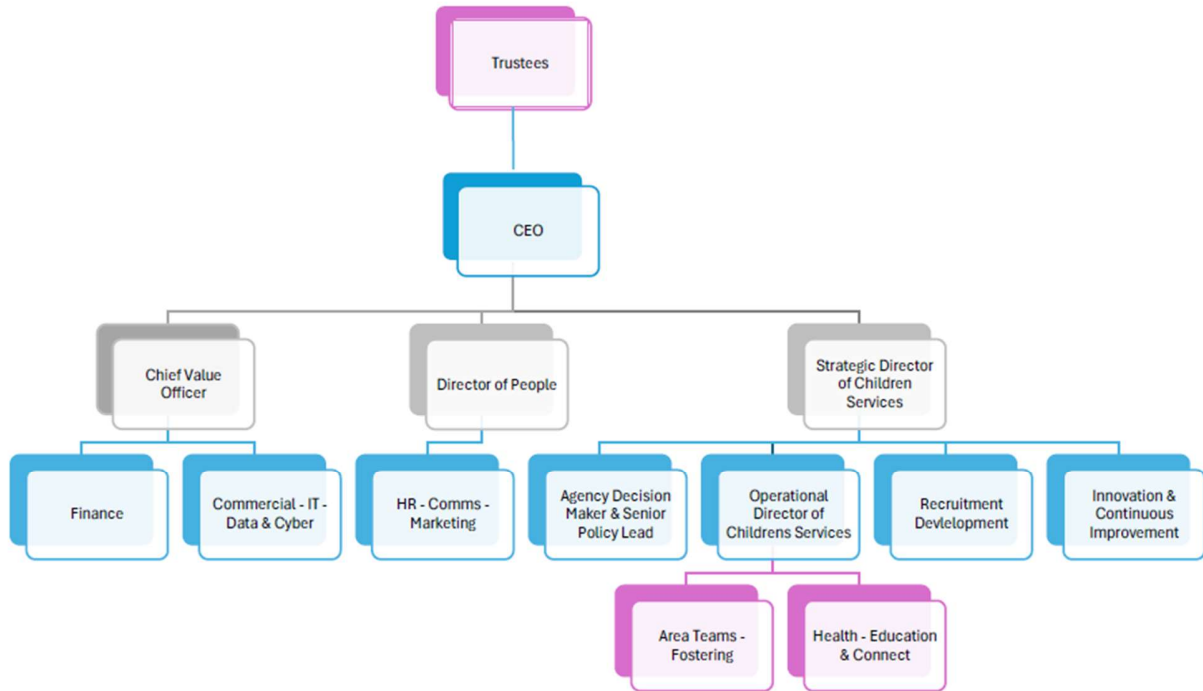
The Executive Board has been led by Mr Andy Elvin CEO since September 2014 and is responsible for driving the strategy delineated in the strategic plan, agreed by the Board. The Senior Management Team (SMT), comprising Area Managers and led by the Executive Directors, manage the processes which underpin the strategy and monitor the outcomes.

Executive Board pay is predicated on the latest job description and person specification, which is used as a basis for an evaluation by, Reward Connected, an independent agency. Each job is ranked using a matrix which utilises a set of factors including but not exclusively, skills, intellectual

demands, judgement and use of resources set against the scope and difficulty of the work involved. The evaluation score emerging from this exercise is set against an agreed 'TACT Pay and Remuneration Table', from which the salary and/or salary range is determined.

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Organisational Structure



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TACT'S STRATEGIC PLAN

2023 - 2028

TACT's strategic plan for 2023-2028 will focus on ensuring that children, young people and care experienced adults have the

BEST LIVES



OUR STRATEGIC PRIORITIES

- ★ To begin our journey to become a fully **TRAUMA INFORMED** organisation.
- ★ To be the fostering **CHARITY OF CHOICE** for foster carers, staff and stakeholders.
- ★ To ensure we have the resources to enable TACT to **INNOVATE AND GROW**.
- ★ To be trailblazers in being there for our **CHILDREN FOR LIFE** and ensuring that all our children **HAVE THE BEST CHILDHOOD** and access to a lifelong caring community.



TACT'S MISSION & VALUES

CONNECTED & INCLUSIVE



CARING & COMPASSIONATE



CREATING BETTER LIVES
 FOR CHILDREN,
 YOUNG PEOPLE
 & CARE EXPERIENCED
 ADULTS



CHILD & PEOPLE CENTRED



CHARITABLE & FAIR



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★ **BETTER LIVES**

Give children, young people and care experienced adults the **best lives**.

★ **OUTSTANDING PEOPLE**

Provide staff and foster carers with the **skills and support** they need to enable our children and young people to reach their full potential.

★ **BE THE BEST**

Be the **leading voice** in the fostering sector and the first choice for those who want to foster. Be a **model of excellence** in the care and support we provide children and young people.

TACT'S Aims



★ **STRONG FINANCES**

Ensure the organisation has the **resources it needs to create better lives** for children, young people and care experienced adults.

★ **SPEAK UP**

Stand with children, young people and care experienced adults, making sure their **voices are heard** and **choices are respected**.

★ **INNOVATIVE & EMPOWERING**

Be **open to new ideas** to better support our children, young people and care experienced adults.

★ **A COMMUNITY FOR LIFE**

Support those we **care** for **throughout their entire life**, not just until they move out of their foster homes to live independently.

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STRATEGIC REPORT

ORGANISATIONAL AND ACTIVITY REVIEW

Highlights of 2024/25

Inspection Reports and Activity

TACT represents 14% of the total Voluntary sector provision, all of TACT's services are rated Good or Outstanding, in 24/25 we achieved 3 Good ratings. Attracting new carers remains challenging, however we launched a community-based strategy at the end of 2024/25 and are excited to see the impact.

TACT named fifth best charity to work for (best companies TM)

In September 2024, TACT was named the fifth best charity to work for following its annual Best Companies Survey by bHeard. We rose 11 places and were also ranked the 17th best medium-sized organisation to work for. In addition, we achieved our first three-star accreditation – the highest possible result – representing world class levels of employee engagement. This was thanks to improvements in seven of the eight core areas, measured entirely by colleague feedback, and is testament to everyone's hard work and commitment in making TACT a great place to work.

Carer satisfaction levels remained high

165 carers completed our annual carer satisfaction survey in 2024, and the results found that satisfaction levels remained high. 92% of respondents were satisfied with being a TACT foster carer and 94% told us they were satisfied with the level of support we provide. 77% agreed that positive changes have happened as a result of their feedback in previous years. We also gathered feedback on our carer communication channels and approaches, and 90% were satisfied with the ways in which they get their news and updates from us.

Inclusive Weekend

Our first inclusive weekend for children with disabilities and their carers took place, with 8 families enjoying a weekend in May together exclusively at a specialist holiday centre in Lincolnshire. The families greatly enjoyed sharing time together with families with similar needs. The activity was funded through additional activity funding made available by our Trustees.

TACT Carers Recognition

Barbara and Rob Colombo, foster carers since 2011 with TACT, have been awarded an MBE for their dedication to fostering. Julia and Adan, two of our foster carers in Wales, have been honoured with the prestigious 'Outstanding Carers of the Year' award at the Cardiff Bright Sparks Awards.

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TACT West Midlands Children's Awards

TACT West Midlands held their first Children's Celebration Awards Ball. It was an amazing day and thoroughly enjoyed by all those attended. The event recognised the amazing achievements of TACT's foster children within the West Midlands to highlight their strengths and resilience. The children walked the red carpet and collected their certificate from the Mayor of Sandwell with a big smile on their faces. One of our children wrote and read a beautiful poem for the occasion which reminds us of the power of our work. Some of the achievements were evidence of our children's determination to succeed regardless of life obstacles. This was a proud moment for our children, carers and the team.

Transformation in Carer Recruitment

Activity continued to be a concern in 24/25 as carer recruitment is still very challenging. However, we successfully completed a transformation of our carer recruitment approach in 24/25 which has now launched, and initial signs are positive.

Connect

Our groundbreaking and unique offer to our carer experienced community, has had an incredible year! Our unique community has grown to 234 members, all free to engage as much or as little as they like. Our enthusiastic new team is working alongside members to make sure Connect stays a lifelong community. Connect, won 2 awards: the Leaving Care Award from Children & Young People Now and The Technology-Enabled Lives and Innovation in Practice Award at the Social Worker of the Year Awards. These wins have sparked exciting opportunities to expand beyond our private network, as other organisations start to recognise the value we offer. After a great annual review, we took time to reflect and define our core values — *The Connect Way*: Teamwork, Respect, Empathy, Adaptability and Trust. The team is now putting these into practice, preparing to launch TACT and Connect-wide through the rest of 2025 and into 2026. Exciting times for Connect!

Launch of new TACT website

In September 2024, TACT successfully launched a new, focused website aimed at enhancing our foster carer recruitment efforts. The newly launched website offers a more user-friendly experience, with improved navigation and clearer information pathways for prospective foster carers. It showcases our area teams more effectively, helping to build trust and local connections. The new website positions TACT strongly for future growth in recruitment, while reinforcing our commitment to providing clear, accessible information for all users. We also moved across to the new URL of tactfostering.org.uk to have a stronger brand identity.

TACT's Community Connection Drive

In the latter half of 2024, TACT strengthened its relationships with local communities by attending over 50 events to promote fostering. These included school fairs, cultural celebrations, and community open days, helping to raise awareness and connect with a broader audience. We focused on building meaningful relationships, including a developing partnership with John Lewis to support foster care visibility and engagement. TACT also actively sought new connections with local businesses,

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community groups, and voluntary organisations to strengthen our presence and extend our reach. These efforts support more inclusive recruitment and reinforce TACT's commitment to being rooted in the communities we serve.

Lobbying and Influencing

TACT continued to play a lead role in campaigning and lobbying for improvements in the care system, especially in foster care. Our long-standing call for the vote to be extended to 16- & 17-year-olds has now been answered with confirmation that 16- & 17-year-olds will be able to vote in the next general election. There is a reason the pension is triple locked whilst youth services have been eviscerated, hopefully young people voting in numbers will increase focus on the issues important to them.

In another success our call for profit-making entities to be excluded from children's social care has borne fruit. The Scottish government has introduced legislation that will require that all Independent Fostering Agencies in Scotland to be charities. TACT have lobbied consistently to achieve this result, and we salute the bravery and commitment of the Scottish government to end the making of profit from the childhoods of children in public care.

As Chair of the Fairer Fostering Partnership, TACT's CEO sits on the DfE Fostering Advisory Board and through this we have achieved the DfE agreeing to consult on a change to delegated authority, making it automatic when a child moves into a foster home. This is supported by the Association of Directors of Children's Services (ADCS). We are also leading on an allegations pilot which aims to improve the process of managing allegations against foster carers. This will significantly reduce foster carer attrition as it is the process, rather than allegations being upheld, that loses us carers as they do not want to risk going through it again.

Acquisition of Foster Care Values Limited and Expansion in Wales

On 1 October 2024, TACT acquired Foster Care Values Limited (FCV), a North Wales-based independent fostering agency. This strategic acquisition resulted in 27 foster carers and 46 children and young people transferring into the not-for-profit sector, in line with TACT's charitable objectives and values. This was TACT's first ever acquisition though we have completed a number of mergers over the past 30 years.

The acquisition strengthens TACT's commitment to supporting the Welsh Government's policy to eliminate profit from children's social care and enables us to deliver fostering services across the whole of Wales. It represents a significant milestone in expanding ethical fostering provision in the region and supporting sustainable, child-centred care.

These accounts consolidate the results of Foster Care Values Limited (a wholly owned subsidiary) from the date of acquisition of 1 November 2024.

Since joining the TACT Group, Foster Care Values Limited has shown encouraging signs of growth, with early indications of increased carer engagement and placement stability. We are actively investing in the North Wales service to improve infrastructure, support, and therapeutic input for carers and children.

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TACT remain focused on our mission to deliver high-quality, not-for-profit fostering provision and will continue to advocate for sustainable funding arrangements that enable long-term improvements for children in care.

Education Service

The Education service has provided support to 240 of our looked after young people this year, which equates to 36% of all the young people we look after.

We worked directly with 18 unaccompanied asylum-seeking children, providing them with college-ready bags, home language Education support, a UASC Carer Support group, books and equipment, individual advice around suitable schools and admissions guidance, a weekly UASC tuition group in the summer term, and individual support with university applications.

Of our young people who sat GCSEs in 2024:

- 16 Students (66%) achieved at least 5 GCSEs between grades 1-9.
- 7 students (29%) got a good pass in both English & Maths, of at least grade 4.
- 9 students (38%) got a good pass of at least grade 4 in either English or Maths.

We successfully worked with 10 young people in England and Wales to prevent their exclusion from education.

Health Commissioning

In the summer of 2024, we recruited a new Health commissioning manager to re-design our Health service. This work will enable us to safely commission clinical health services to work directly with our young people.

We are not only seeing lengthening waiting lists for CAMHS appointments across the UK, but also many of our young people are struggling to engage in traditional clinical models of mental health support. Our Health service will work in partnership with our local authorities and health services,

to commission timely diagnosis and support for our young people who are unable to access local services, or who require a more bespoke response.

Through the summer, we analysed the needs of the children we look after and completed research on the link between mental health difficulties and education. Self-harm and suicidal ideation are identified as priority areas for our initial phase of work. Our ambition is to ensure that every child we care for that is struggling with these issues will receive professional clinical help that is timely and effective.

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Trauma Informed Journey

TACT is on a journey to embed a trauma informed organisational culture across TACT using our new values, and the five principles of Trauma Informed Practice (Safety, Trustworthiness, Choice, Collaboration and Empowerment).

Trauma informed organisations assume that people may have had traumatic experiences, adversity and hardships and, as a result, may find it difficult to feel safe within services, and to develop trusting relationships with service providers. This can be exacerbated by organisational adverse experiences, and by the very nature of the work that TACT does, working with children who have experienced high levels of trauma.

Moreover, organisations that are working with and are exposed to trauma, can also become trauma soaked and trauma inducing. It can compromise and impact the organisational immune system, and organisations themselves can operate in survival mode, which can impact organisational culture. Consequently, services need to be structured and organised to promote safety and trust and aim to prevent traumatisation.

TACT has an ambition to deliver a strong organisational culture which individuals feel part of and connected to. By following a set of trauma informed principles, we will have well supported, motivated and engaged staff who, in turn, provide more attuned, high levels of care and support to our foster families.

This is also intended to decrease secondary and vicarious trauma, burnout, and compassion fatigue amongst staff. This will have a plethora of benefits, including higher staff satisfaction, increased staff morale, improved organisational reputation, less staff sickness, more staff retention, improved decision making, and better outcomes for our children, young people and the care experienced community.

Conclusion

TACT remains committed to continuous improvement and innovation. By providing foster carers and the children in their care with the highest standard of support, we aim to ensure that every child has the best possible opportunity to achieve their full potential

REVIEW OF THE FINANCIAL RESULTS

It has been another year of strong financial progress, with improvements in both cash and net asset positions. The TACT Group reported a surplus of £568k (2024: £1,174k). During the year, we continued to rebuild reserves while also reinvesting in the services we provide.

FCV Ltd reported a loss of £221k (2024 £203k) for the 8-month period to 31st March 2025, after making Gift Aid donations of £700k to TACT.

FCV Ltd contributed £1,271k of revenue and £396k of operating profit to the group results. The subsidiary continues to perform strongly in its core geography and remains integral to the group's strategy.

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A key area of focus has been supporting our carers and staff, who are central to the care and outcomes we deliver for young people. We invested over £800k during the year in a mix of one-off and recurrent expenditure, including enhancements to carer reward packages. This reflects our commitment to ensuring carers and staff feel valued and supported in their vital roles.

Our primary source of funding continues to be local authority-commissioned foster care placements. Activity levels declined by 5.1% (2024: 5.8%) compared with the prior year, reflecting the continued reduction in carer numbers and market share seen over recent years. Carer recruitment has become increasingly challenging, influenced in part by the wider cost-of-living pressures faced by families.

Stabilising activity is now a key priority, with a strong focus on recruitment and retention forming a central part of our new strategy for 2025/26. The impact of reduced activity was partly offset by a 6.1% increase in average weekly fees charged to local authorities, reflecting both placement churn and ongoing work to strengthen our fee proposition. Our pricing has moved from the lowest in the market to align with the sector mid-point, and we continue to monitor fee levels.

Looking ahead, we remain focused on maintaining financial resilience while continuing to invest in people, services, and infrastructure to strengthen outcomes for the children and young people in our care.

In conclusion, while we have delivered another positive financial performance, sustaining historic levels of activity remains difficult in the face of a highly challenging carer recruitment market. The significant progress made in strengthening the balance sheet and rebuilding reserves has been essential, ensuring that we are well positioned to address the new realities and challenges facing the fostering sector.

BALANCE SHEET

TACT ended the year with £7,065K (2024 £6,665K) of free reserves. The foster carer recruitment market remains challenging, and the Board of Trustees wish to ensure that TACT can weather any decline in activity but also be ready to invest in capital opportunities to drive growth including but not limited to Mergers and Acquisitions.

Foster Care Values Limited ended the year with £935K of retained profits (2024: £1,164K).

RESERVES POLICY

TACT is committed to ensuring appropriate reserve levels, sufficient to enable the organisation to maintain capacity and, significantly, to enable TACT to accommodate planned growth.

The primary aim of TACT's reserves policy is to preserve a level of 'free' reserves – the unrestricted funds not committed or invested in fixed assets [net of any associated liabilities]. TACT's approach from April 2023 is to maintain free reserves, equivalent to 25% percent of budgeted overhead expenditure £2,750K. This leaves a surplus of £4,315K.

The reserves policy also states that TACT should hold cash levels equivalent to two months of operating expenditure, or £4,129K. On 31 March 2025, this requirement was fully satisfied as cash levels were at £8,095K.

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From April 2025, the target is to maintain free reserves at £3,800K \pm 20% (i.e. within the range of £3,000k to £4,600k) and to hold readily available cash of £2,200K. On 31 March 2025 both new requirements were satisfied.

Having made strong progress during the year in improving the organisation's financial performance, it is essential that this positive trajectory is maintained so that funds can continue to be reinvested in the development and enhancement of our services.

The carer recruitment market remains challenging, and TACT is investing significantly in both recruitment and retention initiatives. Over the next 12–18 months, we plan to further strengthen our offer through the development of innovative services. In addition, the Executive Team is actively exploring opportunities for growth through carefully considered mergers and acquisitions.

Our reserves policy continues to be met. Following a review of sector conditions, associated risks, the year-on-year improvement in our financial position, and the foundations for continued progress, the Trustees remain confident that the charity will maintain compliance with its reserves policy over the coming year.

GOING CONCERN

Based upon reserves, the forecast for future trading, and the market environment, the Trustees consider that the Company has adequate resources to remain in operation for the foreseeable future and have, therefore, continued to adopt the going concern basis in preparing the financial statements.

FUTURE

After years of relative stability, inflationary pressures have become entrenched. What was initially thought to be a temporary post-Covid rebound has been compounded by global supply chain challenges, rising energy costs, and the ongoing effects of geopolitical tensions. This sustained inflation continues to impact our carers directly, increasing the cost of living for households, and places additional pressure on local authority budgets. These headwinds reinforce the importance of maintaining strong financial discipline while continuing to invest in carers and children.

As we enter 2025/26, inflationary pressures have begun to rise again from April 2025, reversing the easing seen in the prior year. This renewed increase places additional strain on household finances, particularly for our foster carers, many of whom are already managing the wider cost-of-living challenges. The impact of the cost-of-living crisis is still deeply felt, particularly among those on lower incomes. Economic hardship remains a key driver in the increasing number of children entering care, while also making it harder to attract and retain foster carers.

Recruitment and retention of foster carers remains the most urgent challenge facing the sector. The exit of experienced carers—many of whom have fostered for a decade or more—is outpacing new entrants, especially at a time when fostering is becoming more complex. In response, TACT is investing in the holistic support of carers through enhanced mental health and well-being services, as well as increased access to educational and health expertise for the children in their care. We are also reviewing our rewards framework and targeting new, untapped audiences in our recruitment activity.

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As a charity, we are actively pursuing external funding opportunities and grants to support innovation in carer support and recruitment. We continue to work closely with local authority commissioners and other partners to co-create practical solutions to the sector's systemic challenges. Looking ahead, TACT remains committed to ensuring that children and young people

in care are placed at the centre of everything we do—advocating for reform while delivering high-quality, value-driven services.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees meet regularly and, at least annually, review the risks to which the Charity is exposed. The risks are classified for review purposes, as follows:

Strategic and Governance

Risks associated with a strategy or organisational structure e.g. over-expansion, competitive threats, poor contractual arrangements.

Financial

Risks arising from the financial structure, insufficient funding, weak asset base, systems, and transactions of the business, e.g., failure to win tender applications.

Operational

Risks emerging from operational, administrative, processes and procedures, e.g., substantial technological disruption.

Regulatory and Political

Risks posed by potential or actual changes in the regulatory and political environment, e.g. failure to comply with minimum standards, serious case review.

Reputational

Risks to the perceived quality or brand of TACT, e.g. failing Ofsted inspection.

Information Security

Risks associated with the breach or loss of restricted or personal sensitive data, or infringement of privacy, e.g. the loss of a child's historic file, cyber-attack.

RISK ASSESSMENT

TACT views risk in the context of the **likelihood** of an adverse outcome that is worse than expected, and where the potential **impact** of such an outcome is very significant. Known or

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identified risks are colour-coded in terms of severity – Red - Amber - Green (otherwise known as a RAG rating). This will be used to reflect the combination of likelihood, and impact of the severity of each risk. Risk is also viewed as a missed opportunity to add value to the organisation. The risk framework sets out the controls in place to avert risk and will be pursued by officers with the relevant assigned responsibilities.

RISK CONTROLS

The Trustees ensure that a robust risk management policy is in place, as well as associated policies and procedures e.g., business continuity, information security, health, and safety. Performance indicators, and the associated reporting processes, are in place to manage and mitigate identified and potential risks. The Trustees regularly approve a delegation of authority process, which enables Executive action to be undertaken on their behalf, should any material risks arise and require action.

RISK MINIMISATION

The Trustees annually review TACT's risk management framework in detail and focus on those risks to which the Charity is pre-eminently exposed. The risks are classified for review purposes. The reputational and political risks are minimised through the frequent validation and quality inspections undertaken by our regulators, e.g. Ofsted. Also, quality tests such as Customer Service Excellence, Investors in People, and the Sunday Times Best 100 companies, in which TACT participates and succeeds, will help to reduce the likelihood of these risks.

Internal scrutiny through external audits (financial) foster carer reviews, supervision, appraisals and training, all assist with risk minimisation. Finally, through its sub-committees, 'Finance, Audit and Risk' and 'Safeguarding and Children's Services', the Trustees ensure that relevant operational matters are regularly scrutinised, to provide comfort to the main Board that attendant risks are identified and addressed.

KEY RISKS

The Trustees have identified the principal risks as:

Workforce Development

Nationally, we have more job vacancies than people seeking work. Brexit, the impact of Covid, and a richer post fifty population not needing to work as much, has led to a contraction in the workforce. Demand for services we provide continues to be strong, and the impact of extended lockdown restrictions and financial pressures on families is yet to be fully understood, with potentially increasing demand for more complex placements than previously. It is important we need to continue to invest in developing, supporting, and training our staff and carers to be able to support these young people in the future. Ability to recruit and retain in a labour market with scarcity will be challenging, and risk to quality of service will be heightened. Paying more, or looking at new models of delivering service, will be key.

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Foster Carer Recruitment

The key to our business model is having a pool of foster carers, with the requisite training and skills to be able to provide good quality placement opportunities to local authorities. Attracting and retaining these highly skilled and committed carers is critical. We are developing our offer to attract more new carers, and to support them in their journeys.

Competition Risk

The fostering marketplace is still fragmented, but recent years have seen the emergence of large private equity backed operators who have been driving consolidation in the independent providers' market. Local authorities act as both commissioners and providers of foster care placements. Differentiation in a crowded market becomes increasingly difficult. We continue to differentiate our offer in terms of the quality of services, stability of placements, and our commitment to helping young people achieve their aspirations through support, pre and post eighteen, within the TACT family. Placing young people's outcomes at the heart of everything we do and continuing to invest in services that contribute to support these through our fundraised initiatives, gives TACT a unique opportunity to develop its brand and offering.

Liquidity Risk

Cash flow and financial projections with associated risks are routinely scrutinised by the Finance, Audit & Risk Committee.

Cyber and Technological Risk

The increasing reliance on technology, move to home working, and the increase in cyber-attacks worldwide, presents additional challenges in protecting our data and systems from attack. We continue to proactively monitor our systems and strengthen our controls in this area.

ASSET COVER FOR FUNDS

Note 16 and 17 sets out analysis of the assets attributable to the various funds, and a description of the funds. These assets are sufficient to meet the Charity's obligations on a fund-by-fund basis.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the Trustees has confirmed that they are not aware of any information which is relevant to the audit, of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information, and to establish that the auditors are aware of such information.

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AUDITORS

HW Fisher Audit were appointed auditors to the company, and in accordance with Section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

The Board of Trustees Report, and the Strategic Report, have been approved by the Board of Trustees.

Signed:

Bert O'Donoghue

.....
Bert O'Donoghue (Chair)
Trustee

Date: 24 Dec 2025

THE ADOLESCENT AND CHILDREN'S TRUST **(A COMPANY LIMITED BY GUARANTEE)** **STATEMENT OF TRUSTEES RESPONSIBILITIES**

The Charity's Trustees (who are also the directors of The Adolescent and Children's Trust for the purposes of company law) are responsible for preparing a Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the Charity Trustees to prepare Financial Statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 (Statement of Recommended Practice);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable group 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 Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006, Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charity and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the Charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in the other jurisdictions.

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AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE ADOLESCENT AND CHILDREN'S TRUST

Opinion

We have audited the financial statements of the Adolescent and Children's Trust (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Statement of Cash Flows, and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and parent charity's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 as amended).

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the Group and parent 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and

THE ADOLESCENT AND CHILDREN'S TRUST
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Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditors report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information contained within the annual report and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- The information given in the Trustees' Report, which includes the Directors' Report and Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report (as well as the Directors' Report) included within the Trustees' Report.

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We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charity's 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees, who are also the Directors of the Charity for the purpose of company law, 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 the directors 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 group's and parent 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected, or alleged fraud. The group and charity did not inform us of any known, suspected, or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the group and charity. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006, the Charities and Trustees (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).
- We considered the incentives and opportunities that exist in the group and charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the group and charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing and challenging the assumptions and judgements used by management in their estimates in respect of the amortisation of the goodwill on acquisition of the subsidiary.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets, and liabilities between unrestricted, designated and restricted funds.
- Testing all material consolidation adjustments.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the Charity's board minutes, for discussions of irregularities including fraud.
- Obtaining third-party confirmation of bank balances.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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AUDITOR'S REPORT

Use of our report

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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Carol Rudge

Carol Rudge (Senior Statutory Auditor)

for and on behalf of HW Fisher Audit

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

United Kingdom

NW1 3ER

24 Dec 2025

Date.....

THE ADOLESCENT AND CHILDREN'S TRUST (A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2025

| | Note | Unrestricted funds £'000 | Restricted funds £'000 | Total funds 2025 £'000 | Total funds 2024 £'000 |
|---|-----------|--------------------------------|------------------------------|---------------------------------|---------------------------------|
| Income from: | | | | | |
| Donations | 1 | - | 6 | 6 | 6 |
| Charitable activities | 2 | 27,400 | 7 | 27,407 | 26,156 |
| Other income | 2 | 38 | - | 38 | 3 |
| Investments – Bank Interest | 2 | 306 | - | 306 | 213 |
| Total income | | 27,744 | 13 | 27,757 | 26,378 |
| Expenditure on: | | | | | |
| <i>Raising funds:</i> | | | | | |
| Costs of generating donations | | - | - | - | 78 |
| <i>Charitable activities:</i> | | | | | |
| Foster care | | 27,182 | 7 | 27,189 | 25,873 |
| Reversal of foster care costs provision | 3 | - | - | - | (747) |
| Total expenditure | 3 | 27,182 | 7 | 27,189 | 25,204 |
| Net Income and net movement in funds | | 562 | 6 | 568 | 1,174 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 16 | 9,117 | 79 | 9,196 | 8,022 |
| Total funds carried forward | 16 | 9,679 | 85 | 9,764 | 9,196 |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

During the post-acquisition period a profit of £304K was earned by Foster Care Values Limited, a trading subsidiary. Foster Care Values Limited has undertaken to donate all profits to TACT - £700K was donated to TACT as a distribution in the period. Refer to note 20.

No separate income and expenditure account is presented for the parent company in accordance with the provisions of s.408 of the Companies Act 2006.

The total income of the parent company is £27,221K (2024: £26,378K). The surplus reported in the accounts of the parent company is £1,010K (2024: £1,174K).

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Prior year comparatives (Parent Only)

| | Note | Unrestricted funds £'000 | Restricted funds £'000 | Total funds 2024 £'000 |
|---|------|--------------------------------|------------------------------|---------------------------------|
| Income from: | | | | |
| Donations | 1 | - | 6 | 6 |
| Charitable activities | 2 | 25,960 | 196 | 26,156 |
| Other income | 2 | 3 | - | 3 |
| Investments | 2 | 213 | - | 213 |
| Total income | | 26,176 | 202 | 26,378 |
| Expenditure on: | | | | |
| <i>Raising funds:</i> | | | | |
| Costs of generating donations | | 78 | - | 78 |
| <i>Charitable activities:</i> | | | | |
| Foster care | | 25,665 | 208 | 25,873 |
| Reversal of foster care costs provision | | (747) | - | (747) |
| Total expenditure | 3 | 24,996 | 208 | 25,204 |
| Net income and net movement in funds | | 1,180 | (6) | 1,174 |
| Reconciliation of funds: | | | | |
| Total funds brought forward | 16 | 7,937 | 85 | 8,022 |
| Total funds carried forward | 16 | 9,117 | 79 | 9,196 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

Company registration number: 02779751
 CONSOLIDATED AND CHARITY BALANCE SHEETS
 AS AT 31 MARCH 2025

| | Note | 2025 Group £'000 | 2025 Charity £'000 | 2024 Group £'000 | 2024 Charity £'000 |
|--|------|------------------------|--------------------------|------------------------|--------------------------|
| Fixed assets: | | | | | |
| Tangible assets | 10 | 2 | - | 150 | 150 |
| Investment in Subsidiary | 11 | - | 3,990 | - | - |
| Goodwill | 19 | 2,612 | - | - | - |
| Current assets: | | | | | |
| Debtors | 12 | 2,611 | 2,439 | 3,446 | 3,446 |
| Cash at bank and in hand | | 8,095 | 7,280 | 8,225 | 8,225 |
| <i>Total current assets</i> | | 10,706 | 9,719 | 11,671 | 11,671 |
| Liabilities: | | | | | |
| Creditors: Amounts falling due within one year | 13 | (2,996) | (2,943) | (2,625) | (2,625) |
| <i>Net current assets</i> | | 7,710 | 6,776 | 9,046 | 9,046 |
| Creditors: amounts falling due after one year | 14 | (560) | (560) | - | - |
| Total net assets | | 9,764 | 10,206 | 9,196 | 9,196 |
| The funds of the Charity: | | | | | |
| Restricted funds | 16 | 85 | 85 | 79 | 79 |
| Unrestricted funds | | | | | |
| - General funds | | 9,679 | 10,121 | 6,815 | 6,815 |
| - Designated funds | | - | - | 2,302 | 2,302 |
| <i>Total Unrestricted funds</i> | | 9,679 | 10,121 | 9,117 | 9,117 |
| Total funds | | 9,764 | 10,206 | 9,196 | 9,196 |

The surplus for the financial year, dealt within the financial statements of the parent charity, with company no. 02779751, was £1,010K after donations from its subsidiary (Foster Care Values LTD)

The notes at pages 30 to 47 form part of these financial statements.

Bert O'Donoghue

.....
 Bert O'Donoghue (Chair)

Trustee

M C Scott

.....
 M. Scott (Treasurer)

Trustee

24 Dec 2025

Approved by the Trustees on

THE ADOLESCENT AND CHILDREN'S TRUST
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

| | Note | 2025 £'000 | 2024 £'000 |
|---|-----------|----------------|---------------|
| Cash flows from operating activities | 18 | 1,164 | 29 |
| Cash flows from investing activities: | | | |
| Proceeds from the sale of property | | 174 | - |
| Acquisition of Subsidiary net of cash acquired | 22 | (1,468) | - |
| Cash invested | | - | 1,672 |
| Net Cash provided by investing activities | | (1,294) | 1,672 |
| Change in cash and cash equivalents in the year | | (130) | 1,701 |
| Cash and cash equivalents at the beginning of the year | | 8,225 | 6,524 |
| Cash and cash equivalents at the end of the year | | 8,095 | 8,225 |

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting Policies

TACT is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 98 Station Road, Sidcup, Kent, DA15 7BY.

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

1.1 Basis of preparation

The financial statements have been prepared in accordance with the company's Memorandum & Articles of Association, the Companies Act 2006, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and "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 (FRS102) (effective 1 January 2019).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

1.2 Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiary Foster Care Values Limited ("FCV") and are referred to as "the Group".

All group companies are incorporated in the United Kingdom with a registered address and principal address of 98 Station Road, Sidcup, Kent, DA15 7BY. The results of the subsidiary are consolidated on a line-by-line basis and include the elimination of intercompany balances. The charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006.

As a qualifying entity, the parent charity has taken advantage of the Reduced Disclosure exemption under FRS 102 to not prepare a statement of cash flows.

1.3 Investment in Subsidiary

On 1 October 2024, TACT acquired 100% of the issued share capital of Foster Care Values Limited, a company incorporated in England and Wales. The purpose of the acquisition was to strengthen the charity's presence in North Wales and generate additional unrestricted income to support its charitable objectives.

In the parent company's financial statements, investments in subsidiary undertakings are stated at cost less any provision for impairment. Cost includes the purchase price and any directly attributable costs of acquisition. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. Any impairment loss is recognised in profit or loss.

The results of the subsidiary have been included in the consolidated financial statements from the date of acquisition to the reporting date (31 March 2025).

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1.4 Goodwill

Goodwill arising on consolidation is capitalised and amortised on a straight-line basis over its estimated useful economic life of ten years. The carrying value is reviewed annually for indicators of impairment.

1.5 Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

1.6 Going concern

The Trustees receive regular updates on current and forecast trading taking into account risks within the overall market and anticipated costs pressures and investment funds. These projections are scrutinised by Finance Audit and Risk Committee (FARC) and consider sensitivities to the projections and the impact on cash reserves. Based on these forecasts and the reserves maintained the Trustees are confident that the Charity can continue as a going concern for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.7 Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from foster carer fees is accounted for on a receivable basis.

Income from government or other grants, whether 'capital' grants or 'revenue' grants is recognised by following the performance model, when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Investment income is recognised on a receivable basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

Government grants are recognised at the fair value of the amount received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

1.8 Payment from a trading subsidiary under Gift Aid

Foster Care Values Limited has adopted a policy of paying all its taxable profits to its parent charity, TACT under a deed of covenant utilising Gift Aid.

These gift aid payments are recognised in Foster Care Values Limited as distribution through equity in the financial period in which the profits arise.

TACT recognises the income in the period in which the profits of the subsidiary arise

1.9 Expenditure

Expenditure including redundancy and termination payments 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. Irrecoverable VAT is charged as

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a cost against the activity for which the expenditure was incurred. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise those costs associated with attracting voluntary income, in particular grant funding.
- Expenditure relating to foster care, Campaigning & Policy and Research are those elements of expenditure directly incurred in performing these activities. It also includes allocated support costs relating to this activity.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

1.10 Allocation of support costs

Resources expended are allocated to the activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned in the same proportion as direct costs.

1.11 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities not readily apparent from other sources.

The Trustees are satisfied that there are no significant estimates or assumptions in the financial statements except for those associated with the recognition and measurement of the £1.4m earn-out liability arising on the acquisition of Foster Care Values limited and the amortising of the Goodwill over ten years (refer to note 19).

- **Goodwill amortisation**

Goodwill arising on acquisition is amortised over 10 years, reflecting the Trustees' judgement of the period over which the benefits of the acquisition are expected to be realised. This assessment considered the long-term nature of local authority commissioning arrangements, expected placement stability and the integration of the subsidiary within the Group. Alternative amortisation periods were considered but were not deemed to appropriately reflect the expected pattern of benefits.

- **Contingent consideration (earn-out)**

A liability of £1.4m has been recognised in respect of contingent consideration. This represents the Trustees' best estimate of the fair value of expected future payments based on forecast post-acquisition performance.

1.12 Tangible fixed assets and depreciation

Items of equipment are capitalised where the purchase price exceeds £5,000. Depreciation costs are allocated to activities based on the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates

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calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

| | |
|-----------------------------------|-------------------------|
| Leasehold property | 2% straight line |
| Fixtures, fittings, and equipment | 25-33.33% straight line |

1.13 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered and provision for bad and doubtful debts. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.14 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.16 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. These financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.17 Pensions

For defined-contribution schemes, the amount charged to the SoFA in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Any difference between the charge to the SoFA and the contributions payable to the scheme is shown as an asset or a liability in the balance sheet.

1.18 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds are earmarked by the Trustees for a specific purpose.

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1 Income From Donations

| | Unrestricted £'000 | Restricted £'000 | 2025 £'000 | 2024 £'000 |
|-----------|-----------------------|---------------------|---------------|---------------|
| Donations | - | 6 | 6 | 6 |
| | - | 6 | 6 | 6 |

2. Income

| | Unrestricted funds 2025 £'000 | Restricted funds 2025 £'000 | Total 2025 £'000 | Unrestricted funds 2024 £'000 | Restricted funds 2024 £'000 | Total 2024 £'000 |
|----------------|--|--------------------------------------|------------------------|--|--------------------------------------|------------------------|
| Fostering Fees | 27,400 | - | 27,400 | 25,960 | - | 25,960 |
| Grants | - | 7 | 7 | - | 196 | 196 |
| | 27,400 | 7 | 27,407 | 25,960 | 196 | 26,156 |

Other Income

| | 2025 £'000 | 2024 £'000 |
|---------------------------------------|---------------|---------------|
| Net gain on disposals of fixed assets | 27 | - |
| Other income | 11 | 3 |
| | 38 | 3 |

Investment Income

| | 2025 £'000 | 2024 £'000 |
|-------------------|---------------|---------------|
| Investment Income | 306 | 213 |
| | 306 | 213 |

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3. Analysis of expenditure

| | Raising Funds | Foster Care | Governance Costs | Support Costs | Total 2025 | Total 2024 |
|---|--------------------------|--------------------|-----------------------------|--------------------------|-----------------------|-----------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff Costs (Note 5) | - | 5,018 | - | 4,508 | 9,526 | 8,697 |
| Fees and reimbursements paid to foster carers | - | 15,016 | - | - | 15,016 | 14,252 |
| Training costs | - | 149 | - | 120 | 269 | 241 |
| Professional fees | - | - | - | 216 | 216 | 405 |
| Legal fees | - | - | 41 | - | 41 | 33 |
| Audit and accountancy fees | - | - | 85 | - | 85 | 60 |
| Trustee meeting expenses | - | - | - | 26 | 26 | 41 |
| Depreciation | - | - | - | 3 | 3 | 4 |
| Amortisation of Goodwill (Note 19) | - | - | - | 137 | 137 | - |
| Other costs | - | 701 | - | 1,169 | 1,870 | 1,471 |
| | - | 20,884 | 126 | 6,179 | 27,189 | 25,204 |
| Governance costs | - | 126 | (126) | - | - | - |
| Support costs | - | 6,179 | - | (6,179) | - | - |
| | - | 27,189 | - | - | 27,189 | 25,204 |

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Prior year comparatives

| | Raising Funds | Foster Care | Governance Costs | Support Costs | Total 2024 |
|--|--------------------------|--------------------|-----------------------------|--------------------------|-----------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff Costs (Note 5) | 61 | 4,660 | - | 3,976 | 8,697 |
| Fees and reimbursements paid to foster carers | - | 14,252 | - | - | 14,252 |
| Training costs | - | 136 | - | 105 | 241 |
| Professional fees | - | - | - | 405 | 405 |
| Legal fees | - | - | 33 | - | 33 |
| Audit and accountancy fees | - | - | 60 | - | 60 |
| Trustee meeting expenses | - | - | - | 41 | 41 |
| Depreciation | - | - | - | 4 | 4 |
| Other costs | - | 646 | - | 825 | 1,471 |
| | 61 | 19,694 | 93 | 5,356 | 25,204 |
| Governance costs | - | 93 | (93) | - | - |
| Support costs | 17 | 5,339 | - | (5,356) | - |
| | 78 | 25,126 | - | - | 25,204 |

During the prior period, agreement was reached to settle a longstanding contractual dispute at a cost of £575K. This resulted in the release of a provision made in prior years in the sum of £1,322K. Foster care costs of £14,252K above are net of the reversal of the provision of £747K (shown separately on the SOFA) and for the year ended 31 March 2024 the surplus for the year, before the write back of the provision, was £427K.

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4. Net income for the year

This is stated after charging:

| | 2025 £'000 | 2024 £'000 |
|--|---------------|---------------|
| Depreciation | 3 | 4 |
| Amortisation of Goodwill | 137 | - |
| Auditors remuneration – Charitable Company | 68 | 47 |
| Auditors remuneration – Subsidiary | 17 | - |
| Auditors remuneration – 2023 under provision | - | 13 |

5. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

| | 2025 £'000 | 2024 £'000 |
|----------------------------------|---------------|---------------|
| Wages and salaries | 8,262 | 7,541 |
| Social security costs | 819 | 726 |
| Pension | 416 | 373 |
| Redundancy and termination costs | 29 | 57 |
| | 9,526 | 8,697 |

Included within staff costs are £370K (2024: £286K) of costs relating to agency staff.

The number of Group employees whose annual emoluments were £60K or more were:

| | 2025 Number | 2024 Number |
|-------------------|----------------|----------------|
| £60,000- £69,999 | 14 | 13 |
| £70,000- £79,999 | 4 | 3 |
| £80,000- £89,999 | 2 | 0 |
| £90,000- £99,999 | 2 | 2 |
| £110,000-£119,999 | 2 | 1 |
| £120,000-£129,999 | 1 | 1 |
| £140,000-£149,999 | - | - |
| £150,000-£159,999 | 1 | 1 |

The key management personnel of the Charity comprise the Trustees and Senior Leadership Team, as detailed on page 3 of the Trustees' report. The total employee benefits of the key management personnel of the Group were £852K (2024- £701K).

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6. Trustees

None of the Trustees (or any person connected with them) received any remuneration during the year in their capacity as Trustees.

2 Trustees (2024 – 6) were either reimbursed for or had expenses relating to travel and accommodation paid on their behalf by the Charity of less than £1K in total, (2024 - £2K). There were no other related party transactions during the year.

7. Staff Numbers

The average monthly head count of employees during the year was as follows:

| | 2025 Number | 2024 Number |
|-------------|----------------|----------------|
| Fundraising | - | 1 |
| Fostering | 124 | 109 |
| Support | 104 | 94 |
| | 228 | 204 |

8. Pension and other post-retirement benefit commitments

The Charitable Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charitable Group in an independently administered fund. The pension cost charge represents contributions payable by the Charitable group to the fund.

| | 2025 £'000 | 2024 £'000 |
|--|---------------|---------------|
| Contributions payable by the Charitable Group for the year | 416 | 373 |

9. Corporation tax

As a charity, The Adolescent and Children's Trust is exempt from UK tax on income and gains to the extent that these are applied to its charitable objects. No UK tax charges have arisen in the Charity, during the year or the previous year.

However, taxation arises on the trading activities carried out by its wholly owned subsidiary, Foster Care Values Limited. The subsidiary has donated its taxable profits to the parent charity in line with its deed of covenant. As a result, no corporation tax charge arises for the subsidiary, as its distributable profits are donated before the tax becomes payable.

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10. Tangible fixed assets

Group

| | Leasehold land and buildings £'000 | Computers & Equipment £'000 | Fixtures & Fittings £'000 | Motor vehicles £'000 | Total £'000 |
|-----------------------|---|-----------------------------------|---------------------------------|----------------------------|----------------|
| Cost: | | | | | |
| As at 1 April 2024 | 280 | 12 | 3 | 18 | 313 |
| Additions | - | - | - | - | - |
| Disposals | (280) | - | - | (18) | (298) |
| As at 31 March 2025 | - | 12 | 3 | - | 15 |
| Depreciation: | | | | | |
| As at 1 April 2024 | 130 | 11 | 2 | 11 | 154 |
| On disposals | (133) | - | - | (11) | (144) |
| Charge for year | 3 | - | - | - | 3 |
| As at 31 March 2025 | - | 11 | 2 | - | 13 |
| Net book value | | | | | |
| As at 31 March 2025 | - | 1 | 1 | - | 2 |
| As at 31 March 2024 | 150 | - | - | - | 150 |

Charity

| | Leasehold land and buildings £'000 | Total £'000 |
|-----------------------|--|----------------|
| Cost: | | |
| As at 1 April 2024 | 280 | 280 |
| Additions | - | - |
| Disposals | (280) | (280) |
| As at 31 March 2025 | - | - |
| Depreciation: | | |
| As at 1 April 2024 | 130 | 130 |
| On disposals | (133) | (133) |
| Charge for year | 3 | 3 |
| As at 31 March 2025 | - | - |
| Net book value | | |
| As at 31 March 2025 | - | - |
| As at 31 March 2024 | 150 | 150 |

All assets were used for charitable purposes.

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11. Investment in Subsidiary

The company owns 100% of the ordinary share capital of its subsidiary, Foster Care Values Limited, which is registered in England and Wales, and whose activity is fostering. A Gift Aid distribution of £700K was paid to the parent.

All of the directors of Foster Care Values Limited are executives and senior managers of TACT.

Parent's Balance Sheet

| | £'000 |
|--------------------|--------------|
| Consideration paid | 3,990 |
| Book Value | <u>3,990</u> |

12. Debtors

| | 2025 Group £'000 | 2025 Company £'000 | 2024 Company £'000 |
|--------------------------------|------------------------|--------------------------|--------------------------|
| Trade debtors | 2,102 | 1,906 | 2,817 |
| Other debtors | 6 | 39 | 14 |
| Prepayments and accrued income | 503 | 494 | 615 |
| | <u>2,611</u> | <u>2,439</u> | <u>3,446</u> |

13. Creditors: amounts falling due within one year

| | 2025 Group £'000 | 2025 Company £'000 | 2024 Company £'000 |
|------------------------------------|------------------------|--------------------------|--------------------------|
| Trade creditors | 244 | 232 | 321 |
| Taxation and social security costs | 194 | 194 | 186 |
| Other creditors | 931 | 931 | 104 |
| Children Savings | 525 | 525 | 452 |
| Accruals and deferred income | 1,102 | 1,061 | 1,542 |
| Termination costs | - | - | 20 |
| | <u>2,996</u> | <u>2,943</u> | <u>2,625</u> |

Children Savings refers to monies saved on behalf of children and the corresponding amount is held in a separate ring-fenced HSBC bank account.

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14. Creditors: Amount falling due after more than one year

| | 2025 Group £'000 | 2025 Company £'000 | 2024 Company £'000 |
|-----------------|------------------------|--------------------------|--------------------------|
| Other Creditors | 560 | 560 | - |

15. Deferred income

| | 2025 Group £'000 | 2025 Company £'000 | 2024 Company £'000 |
|----------------------|------------------------|--------------------------|--------------------------|
| Brought forward | 29 | 29 | 124 |
| Released in the year | - | - | (222) |
| Recognised in year | - | - | 127 |
| Carried forward | <u>29</u> | <u>29</u> | <u>29</u> |

Deferred income represents funds received in 2024-25 for delivery of services in 2025-26.

16. Movements in funds (current year - Group)

| | Balance as at 1 April 2024 £'000 | Transfers between Funds £000 | Income and gains £'000 | Expenditure and losses £'000 | Balance as at 31 March 2025 £'000 |
|--------------------------------------|--|---------------------------------------|---------------------------------|------------------------------------|--|
| Restricted income funds | | | | | |
| Donations for children's activities | 79 | - | 6 | - | 85 |
| Big Lottery Fund | - | - | 7 | (7) | - |
| Total restricted income funds | <u>79</u> | <u>-</u> | <u>13</u> | <u>(7)</u> | <u>85</u> |
| Unrestricted funds | | | | | |
| - General funds | 6,815 | 1,910 | 27,744 | (26,790) | 9,679 |
| - Designated funds | | | | | |
| o Capital Fund | 1,200 | (1,200) | - | - | - |
| o Transformation Fund | 1,102 | (710) | - | (392) | - |
| Total unrestricted funds | <u>9,117</u> | <u>-</u> | <u>27,744</u> | <u>(27,182)</u> | <u>9,679</u> |
| Total funds | <u>9,196</u> | <u>-</u> | <u>27,757</u> | <u>(27,189)</u> | <u>9,764</u> |

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Movements in funds (current year - Company)

| | Balance as at 1 April 2024 £'000 | Transfers between Funds £000 | Income and gains £'000 | Expenditure and losses £'000 | Balance as at 31 March 2025 £'000 |
|--------------------------------------|---|---------------------------------------|---------------------------------|------------------------------------|--|
| Restricted income funds | | | | | |
| Donations for children's activities | 79 | - | 6 | - | 85 |
| Big Lottery Fund | - | - | 7 | (7) | - |
| Total restricted income funds | 79 | - | 13 | (7) | 85 |
| Unrestricted funds | | | | | |
| - General funds | 6,815 | 1,910 | 27,208 | (25,812) | 10,121 |
| - Designated funds | | | | | |
| o Capital Fund | 1,200 | (1,200) | - | - | - |
| o Transformation Fund | 1,102 | (710) | - | (392) | - |
| Total unrestricted funds | 9,117 | - | 27,208 | (26,204) | 10,121 |
| Total funds | 9,196 | - | 27,221 | (26,211) | 10,206 |

Movement in funds (prior year - Company)

| | Balance as at 1 April 2023 £'000 | Transfers between Funds £000 | Income and gains £'000 | Expenditure and losses £'000 | Balance as at 31 March 2024 £'000 |
|--------------------------------------|--|---------------------------------------|---------------------------------|------------------------------------|--|
| Restricted income funds | | | | | |
| Donations for children's activities | 85 | - | 6 | (12) | 79 |
| Skills to Care | - | - | 1 | (1) | - |
| Big Lottery Fund | - | - | 195 | (195) | - |
| Total restricted income funds | 85 | - | 202 | (208) | 79 |
| Unrestricted funds | | | | | |
| - General funds | 5,109 | 128 | 26,176 | (24,598) | 6,815 |
| - Designated funds | | | | | |
| o Capital Fund | 1,200 | - | - | - | 1,200 |
| o Transformation Fund | 1,500 | - | - | (398) | 1,102 |
| o YP Fund | 100 | (100) | - | - | - |
| o Adoption Fund ** | 28 | (28) | - | - | - |
| Total unrestricted funds | 7,937 | - | 26,176 | (24,996) | 9,117 |
| Total funds | 8,022 | - | 26,378 | (25,204) | 9,196 |

** TACT ended its adoption services a number of years ago

Purposes of restricted funds

The donations for children's activities fund relate to amounts received to be spent for the benefit of children in care.

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Skills to care fund provides funding for training staff on specialist equipment.

Big Lottery Fund is provided to support our TACT Connect offering for care leavers.

Purposes of designated funds

Capital Fund. Following a review of the Charity's property portfolio the Trustees decided during 2018/19 to divest itself of its estate which was deemed no longer fit for purpose and to use the monies raised to reinvest back into property assets or other capital purposes in the future which would support the ongoing operations of the charity. A programme of disposals commenced in March 2019 and cash receipts were designated. This is now fully utilised as part of the subsidiary acquisition.

Transformation & Innovation Fund. The Trustees have decided that this fund will be used to increase our capacity to meet our strategic goals of becoming Trauma Informed, assist us in being able to look after children who bring more complexity, increase service innovation and enable process improvement. TACT has met its strategic objectives, and remaining funds have been un-designated.

YP Fund. This year the Trustees took the decision to move the YP budget back within the remit of the area teams and keep track of it that way.

17. Analysis of net assets between funds (Group)

Fund balances at 31 March 2025 are represented by:

| | Unrestricted funds 2025 £'000 | Restricted funds 2025 £'000 | Total Funds 2025 £'000 |
|---------------------------------|--|--------------------------------------|---------------------------------|
| Tangible fixed assets | 2 | - | 2 |
| Goodwill | 2,612 | - | 2,612 |
| Current assets | 10,621 | 85 | 10,706 |
| Creditors of less than one year | (2,996) | - | (2,996) |
| Creditors of more than one year | (560) | - | (560) |
| | 9,679 | 85 | 9,764 |

Analysis of net assets between funds (Company)

Fund balances at 31 March 2025 are represented by:

| | Unrestricted funds 2025 £'000 | Restricted funds 2025 £'000 | Total Funds 2025 £'000 |
|---------------------------------|--|--------------------------------------|---------------------------------|
| Investment in Subsidiary | 3,990 | - | 3,990 |
| Current assets | 9,634 | 85 | 9,719 |
| Creditors of less than one year | (2,943) | - | (2,943) |

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| | | | |
|---------------------------------|---------------|-----------|---------------|
| Creditors of more than one year | (560) | - | (560) |
| | 10,121 | 85 | 10,206 |

Fund balances at 31 March 2024 were represented by:

| | Unrestricted funds 2024 £'000 | Restricted funds 2024 £'000 | Total Funds 2024 £'000 |
|---------------------------------|--|--------------------------------------|---------------------------------|
| Tangible fixed assets | 150 | | 150 |
| Current assets | 11,592 | 79 | 11,671 |
| Creditors of less than one year | (2,625) | - | (2,625) |
| | 9,117 | 79 | 9,196 |

18. Reconciliation of cashflows from operating activities

| | 2025 £'000 | 2024 £'000 |
|--|---------------|---------------|
| Net (expenditure) / income for the reporting period | 568 | 1,174 |
| Depreciation charges | 3 | 4 |
| Amortisation of Goodwill | 137 | - |
| Impairment of Fixed Assets | - | 62 |
| Other Adjustments | 9 | - |
| Loss / (profit) on sale of fixed assets | (27) | - |
| (Increase) / decrease in debtors | 835 | (118) |
| Increase / (decrease) in creditors | 931 | (1,093) |
| Adjustment for FCV acquisition | (1,292) | - |
| | - | - |
| Net cash provided by / (used in) operating activities | 1,164 | 29 |

19. Goodwill

Goodwill arose on the acquisition of FCV (1st October 2024) and is amortised on a straight-line basis over ten years, in line with FRS 102 and the Charity SORP.

| | £'000 |
|-------------------------------------|--------------|
| Consideration paid | 3,990 |
| Less net assets at acquisition date | (1,241) |
| Goodwill at acquisition | 2,749 |
| Amortisation charged for the year | (137) |
| Goodwill at reporting date | 2,612 |

The total consideration for the acquisition was £3,990k, comprising:

- £2,590k paid in cash at completion, and

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- £1,400k recognised as a contingent earn-out liability, payable subject to post-acquisition performance conditions.

No non-cash assets were transferred as part of the consideration

The fair values of assets and liabilities recognised at the acquisition date were:

| | £'000 |
|--------------------------------|---------------------|
| Tangible fixed assets | 10 |
| Debtors | 277 |
| Cash at bank | 1,122 |
| Creditors: due within one year | <u>(68)</u> |
| Net assets acquired | <u><u>1,241</u></u> |

20. Subsidiary

Foster Care Values Limited:

The wholly owned trading subsidiary, Foster Care Values Limited (Company Number 08405979) is incorporated and registered in England and Wales and its principal activity is the provision of fostering services in North Wales.

The assets and liabilities of the subsidiary at the balance sheet date were:

| | £'000 |
|---------------------|-------------------|
| Current assets | 1,024 |
| Current liabilities | <u>(87)</u> |
| Total net assets | <u><u>937</u></u> |

Income & Expenditure from operation of Foster Care Values Limited (post-acquisition):

| | £'000 |
|---------------------------|-------------------|
| Turnover | 1,271 |
| Cost of sales | <u>(684)</u> |
| Gross Profit | 587 |
| Admin Expenses | <u>(288)</u> |
| Operating profit | 299 |
| Interest receivable | <u>5</u> |
| Profit before tax | 304 |
| Corporation Tax recovered | <u>92</u> |
| Profit after tax | <u><u>396</u></u> |

Corporation tax recovered relates to £65K prior year and £27K current year pre acquisition estimate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

All transactions between the Charity and the subsidiary are eliminated on consolidation. The following amounts relate to transactions and balances before consolidation:

Transactions during the year

- Donation under Gift Aid: The subsidiary donated £700K of its taxable profits to the Charity under a Deed of Covenant.
- Management charges: The Charity charged the subsidiary £34k for management, governance and back-office support services.

Year-end balances

At 31 March 2025 the following balances were outstanding:

- Amount due from Foster Care Limited to the Charity: £34K
- Amount due to Foster Care Limited from the Charity: Nil

21. Analysis of changes in Net Funds/(Debt)

The Group had no debt or external borrowings during the year (prior year: £nil).

22. Consideration for Foster Care Values Limited at 30 September 2024

| | £'000 |
|-----------------------------|--------------|
| Cash | 2,535 |
| Contingent Consideration | 1,400 |
| Directly attributable costs | 55 |
| Total Consideration | <u>3,990</u> |

For cash flow disclosure purpose the amounts are disclosed as follows:

| | |
|-----------------------------|----------------|
| Cash consideration | 2,535 |
| Directly attributable costs | 55 |
| Less cash acquired | <u>(1,122)</u> |
| | <u>1,468</u> |



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Parties involved with this document

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| Wed, 24th Dec 2025 10:17:25 GMT | Carol Rudge - Signer (c0205ebc2bf84538d6daf451aeff224c) |
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| Wed, 24th Dec 2025 9:15:31 GMT | Michael Scott signed the envelope (146.75.168.87) |
| Wed, 24th Dec 2025 9:15:31 GMT | Sent the envelope to Bert O'Donoghue (Chair@tactcare.org.uk) for signing (146.75.168.87) |
| Wed, 24th Dec 2025 9:15:31 GMT | Document emailed to Chair@tactcare.org.uk |
| Wed, 24th Dec 2025 9:16:50 GMT | Bert O'Donoghue opened the document email. (66.249.93.68) |
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| Wed, 24th Dec 2025 9:22:08 GMT | Document emailed to crudge@hwfisher.co.uk |
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| Wed, 24th Dec 2025 10:17:26 GMT | Sent the envelope to Liam King (l.king@tactcare.org.uk) for signing (89.150.28.98) |
| Wed, 24th Dec 2025 10:17:26 GMT | This envelope has been signed by all parties (89.150.28.98) |
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| Wed, 24th Dec 2025 10:17:26 GMT | Signed document confirmation emailed to l.king@tactcare.org.uk (89.150.28.98) |
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| Wed, 24th Dec 2025 10:17:27 GMT | Document emailed to l.king@tactcare.org.uk |

THE ADOLESCENT AND CHILDREN'S TRUST

England & Wales - Charity number 1018963

Accounts



Charity Registration No. 1018963

Charity Registration No. SC039052 (Scotland)

Company Registration No. 02779751 (England and Wales)

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--|---|
| Trustees | Mr B. O'Donoghue (Chair) Mr. P. Woodman Mr M. Scott (Vice Chair & Treasurer) Mr P. Anderson Mrs J O'Connell Mr T, Bingham Mr F. Yeo Ms C.Okaro Mr R. Penney Ms L. Johnstone Ms M.Shafique |
| Chief Executive | Mr A. Elvin |
| Secretary | Mr L. King |
| Charity number (England and Wales) | 1018963 |
| Charity number (Scotland) | SC039052 |
| Company number | 02779751 |
| Principal address and registered office | 98 Station Road, Sidcup, Kent, DA15 7BY |
| Auditors | HW Fisher Audit Acre House 11-15 William Road London NW1 3ER |
| Bankers | HSBC Plc Level 3 8 Canada Square London E14 5HQ |
| Lawyers | |
| Corporate & Employment | Lee Bolton Monier-Williams, 1 The Sanctuary, London, SW1 3JT |
| Social Care | S. Carr & Co, 416 Mare Street, Hackney, London E8 1HP |
| Property | Meade King LLP, Springfield House, 45 Welsh Back, Bristol, BS1 4AG |
| Contracts & Charity | DAC Beachcroft LLP, Portwall Place, Portwall Lane, Bristol, BS1 9HS |
| Mergers & Acquisitions | DTM Legal Archway House, Station Road Chester Cheshire CH1 3DR |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

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THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)
CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

This is my first introduction to TACT's Annual Report having joined the organisation in March 2024. Following a long career leading businesses around the world, I spent nine years as a trustee with St. Christopher's Fellowship, a wonderful charity working with children and young people in care and on the edge of care. I served as Vice Chair for four of those years and Chair for a further four.

I feel privileged and honoured to have been selected to serve as Chair of TACT. The opportunity appealed to me because of the great work that they do as a charity, the outcomes that they deliver and the values that they operate by.

My first few months have been spent talking to and more importantly listening to as many of our stakeholders as possible and I will continue to do this.

My focus and that of my fellow trustees, our staff and carers is to create better lives for children, young people and care experienced adults. I have three key objectives to keep us focused on delivering this

1. Recruit and retain great foster carers and do all that we can to support them in their fostering journey.
2. Recruit, develop and retain great staff to support our foster carers
3. Ensure that we are financially stable so that we can continue to invest in our staff and carers.

More and more children are coming into care each year and foster care is the preferred option for these children. Unfortunately, there is a national shortage of foster carers so the environment that we work in is extremely challenging. I'm confident that with the wonderful carers, employees and trustees that we have, coupled with a great plan and strong financial position that we will continue to be a leader in delivering wonderful foster care in the United Kingdom

What follows are details of what we have achieved and delivered as an organisation in the past year. My thanks to those trustees who have stepped down during the year, to our current trustees, to our superb staff and carers for all that they do.

Bert O'Donoghue

Chair

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board presents its report with the financial statements and the auditor's report for the financial year ended 31 March 2024. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (FRS102) (effective 1 January 2019)

LEGAL STATUS

The Adolescent and Children's Trust (TACT) was incorporated as a company limited by guarantee, on the 14 January 1993. On the 19 March 1993, TACT sought and obtained charitable status.

TACT is described as an 'incorporated' charity with company registration number of 0277951 and charity registration number 1018963. On the 8 April 2008, TACT was formally registered as a charity in Scotland (Reg No: SC039052).

THE ORGANISATIONAL AND DECISION-MAKING STRUCTURE

The Board of Trustees

The Trustees who served during the year were:

| Name | Occupation | Appointed | Resigned |
|-----------------------|--|------------|------------|
| Matthew Robert Doyle | Company Director | 04/08/2016 | 10/11/2023 |
| Philip B. Woodman | Accountant | 05/12/2023 | |
| Lisa Waterman-Glasgow | Communications Director | 30/06/2015 | 19/06/2024 |
| Owen Evans | Charity CEO | 27/03/2019 | 27/03/2024 |
| David Rankin | Accountant | 23/09/2020 | 29/11/2023 |
| Michael Scott | Retired | 23/09/2020 | |
| Paul Anderson | Social Worker | 26/01/2021 | |
| Jennifer O'Connell | Lawyer | 21/09/2021 | |
| Tom Bingham | Marketing and Communications Director. | 30/11/2021 | |
| Bert O Donoghue | Retired Marketing Director | 27/03/2024 | |

Subsequent to the year end one Trustee resigned (Lisa Waterman on 19/06/24) and five Trustees joined (Francisco Yeo, Chizoma Okaro & Richard Penney who were appointed on 19/06/24 and Lorraine Johnstone &, Marium Shafique who were appointed on 11/09/24).

Structure

At 31 March 2024, the Board of Trustees comprised seven members with five new members in the recruitment pipeline. During the year we were pleased to welcome back our former treasurer Philip Woodman who re-joined the Board for a year to assist in a period of transition. We were delighted to welcome our new Chair, Bert O'Donoghue who, amongst other attributes, brought invaluable experience as a previous Chair of Trustees of St. Christopher's Fellowship (SCF). During his time on the Board at SCF, Bert served as Vice Chair until 2018, before becoming Chair of Trustees from 2018

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

until he stood down in 2022. SCF is a national charity that works with children and young people in care or on the edge of care. Bert spent 32 years working for the 3M company with assignments based in Ireland, UK, US, Belgium, Hungary and India, he retired in 2013. During these assignments he ran substantial businesses in several industries across Europe, Asia and the United States. Since 2017, Bert has also sat as a Magistrate in the adult criminal courts in Surrey. He also sits as a committee member of the Surrey Magistrates Association and as a member of the Justices' Training, Approvals, Authorisations and Appraisals Committee for Surrey and Sussex.

The Board of Trustees govern the Charity and manage its resources so that it can meet its charitable objectives. They review the mission, vision and values regularly and have concluded that they are still relevant.

To effectively undertake its governance responsibility, the Board delegates detailed scrutiny to: *(i) the Finance, Audit and Risk Committee; (ii) the Children's Services and Safeguarding Committee. The membership of each Committee is as follows:*

| Finance, Audit and Risk (FARC) Committee | Children's Services and Safeguarding Committee |
|---|---|
| M Scott (Chair) O Evans (resigned 27 March 2024) T Bingham P Woodman | P Anderson T Bingham (Chair) |

The Chair of each Committee reports to the Board and this informs the decision making at that level. All **new** Trustees undergo an induction process, which includes TACT's governance arrangements, and clarifies the Trustees duties and responsibilities and sets out its key organisational policies. Ongoing training is provided for Trustees as need identified through annual performance review discussions.

The Board of Trustees is always keen to evaluate its effectiveness and to find varying ways to add value to the Charity. Every year, the Trustees undertake an 'Away Day'. The intent is to enable them to consider their inter-relationships at Board level, the degree of cohesiveness and how these factors influence 'decision making', especially on matters of critical strategic significance.

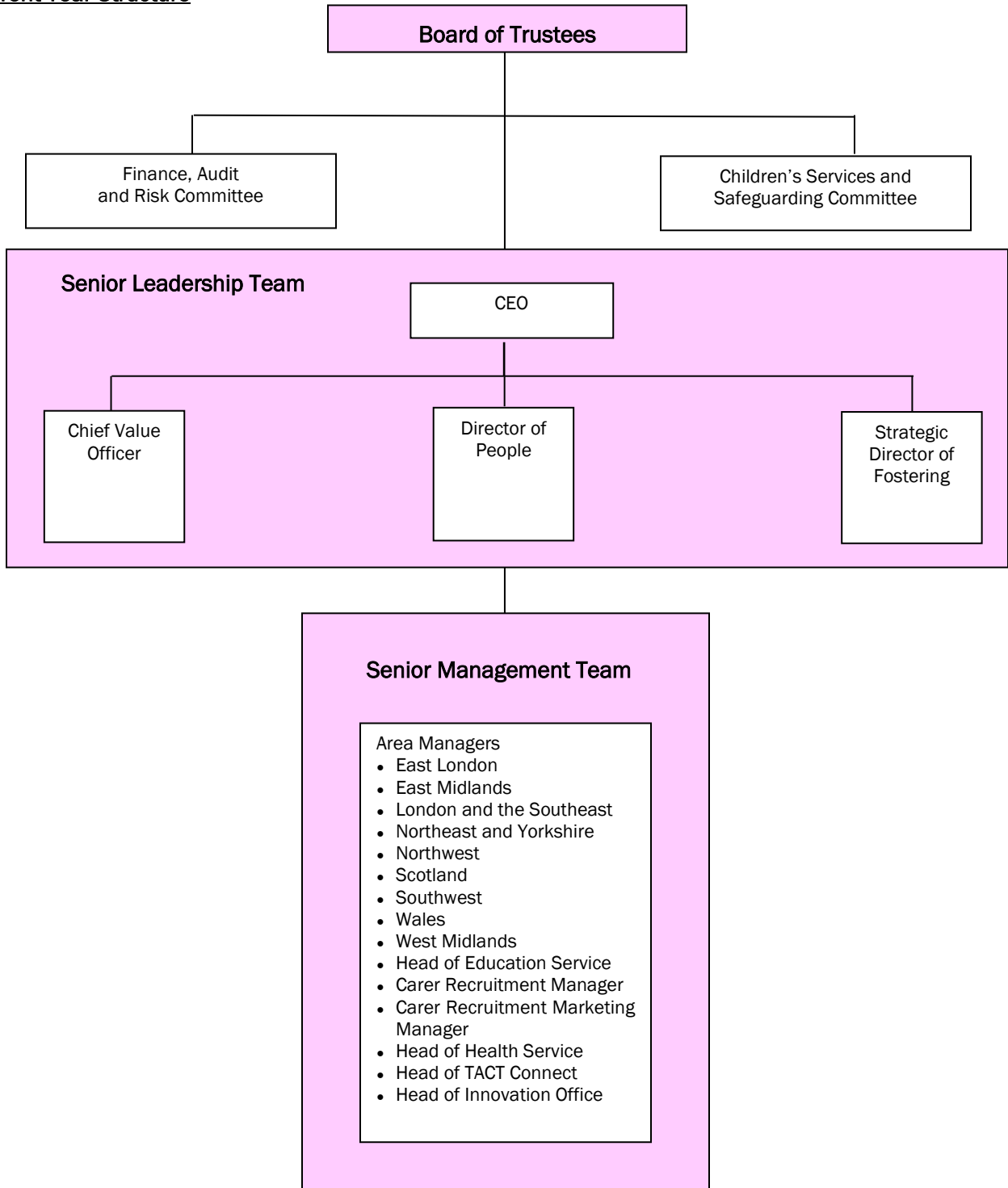
SENIOR MANAGEMENT STRUCTURE

The Executive Board has been led by Mr Andy Elvin CEO since September 2014 and is responsible for driving the strategy delineated in the strategic plan, agreed by the Board. The Senior Management Team (SMT), comprising Area Managers and led by the Executive Directors, manage the processes which underpin the strategy and monitor the outcomes.

Executive Board pay is predicated on the latest job description and person specification, which is used as a basis for an evaluation by, Reward Connected, an independent agency. Each job is ranked using a matrix which utilises a set of factors including but not exclusively, skills, intellectual demands, judgement and use of resources set against the scope and difficulty of the work involved. The evaluation score emerging from this exercise is set against an agreed 'TACT Pay and Remuneration Table', from which the salary and/or salary range is determined.

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT

Current Year Structure



THE ADOLESCENT AND CHILDREN'S TRUST
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 TRUSTEES' REPORT

GEOGRAPHICAL COVERAGE OF TACT OPERATIONS



TACT'S STRATEGIC PLAN
 2023 - 2028

TACT's strategic plan for 2023-2028 will focus on ensuring that children, young people and care experienced adults have the

BEST LIVES



OUR STRATEGIC PRIORITIES

- ★ To begin our journey to become a fully **TRAUMA INFORMED** organisation.
- ★ To be the fostering **CHARITY OF CHOICE** for foster carers, staff and stakeholders.
- ★ To ensure we have the resources to enable TACT to **INNOVATE AND GROW**.
- ★ To be trailblazers in being there for our **CHILDREN FOR LIFE** and ensuring that all our children **HAVE THE BEST CHILDHOOD** and access to a lifelong caring community.

TACT'S MISSION & VALUES

★
**CONNECTED
 & INCLUSIVE**



★
**CARING &
 COMPASSIONATE**



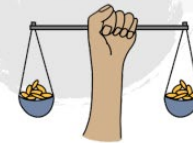
CREATING
BETTER LIVES
 FOR CHILDREN,
 YOUNG PEOPLE
 & CARE EXPERIENCED
 ADULTS



★
**CHILD & PEOPLE
 CENTRED**



★
**CHARITABLE
 & FAIR**



★ **BETTER LIVES**

Give children, young people and care experienced adults the **best lives**.

★ **OUTSTANDING PEOPLE**

Provide staff and foster carers with the **skills and support** they need to enable our children and young people to reach their full potential.

★ **BE THE BEST**

Be the **leading voice** in the fostering sector and the first choice for those who want to foster. Be a **model of excellence** in the care and support we provide children and young people.

TACT'S AIMS



★ **STRONG FINANCES**

Ensure the organisation has the **resources it needs to create better lives** for children, young people and care experienced adults.

★ **SPEAK UP**

Stand with children, young people and care experienced adults, making sure their **voices are heard** and **choices are respected**.

★ **INNOVATIVE & EMPOWERING**

Be **open to new ideas** to better support our children, young people and care experienced adults.

★ **A COMMUNITY FOR LIFE**

Support those we **care** for **throughout their entire life**, not just until they move out of their foster homes to live independently.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

STRATEGIC REPORT

ORGANISATIONAL AND ACTIVITY REVIEW

The Year in Perspective

2023/24 was a very busy year for TACT. We enacted a management restructure to better reflect TACT's current and future needs, and welcomed a new CFO, whose role we now call "Chief Value Officer". We created our Innovation and Continuous Improvement team, which offers project management expertise, and supports us in achieving our mission.

PUBLIC BENEFIT

The Trustees have complied with their duty under Section 17 of the Charities Act 2011, to have due regard to the guidance published by the Charity Commission. The benefit to the public is demonstrated by the achievements detailed below, which speak to, or enable, excellent outcomes for the children in TACT's care.

ACHIEVEMENTS FOR THE YEAR 2023-24

1. Innovation & Continuous Improvement Team

The Innovation and Business office was established in late 2023 through the appointment of the Innovation and Continuous Improvement Manager. Joined by the Business Support Manager, recruitment for the office took place. The team was fully established in early 2024 with Project Manager, Risk and Information Governance Officer and IT, Risk and Project Support Officer. The office utilises business functions, project management and social work experience, to understand the needs and priorities across TACT, to enable social work practice and organisational excellence in achieving the best outcomes for the children and young people looked after by TACT's foster carers, and for our care experienced adults.

Work has been undertaken to develop TACT's goals and areas of growth, and these have been developed into a working portfolio, owned across TACT. Key achievements have been the development of a project management and governance approach that fits TACT's needs and supports the development and progression of a recruitment and retention strategy. Principal projects include focusing on financial incentives, support and wellbeing, developing communities of carers and support networks, carer learning and development, as well as understanding complexity of care needs.

In relation to trauma informed practice, key projects regarding organisational enhancements and developing trauma informed practice are making steady progress. As we move into the final quarter of 2024, we will continue to support progression of the portfolio, alongside supporting strategic development of children's rights and co-production internally and externally to TACT, as well as a quality improvement framework, to support TACT wide excellence and improvement. The team will ensure that the projects offer a joined-up cycle of continuous improvement.

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TRUSTEES' REPORT

2. Inspection Reports and Activity

- In 2023/24, Ofsted awarded 11 outstanding judgements in the Voluntary IFA sector, 3 of which were to TACT's services, equating to 27% of the total. TACT represents 14% of the total Voluntary sector provision, and whilst 21% of the overall Voluntary sector IFAs are rated Outstanding, 42% of TACT's services are rated Outstanding. If we compare TACT with all IFAs, then 23% of all IFAs are Outstanding, against 42% of TACT's services which are judged Outstanding.
- Our East Midlands Team retained its Outstanding judgement. The inspector wrote:
 - *"Foster carers speak with considerable love and warmth about children. They are excited about their achievements. Carers share in children's joy and help them through sad or difficult times, leaders and managers know that to maintain high standards for children they need to look after their carers and staff. As such, everyone's wellbeing is a priority."*
- TACT Northwest gained an Outstanding judgment. They were praised for the quality of staff and foster carers, and the outstanding outcomes that were being achieved for their children.
- TACT's presence in the Yorkshire and Northeast region continued to grow, with 12 new fostering households recruited.
- Our first inclusive weekend for children with disabilities and their carers took place, with 8 families enjoying a weekend in May together exclusively at a specialist holiday centre in Lincolnshire. The families greatly enjoyed sharing time together with families with similar needs. The activity was funded through additional activity funding made available by our Trustees.
- Our talented young people achieved great things over the year, including one 14-year-old girl, who was selected for Scotland's gymnastic squad.
- A residential activity weekend took place at Lineham Farm activity centre in Leeds. The young people enjoyed a range of activities, including archery, climbing, and mountain biking. The trip was such a huge success that, at our young people's request, we are planning to go away again in 2024.
- Our Wales service was again scored by Local Authorities as being one of the best fostering agencies in the country. They also received a positive inspection report which recognised the quality of its therapeutic support.
- Music and Cookery Residentials were held, with children from across TACT taking part in creative arts and learning basic cooking skills.

3. Trauma Informed Journey

TACT is on a journey to embed a trauma informed organisational culture across TACT using our new values, and the five principles of Trauma Informed Practice (Safety, Trustworthiness, Choice, Collaboration and Empowerment).

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TRUSTEES' REPORT

Trauma informed organisations assume that people may have had traumatic experiences, adversity and hardships and, as a result, may find it difficult to feel safe within services, and to develop trusting relationships with service providers. This can be exacerbated by organisational adverse experiences, and by the very nature of the work that TACT does, working with children who have experienced high levels of trauma.

Moreover, organisations that are working with and are exposed to trauma, can also become trauma soaked and trauma inducing. It can compromise and impact the organisational immune system, and organisations themselves can operate in survival mode; which can impact organisational culture. Consequently, services need to be structured and organised to promote safety and trust and aim to prevent traumatisation.

TACT has an ambition to deliver a strong organisational culture which individuals feel part of and connected to. By following a set of trauma informed principles, we will have well supported, motivated and engaged staff who, in turn, provide more attuned, high levels of care and support to our foster families.

This is also intended to decrease secondary and vicarious trauma, burnout, and compassion fatigue amongst staff. This will have a plethora of benefits, including higher staff satisfaction, increased staff morale, improved organisational reputation, less staff sickness, more staff retention, improved decision making, and better outcomes for our children, young people and the care experienced community.

We are 15 months into this journey and have very good levels of engagement from staff and foster families.

4. Education Service

The Education service has provided support to 240 of our looked after young people this year, which equates to 36% of all the young people we look after.

We worked directly with 18 unaccompanied asylum-seeking children, providing them with college-ready bags, home language Education support, a UASC Carer Support group, books and equipment, individual advice around suitable schools and admissions guidance, a weekly UASC tuition group in the summer term, and individual support with university applications.

Of our young people who sat GCSEs in 2023:

- 16 Students (66%) achieved at least 5 GCSEs between grades 1-9.
- 7 students (29%) got a good pass in both English & Maths, of at least grade 4.
- 9 students (38%) got a good pass of at least grade 4 in either English or Maths.

We successfully worked with 10 young people in England and Wales to prevent their exclusion from education.

We have had some success stories:

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

- When LS joined TACT, he had no school placement. We immediately liaised with the SEND team to speed up consultations and advocate for an independent specialist placement, which L started in October. He settled well and is making great progress.
- We challenged a decision that refused JW a place at a special school for children with SEND. A tribunal appeal was lodged, but the LA changed their minds ahead of this. The involvement of TACT's Education team and TACT's foster carers was instrumental in this outcome.
- LG had been on a part-time timetable for many months. We sourced alternative provision for 2 days a week, which supported his reintegration to full time school for the remaining 3 days a week.
- SM was at risk of exclusion. We brought the child's network together and helped to plan and fund a clear package of alternative provision, whilst holding the school to account. We provided access to ASDAN training and worked with a private tutoring company to help SM achieve her ASDAN Life Skills certificate and secure her a continued place at school.
- We supported 11 Year 1 children to pass their Phonics tests, and we helped TM follow her dreams, and successfully apply for Performing Arts School.

5. Health Service

In the summer of 2024, we recruited a new Health commissioning manager to re-design our Health service. This work will enable us to safely commission clinical health services to work directly with our young people.

We are not only seeing lengthening waiting lists for CAMHS appointments across the UK, but also many of our young people are struggling to engage in traditional clinical models of mental health support. Our Health service will work in partnership with our local authorities and health services, to commission timely diagnosis and support for our young people who are unable to access local services, or who require a more bespoke response.

Through the summer, we analysed the needs of the children we look after and completed research on the link between mental health difficulties and education. Self-harm and suicidal ideation are identified as priority areas for our initial phase of work. Our ambition is to ensure that every child we care for that is struggling with these issues will receive professional clinical help that is timely and effective.

6. Marketing & Communications Team

Marketing and Communications plays an important role in the success of any organisation, and whilst creating our Strategic Plan, it was acknowledged that it is essential to ensure we have a single, combined, and cohesive Marketing & Communications function with the right skills and resources to support the whole organisation.

As a result, over the past year, TACT's Marketing and Communications functions underwent a comprehensive restructure to align with the organisation's strategic goals. This restructure was led by

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TRUSTEES' REPORT

Daniella Jackson, Director of People, who took on Executive responsibility for the Marketing and Communications teams following the Senior restructure in early 2023.

In creating the new structure, Daniella worked with existing members of the Marketing and Communications teams, to identify key internal and external audiences, and refine team roles to ensure emphasis was made to enhance our capacity for foster carer recruitment and retention, as well as internal communications and colleague engagement.

The structure of the team was finalised early in 2024 and included the appointment of a Head of Marketing and Communications, with responsibility for ensuring that TACT's marketing and communications efforts are strategically aligned, well-resourced, and equipped to support the organisation's growth and mission.

By the end of March 2024, we had successfully filled any new and vacant posts, and were in the process of onboarding and embedding the new team, which now consists of 11 people covering three core areas: external marketing and carer recruitment, internal communications and engagement, and branding and design.

7. TACT Connect

In 2019, TACT Connect launched a membership scheme that provides a supportive community for life for care experienced individuals aged 15 and above, as they transition into adulthood. The transition from foster care to independent living can be immensely challenging, with many facing isolation, uncertainty, and lack of ongoing support networks. TACT Connect aims to bridge this gap by offering meaningful relationships, guidance, and resources tailored to members' needs.

The table below summarises the outcomes TACT Connect aspires to deliver for its members, together with target levels and actual attainment (averaging scoring against indicators for each outcome).

| | Target Level | Attainment |
|---|--------------|------------|
| Care experienced young people have socially supportive networks in place beyond their foster Families | 70% | 94% |
| Care experienced young people broaden their horizons / pursue opportunities to maximise their potential | 75% | 92% |
| Care experienced young people are empowered to navigate adult transitions / manage responsibilities | 75% | 91% |
| Care experienced young people maintain / improve wellbeing as they move into adulthood | 75% | 91% |
| Lived experience of care among young people is understood, recognised and valued | 75% | 89% |

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TRUSTEES' REPORT

Aspirational target levels for each outcome have been significantly exceeded, showing that TACT Connect has delivered over and above expectations in terms of the difference it makes to care experienced young people. Above all else, the scheme is hugely successful in providing a socially supportive network for young people beyond their foster families as they prepare for / transition out of care. The membership offer encourages young people to broaden their horizons, pursue opportunities to maximise their potential, and empowers them to navigate adult transitions and manage responsibilities.

The project amplifies the voice of young people, enables access to services and an incredibly complex system, utilises trauma-informed approaches to improve wellbeing, and enables individuals to realise their potential.

8. Lobbying and Influencing

TACT continued to play a lead role in campaigning and lobbying for improvements in the care system, especially in foster care. Our calls for change are based on the issues raised by our children, young people, foster carers and care experienced community. Our CEO continues to Chair the Fairer Fostering Partnership (FFP), an umbrella partnership for charitable and not for profit fostering agencies. During the year, the DfE formed the Fostering Advisory Board and, as Chair of the FFP, our CEO was a founding member. The Board have focused on practical improvements suggested by TACT, including making delegated authority automatic, so LAs must opt out rather than opt in. This proposal will shortly be consulted on across the sector. We also pressed that the allegations process is reviewed and reformed, and this is a work in progress.

Our Welsh service manager has given evidence twice to the Senedd on the Welsh Government plan to remove profit from the Welsh children's social care sector, and its transformation agenda for social services. We also hold regular meetings with the Scottish civil service lead on fostering and are supporting them in looking at removing profit from the sector in Scotland.

We have also strongly advocated that the Independent Review proposals are enacted in England, and that a national foster carer recruitment campaign is urgently enacted.

9. TACT's 30th Birthday

2023 was TACT's 30th Birthday year. We also celebrated 15 years working in Scotland, and 20 years working in Wales. In September, all of TACT's staff gathered in Manchester to celebrate 30 years of achieving better lives for our children, young people and care experienced adults. We were privileged to have BBC Journalist and presenter, Ashleigh John-Baptiste, give the keynote speech and the day highlighted the many successes we have had over the past 30 years.

Thursday 10th August marked TACT Scotland's 15-year anniversary, a remarkable milestone in the charity's journey in creating better lives for children and young people in care. Around 130 carers, young people and staff from across TACT enjoyed a fantastic day at Blair Drummond Safari Park, on a warm and almost sunny day. Since TACT Scotland was established in 2008, over 1000 children and young people have received much needed care and support within safe, stable and loving homes provided by TACT's foster carers.

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In August 2023, we held a special event at the Urdd Cultural and Activity Centre in Llangrannog, to mark 30 years since TACT was founded, and 26 years since our Welsh service opened. It was a wonderful day, and the children's awards were very special. We wanted to let carers get a taste of what our children and young people experience when they attend Llangrannog on their residential weekends, and to spend the day in a place that means so much to TACT's staff and children and has done over the many years we have been going there. All our carers had a great time seeing their children and young people having such a wonderful time, and the sing song on the bus home was something to treasure.

10. Conclusion

2023/24 was a busy and productive year for TACT. We introduced a new management structure, and added an Innovation Office, dedicated Marketing & Communications team, and a Health commissioning service to further strengthen our offer to our children and foster families. The Welsh plan for government, and direction of travel in Scotland & England suggest opportunities for TACT to extend and strengthen its services in all 3 countries. In doing this, our focus will always remain on creating better lives for our children, young people and care experienced community.

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TRUSTEES' REPORT

REVIEW OF THE FINANCIAL RESULTS

It has been another strong year of financial progress and improving cash and net asset positions. with a reported surplus of £1.17M (£427K before the reversal of the provision – see Note 3), prior year surplus of £1.95M. During the year, we continued to rebuild our reserves and, encouragingly, were able to invest back into the services we provide and improve our reward packages to carers and staff. Our carers and staff are of the utmost importance to the care and support we can provide to the young people placed in our care. Overall, we committed to an investment of over £0.7M into supporting carers and staff during the year, in a mix of one off and recurrent expenditure.

Our primary source of funding is from Local authority commissioned foster care placements. Our activity levels fell by 5.8% (2023: 3.8%) against the prior year. We have consistently seen reducing activity and market share over a number of years, driven by falling carer numbers, and the primary focus is now on stabilising activity. Activity has stabilised during second half of 2023/24 and we aim to continue with this stability through 2024/25. Carer recruitment became more challenging from summer 2022 as the cost of living crisis impacted families. Many people who might consider fostering find their adult children still living with them as interest rates and rental costs increase. A focus on carer recruitment and retention will be a major part of our work in 24/25 following the launch of our new strategy. The fall in activity was mitigated by an increase of 5.9% on our average weekly fees charged to LA's, due to a mix of churn in placements and the continued work on improving our fee proposition. We monitor fee levels across the sector as we have moved our pricing from lowest to market mid-point.

During the year, we made of a number of recurrent investments by uplifting staff and foster carer pay. We increased our matched contribution to staff pensions from 4% to 6%. We introduced a payment towards council tax for carers. In addition, we invested in extending our education service and support. We also created and developed the innovation office and project management capability.

During the year, agreement was reached to settle a longstanding contractual dispute at a cost of £575K. This resulted in the release of a provision made in prior years in the sum of £1,322K. The net adjustment of £747K to foster care costs is shown separately on the SOFA and for the year ended 31 March 2024 the surplus for the year, before the write back of the provision, was £427K.

In conclusion, whilst we have had another strong year financially, it is difficult to maintain historic levels of activity due to a very challenging carer recruitment market. The hard work undertaken repairing the balance sheet and rebuilding reserves was necessary and leaves us in a strong position to take on the challenges of the new realities facing the sector.

Balance Sheet

We ended the year with £6.67M (2023 £4.99M) of free reserves, which is around 2.43 times, (2023: 0.96 times, but 1.82 times based on 2023/24 targets) of the minimum level of reserves that the Trustees believe is necessary to meet the financial obligations of the charity. The foster carer recruitment market remains challenging, and the Board of Trustees wish to ensure that TACT can weather any decline in activity but also be ready to invest in capital opportunities to drive growth including but not limited to Mergers and Acquisitions.

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TRUSTEES' REPORT

RESERVES POLICY

TACT is committed to ensuring appropriate reserve levels, sufficient to enable the organisation to maintain capacity and, significantly, to enable TACT to accommodate planned growth.

The primary aim of TACT's reserves policy is to preserve a level of 'free' reserves – the unrestricted funds not committed or invested in fixed assets [net of any associated liabilities]. TACT's approach from April 2023 is to maintain free reserves, equivalent to 25% percent of overhead expenditure £2.74M. This leaves a surplus of £3.93M.

The reserves policy also states that TACT should hold cash levels equivalent to two months of operating expenditure, or £4.16M. On 31 March 2024, this requirement was fully satisfied as cash levels were at £8.23M.

Having made continued progress during the year with the financial performance, it is critical that this momentum continues, and that funds can be re-invested in developing the services offered.

At present, the reserves policies are being achieved. Having reviewed the market, the associated risks, the improving financial position in year, and the basis for projected future improvements, the Trustees remain confident that the reserves will continue to be achieved over the next year.

GOING CONCERN

Based upon reserves, the forecast for future trading, and the market environment, the Trustees consider that the Company has adequate resources to remain in operation for the foreseeable future and have, therefore, continued to adopt the going concern basis in preparing the financial statements.

FUTURE

The English Care review recognised that the market for fostering services was broken yet acknowledged that in the short to medium term there was little that could be achieved by intervention in the market. Excess profits from private equity investors are seen as inevitable, and that change will take concerted effort over a long period, and a more joined up approach to the market than has been achieved to date. From a TACT perspective, it was comforting to see that the CMA's view of returns in an efficient market would be that they would expect it to be 4%, which is in line with our own aspirations and performance.

After an extended period of economic stability and low inflation, events over the last year have changed the sector's outlook and challenges. Initially, inflation fuelled by a rebound in demand following Covid, which was seen as a temporary blip, has turned into a much more challenging scenario, with energy and food inflation consequences arising from the war in Ukraine. The position and forecasts change constantly, underlining the uncertainty that abounds. As we enter into 2024/25 inflation rates for the UK have begun to fall back to normalised levels closer to the Bank of England target of 2%. This is positive for our staff and carers and reduces the pressure upon us to need to pass on increased costs to our Local Authority customers.

The impact of cost-of-living increases will likely continue to put pressure on those at the lowest spectrum of the pay and benefits scale. Poverty is one of the major drivers of rates of looked after children. At the same time, rewards for fostering are diminishing, and the pool of new fostering capacity is struggling to replace the experienced carers leaving the sector.

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TRUSTEES' REPORT

To respond to these challenges, TACT is looking at further developing support to carers through its Education and Health services, improving our mental health and well-being offer to carers, as well as improving rewards, and looking at ways to bring more new carers, who may not have considered fostering, into the sector. As a charity, we will look to charitable funding and grants to help innovation, and we will work with Commissioners and in partnership to deliver solutions to the problems faced.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees meet regularly and, at least annually, review the risks to which the Charity is exposed. The risks are classified for review purposes, as follows:

Strategic and Governance

- Risks associated with a strategy or organisational structure e.g. over-expansion, competitive threats, poor contractual arrangements.

Financial

- Risks arising from the financial structure, insufficient funding, weak asset base, systems, and transactions of the business, e.g., failure to win tender applications.

Operational

- Risks emerging from operational, administrative, processes and procedures, e.g., substantial technological disruption.

Regulatory and Political

- Risks posed by potential or actual changes in the regulatory and political environment, e.g., failure to comply with minimum standards, serious case review.

Reputational

- Risks to the perceived quality or brand of TACT, e.g., failing Ofsted inspection.

Information Security

- Risks associated with the breach or loss of restricted or personal sensitive data, or infringement of privacy, e.g., the loss of a child's historic file, cyber-attack.

Contingent

- Risks that will arise only if certain events take place, e.g., providing contractual guarantees to a third party.

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TRUSTEES' REPORT

RISK ASSESSMENT

TACT views risk in the context of the **likelihood** of an adverse outcome that is worse than expected, and where the potential **impact** of such an outcome is very significant. Known or identified risks are colour-coded in terms of severity – Red - Amber - Green (otherwise known as a RAG rating). This will be used to reflect the combination of likelihood, and impact of the severity of each risk. Risk is also viewed as a missed opportunity to add value to the organisation. The risk framework sets out the controls in place to avert risk and will be pursued by officers with the relevant assigned responsibilities.

RISK CONTROLS

The Trustees ensure that a robust risk management policy is in place, as well as associated policies and procedures e.g., business continuity, information security, health, and safety. Performance indicators, and the associated reporting processes, are in place to manage and mitigate identified and potential risks. The Trustees regularly approve a delegation of authority process, which enables Executive action to be undertaken on their behalf, should any material risks arise and require action.

RISK MINIMISATION

The Trustees annually review TACT's risk management framework in detail and focus on those risks to which the Charity is pre-eminently exposed. The risks are classified for review purposes. The reputational and political risks are minimised through the frequent validation and quality inspections undertaken by our regulators, e.g., Ofsted. Also, quality tests such as Customer Service Excellence, Investors in People, and the Sunday Times Best 100 companies, in which TACT participates and succeeds, will help to reduce the likelihood of these risks.

Internal scrutiny though external audits (financial) foster carer reviews, supervision, appraisals and training, all assist with risk minimisation. Finally, through its sub-committees, 'Finance, Audit and Risk' and 'Safeguarding and Children's Services', the Trustees ensure that relevant operational matters are regularly scrutinised, to provide comfort to the main Board that attendant risks are identified and addressed.

KEY RISKS

The Trustees have identified the principal risks as:

Workforce Development

Nationally, we have more job vacancies than people seeking work. Brexit, the impact of Covid, and a richer post fifty population not needing to work as much, has led to a contraction in the workforce. Demand for services we provide continues to be strong, and the impact of extended lockdown restrictions and financial pressures on families is yet to be fully understood, with potentially increasing demand for more complex placements than previously. It is important we need to continue to invest in developing, supporting, and training our staff and carers to be able to support these young people in the future. Ability to recruit and retain in a labour market with scarcity will be challenging, and risk to quality of service will be heightened. Paying more, or looking at new models of delivering service, will be key.

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TRUSTEES' REPORT

Foster Carer Recruitment

The key to our business model is having a pool of foster carers, with the requisite training and skills to be able to provide good quality placement opportunities to local authorities. Attracting and retaining these highly skilled and committed carers is critical. We are developing our offer to attract more new carers, and to support them in their journeys.

Competition Risk

The fostering marketplace is still fragmented, but recent years have seen the emergence of large private equity backed operators who have been driving consolidation in the independent providers market. Local authorities act as both commissioners and providers of foster care placements. Differentiation in a crowded market becomes increasingly difficult. We continue to differentiate our offer in terms of the quality of services, stability of placements, and our commitment to helping young people achieve their aspirations through support, pre and post eighteen, within the TACT family. Placing young people's outcomes at the heart of everything we do, and continuing to invest in services that contribute to support these through our fundraised initiatives, gives TACT a unique opportunity to develop its brand and offering.

Liquidity Risk

Cash flow and financial projections with associated risks are routinely scrutinised by the Finance, Audit & Risk Committee.

Cyber and Technological Risk

The increasing reliance on technology, move to home working, and the increase in cyber-attacks worldwide, presents additional challenges in protecting our data and systems from attack. We continue to proactively monitor our systems and strengthen our controls in this area.

ASSET COVER FOR FUNDS

Note 15 sets out analysis of the assets attributable to the various funds, and a description of the funds. These assets are sufficient to meet the Charity's obligations on a fund-by-fund basis.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the Trustees has confirmed that they are not aware of any information which is relevant to the audit, of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information, and to establish that the auditors are aware of such information.

THE ADOLESCENT AND CHILDREN'S TRUST
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TRUSTEES' REPORT

The Board of Trustees Report, and the Strategic Report, have been approved by the Board of Trustees.

Signed:

Bert O'Donoghue

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Bert O'Donoghue (Chair)
Trustee

Date: 28 Nov 2024

THE ADOLESCENT AND CHILDREN'S TRUST

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STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Charity's Trustees (who are also the directors of The Adolescent and Children's Trust for the purposes of company law) are responsible for preparing a Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the Charity Trustees to prepare Financial Statements for each 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 the 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 (Statement of Recommended Practice);
- 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 Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006, Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charity and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the Charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in the other jurisdictions.

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AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE ADOLESCENT AND CHILDREN'S TRUST

Opinion

We have audited the financial statements of the Adolescent and Children's Trust (the 'charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 as amended).

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 Auditors 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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AUDITOR'S REPORT

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditors report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information contained within the annual report and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- The information given in the Trustees' Report, which includes the Directors' Report and Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

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 Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate and proper 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees, who are also the Directors of the Charity for the purpose of company law, 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 the directors 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 company or to cease operations, or have no realistic alternative but to do so.

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AUDITOR'S REPORT

Auditors responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected, or alleged fraud. The charity did not inform us of any known, suspected, or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006, the Charities and Trustees (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets, and liabilities between unrestricted, designated and restricted funds.
- Documenting and verifying all significant related party balances and transactions.
- Obtaining third-party confirmation of bank balances.
- Reviewing documentation such as the Charity's board minutes, correspondence with solicitors, for discussions of irregularities including fraud.

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AUDITOR'S REPORT

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors report.

Use of our report

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 and with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

HW Fisher Audit

**Carol Rudge (Senior Statutory Auditor)
for and on behalf of HW Fisher Audit**

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
United Kingdom
NW1 3ER

Date: 28 Nov 2024

THE ADOLESCENT AND CHILDREN'S TRUST

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2024

| | Note | Unrestricted funds £'000 | Restricted funds £'000 | Total funds 2024 £'000 | Total funds 2023 £'000 |
|---|-----------|--------------------------------|------------------------------|---------------------------------|---------------------------------|
| Income from: | | | | | |
| Donations | | - | 6 | 6 | 11 |
| Charitable activities | 2 | 25,960 | 196 | 26,156 | 26,063 |
| Other income | 2 | 3 | - | 3 | 190 |
| Investments – Bank Interest | 2 | 213 | - | 213 | 58 |
| Total income | | 26,176 | 202 | 26,378 | 26,322 |
| Expenditure on: | | | | | |
| <i>Raising funds:</i> | | | | | |
| Costs of generating donations | | 78 | - | 78 | 100 |
| <i>Charitable activities:</i> | | | | | |
| Foster care | | 25,665 | 208 | 25,873 | 24,232 |
| Reversal of foster care costs provision | 3 | (747) | - | (747) | - |
| Campaigning, policy, and research | | - | - | - | 39 |
| Total expenditure | 3 | 24,996 | 208 | 25,204 | 24,371 |
| Net Income and net movement in funds | | 1,180 | (6) | 1,174 | 1,951 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 14 | 7,937 | 85 | 8,022 | 6,071 |
| Total funds carried forward | 14 | 9,117 | 79 | 9,196 | 8,022 |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

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Prior year comparatives

| | Note | Unrestricted funds £'000 | Restricted funds £'000 | Total funds 2023 £'000 |
|---|------|--------------------------------|------------------------------|---------------------------------|
| Income from: | | | | |
| Donations | | - | 11 | 11 |
| Charitable activities | 2 | 25,903 | 160 | 26,063 |
| Other income | 2 | 190 | - | 190 |
| Investments | 2 | 58 | - | 58 |
| Total income | | <u>26,151</u> | <u>171</u> | <u>26,322</u> |
| Expenditure on: | | | | |
| <i>Raising funds:</i> | | | | |
| Costs of generating donations | | 100 | - | 100 |
| <i>Charitable activities:</i> | | | | |
| Foster care | | 24,072 | 160 | 24,232 |
| Campaigning, policy, and research | | 39 | - | 39 |
| Total expenditure | 3 | <u>24,211</u> | <u>160</u> | <u>24,371</u> |
| Net income and net movement in funds | | 1,940 | 11 | 1,951 |
| Reconciliation of funds: | | | | |
| Total funds brought forward | 14 | 5,997 | 74 | 6,071 |
| Total funds carried forward | 14 | <u>7,937</u> | <u>85</u> | <u>8,022</u> |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

Company registration number: 02779751
BALANCE SHEET
AS AT 31 MARCH 2024

| | Note | 2024 £'000 | 2023 £'000 |
|--|------|---------------|---------------|
| Fixed assets: | | | |
| Tangible assets | 10 | 150 | 216 |
| Current assets: | | | |
| Debtors | 11 | 3,446 | 3,328 |
| Investments | 18 | - | 1,672 |
| Cash at bank and in hand | 12 | 8,225 | 6,524 |
| <i>Total current assets</i> | | <u>11,671</u> | <u>11,524</u> |
| Liabilities: | | | |
| Creditors: Amounts falling due within one year | 12 | (2,625) | (3,718) |
| | | <u>9,046</u> | <u>7,806</u> |
| <i>Net current assets</i> | | | |
| | | <u>9,196</u> | <u>8,022</u> |
| Total net assets | | | |
| The funds of the Charity: | | | |
| Restricted funds | 14 | 79 | 85 |
| Unrestricted funds | | | |
| - General funds | | 6,815 | 5,209 |
| - Designated funds | | 2,302 | 2,728 |
| <i>Total Unrestricted funds</i> | | <u>9,117</u> | <u>7,937</u> |
| | | <u>9,196</u> | <u>8,022</u> |
| Total funds | | | |

The notes at pages 30 to 42 form part of these financial statements.

Bert O'Donoghue
.....
Bert O'Donoghue (Chair)
Trustee

M C Scott
.....
M. Scott (Treasurer)
Trustee

Approved by the Trustees on 28 Nov 2024

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

| | Note | 2024 £'000 | 2023 £'000 |
|--|------|---------------------|---------------------|
| Cash flows from operating activities | 17 | 29 | 1,764 |
| Cash flows from investing activities: | | | |
| Proceeds from the sale of property | | 0 | 472 |
| Cash investments | | <u>1,672</u> | <u>(1,672)</u> |
| Net Cash provided by investing activities | | 1,672 | (1,200) |
| | | | |
| Change in cash and cash equivalents in the year | | <u>1,701</u> | <u>564</u> |
| | | | |
| Cash and cash equivalents at the beginning of the year | | <u>6,524</u> | <u>5,960</u> |
| | | | |
| Cash and cash equivalents at the end of the year | | <u>8,225</u> | <u>6,524</u> |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting Policies

TACT is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 98 Station Road, Sidcup, Kent, DA15 7BY.

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

1.1 Basis of preparation

The financial statements have been prepared in accordance with the company's Memorandum & Articles of Association, the Companies Act 2006, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and "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 (FRS102) (effective 1 January 2019)

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

1.2 Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

1.3 Preparation of the financial statements on a going concern basis

The Trustees receive regular updates on current and forecast trading taking into account risks within the overall market and anticipated costs pressures and investment funds. These projections are scrutinised by Finance Audit and Risk Committee (FARC) and consider sensitivities to the projections and the impact on cash reserves. Based on these forecasts and the reserves maintained the Trustees are confident that the Charity can continue as a going concern for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.4 Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from foster carer fees is accounted for on a receivable basis.

Income from government or other grants, whether 'capital' grants or 'revenue' grants is recognised by following the performance model, when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Investment income is recognised on a receivable basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

Government grants are recognised at the fair value of the amount received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1.5 Expenditure

Expenditure including redundancy and termination payments 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. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise those costs associated with attracting voluntary income, in particular grant funding.
- Expenditure relating to foster care, Campaigning & Policy and Research are those elements of expenditure directly incurred in performing these activities. It also includes allocated support costs relating to this activity.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

1.6 Allocation of support costs

Resources expended are allocated to the activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned in the same proportion as direct costs.

1.7 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities not readily apparent from other sources.

The Trustees are satisfied that there are no significant estimates or assumptions in the financial statements.

1.8 Tangible fixed assets and depreciation

Items of equipment are capitalised where the purchase price exceeds £5,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

| | |
|-----------------------------------|-------------------------|
| Leasehold property | 2% straight line |
| Fixtures, fittings, and equipment | 25-33.33% straight line |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1.9 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered and provision for bad and doubtful debts. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. These financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Pensions

For defined-contribution schemes, the amount charged to the SoFA in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Any difference between the charge to the SoFA and the contributions payable to the scheme is shown as an asset or a liability in the balance sheet.

1.14 Operating leases

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.15 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds are earmarked by the Trustees for a specific purpose

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Income

| | Unrestricted funds 2024 £'000 | Restricted funds 2024 £'000 | Total 2024 £'000 | Unrestricted funds 2023 £'000 | Restricted funds 2023 £'000 | Total 2023 £'000 |
|----------------|--|--------------------------------------|---|--|--------------------------------------|------------------------|
| Fostering Fees | 25,960 | - | 25,960 | 25,871 | - | 25,871 |
| Grants | - | 196 | 196 | 32 | 160 | 192 |
| | 25,960 | 196 | 26,156 | 25,903 | 160 | 26,063 |

Other Income

| | 2024 £'000 | 2023 £'000 |
|---------------------------------------|-----------------------------|-----------------------------|
| Net gain on disposals of fixed assets | - | 183 |
| Other income | 3 | 7 |
| | 3 | 190 |

Investment Income

| | 2024 £'000 | 2023 £'000 |
|---------------------------------------|-----------------------------|-----------------------------|
| Investment Income from fixed deposits | 213 | 58 |
| | 213 | 58 |

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

3. Analysis of expenditure

| | Raising Funds | Foster Care | Campaigning, Policy, and Research | Governance Costs | Support Costs | Total 2024 | Total 2023 |
|--|------------------|-------------|---|---------------------|------------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff Costs (Note 5) | 61 | 4,660 | - | - | 3,976 | 8,697 | 8,246 |
| Fees and reimbursements paid to foster carers | - | 14,252 | - | - | - | 14,252 | 13,909 |
| Training costs | - | 136 | - | - | 105 | 241 | 259 |
| Professional fees | - | - | - | - | 405 | 405 | 76 |
| Legal fees | - | - | - | 33 | - | 33 | 12 |
| Audit and accountancy fees | - | - | - | 60 | - | 60 | 39 |
| Trustee meetings & recruitment | - | - | - | - | 41 | 41 | 12 |
| Depreciation | - | - | - | - | 4 | 4 | 4 |
| Other costs | - | 646 | - | - | 825 | 1,471 | 1,814 |
| | 61 | 19,694 | - | 93 | 5,356 | 25,204 | 24,371 |
| Governance costs | - | 93 | - | (93) | - | - | - |
| Support costs | 17 | 5,339 | - | - | (5,356) | - | - |
| | 78 | 25,126 | - | - | - | 25,204 | 24,371 |

During the period, agreement was reached to settle a longstanding contractual dispute at a cost of £575K. This resulted in the release of a provision made in prior years in the sum of £1,322K. Foster care costs of £14,252 above are net of the reversal of the provision of £747K (shown separately on the SOFA) and for the year ended 31 March 2024 the surplus for the year, before the write back of the provision, was £427K.

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2024

Prior year comparatives

| | Raising Funds | Foster Care | Campaigning, Policy, and Research | Governance Costs | Support Costs | Total 2023 |
|--|------------------|---------------|---|---------------------|------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff Costs (Note 5) | 79 | 4,440 | 31 | - | 3,696 | 8,246 |
| Fees and reimbursements paid to foster carers | - | 13,909 | - | - | - | 13,909 |
| Training costs | - | 152 | - | - | 107 | 259 |
| Legal and professional fees | - | - | - | 88 | - | 88 |
| Audit and accountancy fees | - | - | - | 39 | - | 39 |
| Trustee meeting expenses | - | - | - | - | 12 | 12 |
| Depreciation | - | - | - | - | 4 | 4 |
| Other costs | - | 673 | - | - | 1,141 | 1,814 |
| | 79 | 19,174 | 31 | 127 | 4,960 | 24,371 |
| Governance costs | 1 | 126 | - | (127) | - | - |
| Support costs | 20 | 4,932 | 8 | - | (4,960) | - |
| | 100 | 24,232 | 39 | - | - | 24,371 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

4. Net income for the year

This is stated after charging:

| | 2024 £'000 | 2023 £'000 |
|--|---------------|---------------|
| Depreciation | 4 | 4 |
| Auditors remuneration – audit services | 47 | 33 |
| Auditors remuneration – 2023 under provision | 13 | - |
| Operating lease charges | - | 50 |

5. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

| | 2024 £'000 | 2023 £'000 |
|----------------------------------|---------------|---------------|
| Wages and salaries | 7,541 | 7,099 |
| Social security costs | 726 | 741 |
| Pension | 373 | 264 |
| Redundancy and termination costs | 57 | 142 |
| | 8,697 | 8,246 |

Included within staff costs are £286K (2023: £126K) of costs relating to agency staff.

The number of employees whose annual emoluments were £60,000 or more were:

| | 2024 Number | 2023 Number |
|-------------------|----------------|----------------|
| £60,000- £69,999 | 13 | 11 |
| £70,000- £79,999 | 3 | 2 |
| £80,000- £89,999 | 0 | 1 |
| £90,000- £99,999 | 2 | 4 |
| £110,000-£119,999 | 1 | - |
| £120,000-£129,999 | 1 | - |
| £140,000-£149,999 | - | 2* |
| £150,000-£159,999 | 1 | - |
| £200,000-£209,999 | - | 1* |

The key management personnel of the Charity comprise the Trustees and Senior Leadership Team, as detailed on page 2 of the Trustees' report. The total employee benefits of the key management personnel of the Charity were £701K (2023- £985K).

*Includes an element of a one off payment relating to a restructure of senior staff.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

6. Trustees

None of the Trustees (or any person connected with them) received any remuneration during the year in their capacity as Trustees.

6 Trustees (2023 - 5) were either reimbursed for or had expenses relating to travel and accommodation paid on their behalf by the Charity £2K, (2023 - £12K). There were no other related party transactions during the year.

7. Staff Numbers

The average monthly head count of employees during the year was as follows:

| | 2024 | 2023 |
|-----------------------------------|-----------|-----------|
| | Number | Number |
| Fundraising | 1 | 2 |
| Fostering | 109 | 103 |
| Campaigning, policy, and research | - | 1 |
| Support | 94 | 93 |
| | <hr/> 204 | <hr/> 199 |

8. Pension and other post-retirement benefit commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund.

| | 2024 | 2023 |
|---|-------|-------|
| | £'000 | £'000 |
| Contributions payable by the company for the year | 373 | 264 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

9. Corporation tax

As a charity, The Adolescent and Children's Trust is exempt from UK tax on income and gains to the extent that these are applied to its charitable objects. No UK tax charges have arisen in the Charity, during the year or the previous year.

10. Tangible fixed assets

| | Leasehold land and buildings £'000 | Fixtures, fittings, and equipment £'000 | Total £'000 |
|-----------------------------|---|---|----------------|
| Cost: | | | |
| As at 1 April 2023 | 342 | 11 | 353 |
| Disposals | - | (11) | (11) |
| Impairment | (62) | - | (62) |
| As at 31 March 2024 | 280 | - | 280 |
| Depreciation: | | | |
| As at 1 April 2023 | 126 | 11 | 137 |
| On disposals | - | (11) | (11) |
| Charge for year | 4 | | 4 |
| As at 31 March 20224 | 130 | - | 130 |
| Net book value | | | |
| As at 31 March 2024 | 150 | - | 150 |
| As at 31 March 2023 | 216 | - | 216 |

All assets were used for charitable purposes.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

11. Debtors

| | 2024 £'000 | 2023 £'000 |
|--------------------------------|---------------|---------------|
| Trade debtors | 2,817 | 2,751 |
| Other debtors | 14 | 114 |
| Prepayments and accrued income | 615 | 463 |
| | <hr/> | <hr/> |
| | 3,446 | 3,328 |
| | <hr/> | <hr/> |

12. Creditors: amounts falling due within one year

| | 2024 £'000 | 2023 £'000 |
|------------------------------------|---------------|---------------|
| Trade creditors | 321 | 214 |
| Taxation and social security costs | 186 | 204 |
| Other creditors | 104 | 277 |
| Children Savings | 452 | 289 |
| Accruals and deferred income | 1,542 | 2,530 |
| Termination costs | 20 | 204 |
| | <hr/> | <hr/> |
| | 2,625 | 3,718 |
| | <hr/> | <hr/> |

Children Savings refers to monies saved on behalf of children and the corresponding amount is held in a separate ring-fenced HSBC bank account.

13. Deferred income

| | 2024 £'000 | 2023 £'000 |
|----------------------|---------------|---------------|
| Brought forward | 124 | 185 |
| Released in the year | (222) | (186) |
| Recognised in year | 127 | 125 |
| Carried forward | <hr/> | <hr/> |
| | 29 | 124 |
| | <hr/> | <hr/> |

Deferred income represents funds received in 2023-24 for delivery of services in 2024-25.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

14. Movements in funds (current year)

| | Balance as at 1 April 2023 £'000 | Transfers between Funds £000 | Income and gains £'000 | Expenditure and losses £'000 | Balance as at 31 March 2024 £'000 |
|--------------------------------------|--|---------------------------------------|---------------------------------|------------------------------------|--|
| Restricted income funds | | | | | |
| Donations for children's activities | 85 | - | 6 | (12) | 79 |
| Skills to Care | - | - | 1 | (1) | - |
| Big Lottery Fund | - | - | 195 | (195) | - |
| Total restricted income funds | 85 | - | 202 | (208) | 79 |
| Unrestricted funds | | | | | |
| - General funds | 5,109 | 128 | 26,176 | (24,598) | 6,815 |
| - Designated funds | | | | | |
| o Capital Fund | 1,200 | - | - | - | 1,200 |
| o Transformation Fund | 1,500 | - | - | (398) | 1,102 |
| o YP Fund | 100 | (100) | - | - | - |
| o Adoption Fund ** | 28 | (28) | - | - | - |
| Total unrestricted funds | 7,937 | - | 26,176 | (24,996) | 9,117 |
| Total funds | 8,022 | - | 26,378 | (25,204) | 9,196 |

** TACT ended its adoption services a number of years ago

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Movement in funds (prior year)

| | Balance as at 1 April 2022 £'000 | Transfers between Funds £000's | Income and gains £'000 | Expenditure and losses £'000 | Balance as at 31 March 2023 £'000 |
|--------------------------------------|--|---|---------------------------------|------------------------------------|--|
| Restricted income funds | | | | | |
| Donations for children's activities | 74 | - | 11 | - | 85 |
| Skills to Care | - | - | 1 | (1) | - |
| Big Lottery Fund | - | - | 159 | (159) | - |
| Total restricted income funds | 74 | - | 171 | (160) | 85 |
| Unrestricted funds | | | | | |
| - General funds | 4,769 | (1,600) | 26,151 | (24,211) | 5,109 |
| - Designated funds | | | | | |
| o Capital Fund | 1,200 | - | - | - | 1,200 |
| o Transformation Fund | - | 1,500 | - | - | 1,500 |
| o YP Fund | - | 100 | - | - | 100 |
| o Adoption Fund | 28 | - | - | - | 28 |
| Total unrestricted funds | 5,997 | - | 26,151 | (24,211) | 7,937 |
| Total funds | 6,071 | - | 26,322 | (24,371) | 8,022 |

Purposes of restricted funds

The donations for children's activities fund relate to amounts received to be spent for the benefit of children in care.

Skills to care fund provides funding for training staff on specialist equipment.

Big Lottery Fund is provided to support our TACT Connect offering for care leavers.

Purposes of designated funds

Capital Fund. Following a review of the Charity's property portfolio the Trustees decided during 2018/19 to divest itself of its estate which was deemed no longer fit for purpose and to use the monies raised to reinvest back into property assets or other capital purposes in the future which would support the ongoing operations of the charity. A programme of disposals commenced in March 2019 and cash receipts were designated.

Transformation & Innovation Fund. The Trustees have decided that this fund will be used to increase our capacity to meet our strategic goals of becoming Trauma Informed, assist us in being able to look after children who bring more complexity, increase service innovation and enable process improvement.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

YP Fund. This year the Trustees took the decision to move the YP budget back within the remit of the area teams and keep track of it that way.

15. Analysis of net assets between funds

Fund balances at 31 March 2024 are represented by:

| | Unrestricted funds 2024 £'000 | Restricted funds 2024 £'000 | Total Funds 2024 £'000 |
|---------------------------------|--|--------------------------------------|---------------------------------|
| Tangible fixed assets | 150 | | 150 |
| Current assets | 11,592 | 79 | 11,671 |
| Creditors of less than one year | (2,625) | - | (2,625) |
| | 9,117 | 79 | 9,196 |

Fund balances at 31 March 2023 were represented by:

| | Unrestricted funds 2023 £'000 | Restricted funds 2023 £'000 | Total Funds 2023 £'000 |
|---------------------------------|--|--------------------------------------|---------------------------------|
| Tangible fixed assets | 216 | | 216 |
| Current assets | 11,439 | 85 | 11,524 |
| Creditors of less than one year | (3,718) | - | (3,718) |
| | 7,937 | 85 | 8,022 |

16. Commitments under operating leases

The Charity had no future minimum lease payments under non-cancellable operating leases:

No lease payments were recognised as an expense during the year:

| | 2024 £'000 | 2023 £'000 |
|--------------------|---------------|---------------|
| Land and buildings | - | 15 |
| Equipment | - | 35 |
| | - | 50 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

17. Reconciliation of cashflows from operating activities

| | 2024 | 2023 |
|--|-----------|--------------|
| | £'000 | £'000 |
| Net (expenditure) / income for the reporting period | 1,174 | 1,951 |
| Depreciation charges | 4 | 4 |
| Loss / (profit) on sale of fixed assets | - | (181) |
| Impairment of Fixed Assets | 62 | - |
| (Increase) / decrease in debtors | (118) | 8 |
| Increase / (decrease) in creditors | (1,093) | (18) |
| Net cash provided by / (used in) operating activities | 29 | 1,764 |

18. Current Assets Investment

| | 2024 | 2023 |
|----------------|----------|--------------|
| | £'000 | £'000 |
| Fixed Deposits | - | 1,672 |
| | <u>-</u> | <u>1,672</u> |

During the year £1.672m matured in December 2023 and was reinvested in a liquidity fund.

THE ADOLESCENT AND CHILDREN'S TRUST

England & Wales - Charity number 1018963

Accounts



Charity Registration No. 1018963

Charity Registration No. SC039052 (Scotland)

Company Registration No. 2779751 (England and Wales)

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--|---|
| Trustees | Mr M. R. Doyle Ms L. Waterman-Glasgow Mrs M. Griffith-Jones Mr O. Evans Mr D. Rankin Mr M. Scott Mr P. Anderson Mrs J O'Connell Mr T, Bingham |
| Chief Executive | Mr A. Elvin |
| Secretary | Mr P. Oldfield |
| Charity number (England and Wales) | 1018963 |
| Charity number (Scotland) | SC039052 |
| Company number | 02779751 |
| Principal address and registered office | 98 Station Road, Sidcup, Kent, DA15 7BY |
| Auditors | HW Fisher LLP Acre House 11-15 William Road London NW1 3ER |
| Bankers | HSBC Plc Level 3 8 Canada Square London E14 5HQ |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

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THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT

CHAIRMAN'S STATEMENT

This is my fifth introduction to TACT's Annual Report. I have re-read the last five introductions, and what resonated with me was the organisation's consistent sense of ambition to help our children reach their potential.

You can measure yourself and your success in many ways, one of which is by financial outcomes. In the last year, we were successful in generating a surplus of £2m. Being a charity, this is all channelled back into services to support better outcomes for our children, and to support our carers.

This surplus has already been utilised to provide an over inflation 10% rise in carer fees and allowances, and a 3.5% pay rise to all staff. We have also designated a £100,000 fund over the next two years to provide opportunities for our children to enjoy experiences that they would not otherwise have access to across both sporting and cultural activities.

In addition to these payments, we have been able to set aside an innovation fund of £1.5m over a two-year period, that will allow us to transform the way that we care for our children and support our carers. This is vital, as it will ensure we have the support and capacity to care for the children LAs are asking us to care for. Through this fund, we are embedding a trauma informed approach, so that foster carers and staff can work together to care for children with increasingly complex needs. We are enhancing our education and health/behaviour support offer and are looking at how we provide short break back up care for children and families to enhance stability. Offering safe, stable, and loving long-term homes for children is our overarching aim. In order to underpin this, we need to provide high quality 24/7 support for our carers and children, and this requires investment.

Another way of measuring success is gauging the support we provide to our children, carers and staff. In the last twelve months, we have continued to grow our Education service, which has improved children's outcomes. Our Education service continues to be extremely successful in unlocking funding for our young people, by advocating for, and supporting applications for Personal Education Plans and Education, and Health and Care Plan (EHCP) funding, where schools and virtual schools have not wanted, or have not had the capacity, to progress these. We have accessed over £1 million to be spent on our children's education through these in recent years.

We have started working on our Employment service and have co-opted Philip Woodman (more on Philip later), as our Employment Tsar to help improve outcomes for care experienced young people, and to get the best opportunities as they start their careers. We will work with employers to access work experience, paid internships, apprenticeships and employment opportunities for our young people and care experienced community, and our aim is that we have no young people aged 18-25 who are not in employment,

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continuing education, or vocational training, an apprenticeship, or a pathway to employment.

We have launched our new five-year strategy. Thank you to the children, carers, staff and Board members who worked to bring together an ambitious statement of what we will achieve over the next five years. I would like to take this opportunity to thank and acknowledge Scott Ruddock's leadership in this process.

The strategy makes it clear that there is a long way to go to provide the environment for children that will allow them to be able to reach their potential. However, our robust financial position allows us to fund the work needed to achieve our strategy.

The strategy lists a series of clear objectives. These are:

1. To enhance life opportunities for all our children, improving their attainment and achievement.
2. To be an excellent organisation, and the agency of choice for our foster carers, and the employer of choice for our people.
3. To be a sector leader through investment in innovation, and service improvement.
4. To be financially strong, stable and sustainable, by generating a healthy surplus.

Our future annual reports will provide a detailed review of how we are progressing against these objectives.

This year, we said goodbye to Philip Woodman from the Board of Trustees. Philip has served 10 years on the Board, as Chair of the Finance Committee, and as Vice-Chair of the Board. Philip's expert and committed oversight of our finances has been a major contributory factor in ensuring that we are in robust financial health that has allowed the above-mentioned investments. While Philip has stood down from the Board due to our term limits, he remains active with the organisation, and has accepted a role as TACT's Employment Tsar (as noted above). This role will see him work to help us achieve our ambitions around employment opportunities for care experienced youngsters.

After reflecting on the year that was, I am very confident about the organisation's ability, through our wonderful carers and outstanding staff, to continue to set and meet our ambitious goals for our children.

Matthew Doyle

Chair

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STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board presents its report with the accounts and the auditor's report for the financial year ending 31 March 2023. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (FRS102) (effective 1st January 2019)

LEGAL STATUS

The Adolescent and Children's Trust (TACT) was incorporated as a company limited by guarantee, on the 14 January 1993, under the Companies Act 1985 and 1989. On the 19 March 1993, TACT sought and obtained charitable status.

TACT is described as an 'incorporated' charity with company registration number of 277951 and charity registration number 1018963. On the 8 April 2008, TACT was formally registered as a charity in Scotland (Reg No: SC039052).

THE ORGANISATIONAL AND DECISION-MAKING STRUCTURE

The Board of Trustees

The Trustees who served during the year were:

| Name | Occupation | Appointed | Resigned |
|-----------------------|--|------------|------------|
| Matthew Robert Doyle | Company Director | 04/08/2016 | |
| Philip B. Woodman | Accountant | 26/09/2012 | 26/09/2022 |
| Lisa Waterman-Glasgow | Communications Director | 30/06/2015 | |
| Mary Griffith-Jones | Retired Social Worker | 27/09/2017 | 31/03/2023 |
| Owen Evans | Charity CEO | 27/03/2019 | |
| David Rankin | Accountant | 23/09/2020 | |
| Michael Scott | Retired | 23/09/2020 | |
| Paul Anderson | Social Worker | 26/01/2021 | |
| Jennifer O'Connell | Lawyer | 21/09/2021 | |
| Tom Bingham | Marketing and Communications Director. | 30/11/2021 | |

Structure

At the 31 March 2023, the Board of Trustees comprised ten members. During the year we were pleased to welcome to the Board Paul Anderson, Jennifer O'Connell and Tom Bingham. We wish Martine Bond and Andrew White well in their future endeavours and thank them for their valued contribution to the Board during their tenure. Philip Woodman completed his term of office in September 2022 and we express our deep gratitude for his long standing commitment and energy to TACT and whilst no longer a Trustee we are pleased that Philip has agreed to work with TACT at developing employment opportunities for our children. We also thanks Mary Griffith-Jones for her long and excellent service both as an employee and then Trustee of TACT

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Throughout the last year, the Board of Trustees governed the Charity and managed its resources so that it could meet its charitable objectives. They review the mission, vision and values regularly and have concluded that they are still relevant.

To effectively undertake its governance responsibility, the Board delegates detailed scrutiny to: (i) the Finance, Audit and Risk Committee; (ii) the Safeguarding and Children's Services Committee. The membership of each Committee is as follows:

| Finance, Audit and Risk (FARC) Committee | Safeguarding and Children's Services Committee |
|--|---|
| P. B. Woodman (Chair – resigned 20 th September 2022). M Scott (Chair 20 th September 2022) O Evans T Bingham | M. Griffith-Jones (Chair) D Rankin P Anderson (from 26 th January 2021) T Bingham (from September 2021) |

The Chair of each Committee reports to the Board and this informs the decision making at that level. All **new** Trustees undergo an induction process, which includes TACT's governance arrangements, and clarifies the Trustees duties and responsibilities and sets out its key organisational policies. Ongoing training is provided for Trustees as need identified through annual performance review discussions.

The Board of Trustees is always keen to evaluate its effectiveness and to find varying ways to add value to the Charity. Every year, the Trustees undertake an 'Away Day'. The intent is to enable them to consider their inter-relationships at Board level, the degree of cohesiveness and how these factors influence 'decision making', especially on matters of critical strategic significance.

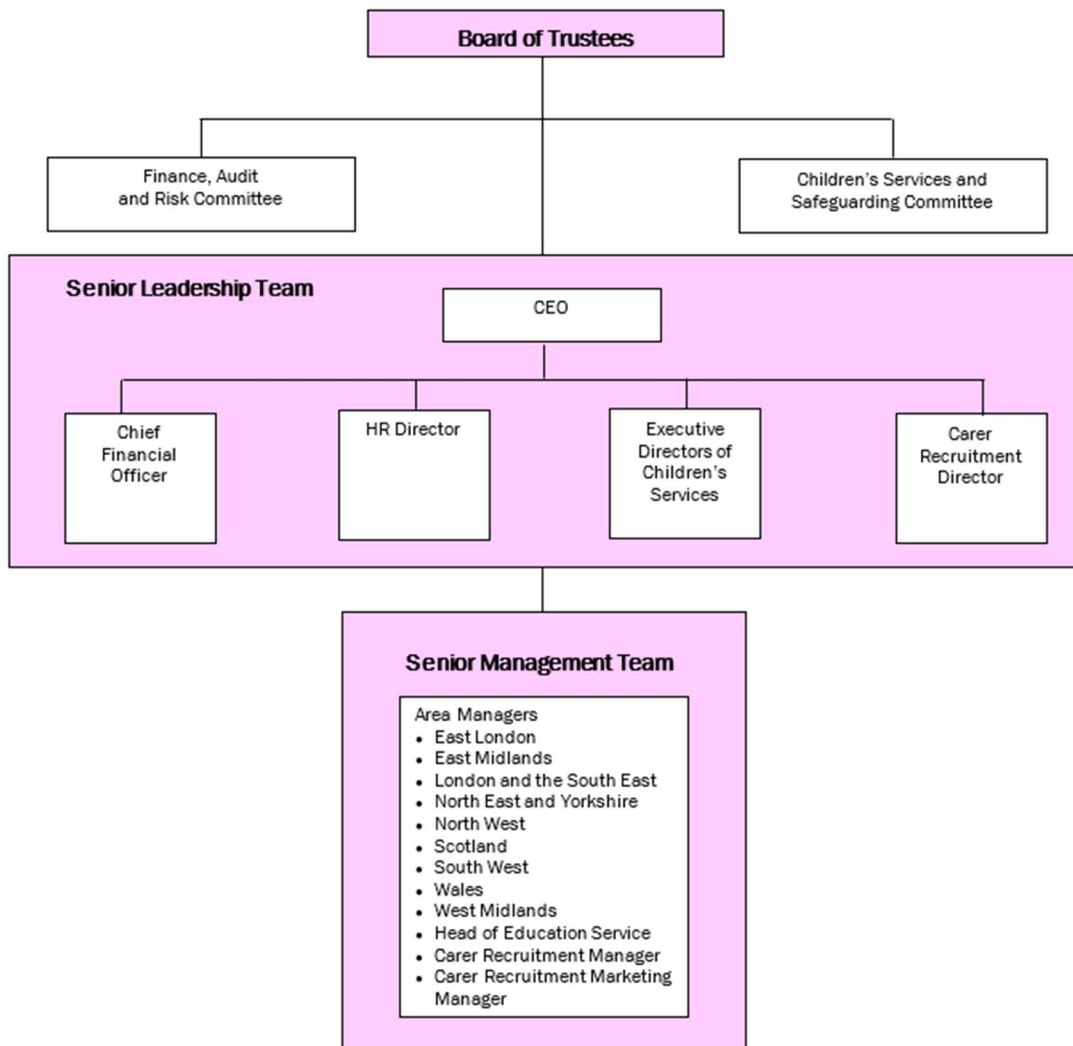
SENIOR MANAGEMENT STRUCTURE

The Senior Leadership Team (SLT) led by Mr Andy Elvin since September 2014, is responsible for driving the strategy delineated in the strategic plan, agreed by the Board. The Senior Management Team (SMT), comprising Area Managers and led by the Executive Directors, manage the processes which underpin the strategy and monitor the outcomes.

Senior Leadership Team pay is predicated on the latest job description and person specification, which is used as a basis for an evaluation by, Reward Connected, an independent agency. Each job is ranked using a matrix which utilises a set of factors including but not exclusively, skills, intellectual demands, judgement and use of resources set against the scope and difficulty of the work involved. The evaluation score emerging from this exercise is set against an agreed 'TACT Pay and Remuneration Table', from which the salary and/or salary range is determined.

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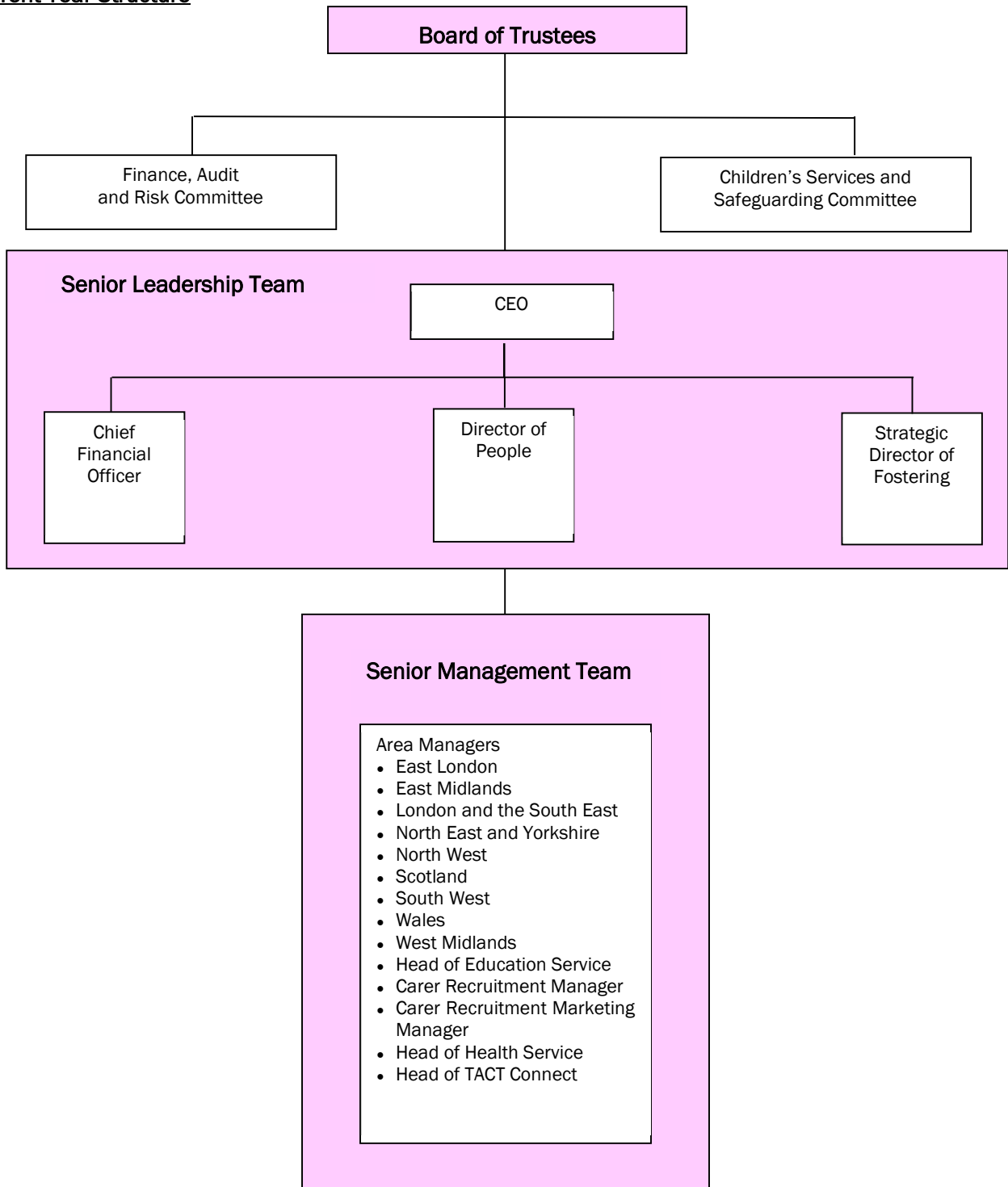
Reporting Year Structure*



* This was the structure in place for majority of the reporting year

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Current Year Structure



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GEOGRAPHICAL COVERAGE OF TACT OPERATIONS



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REGISTERED OFFICE

Head Office, 98 Station Road, Sidcup, Kent, DA15 7BY

ADVISORS

Solicitors – Corporate Lee Bolton Monier-Williams, 1 The Sanctuary, London, SW1 3JT

Solicitors – Social Care S. Carr & Co, 416 Mare Street, Hackney, London E8 1HP

Solicitors – Property Meade King LLP, Springfield House, 45 Welsh Back, Bristol, BS1 4AG

Solicitors – Contracts, Charity & Employment DAC Beachcroft LLP, Portwall Place, Portwall Lane, Bristol, BS1 9HS

VISION AND VALUES

Vision

**Better lives for Children, Young People, &
Care Experienced Adults**

Values

- **Connected & Inclusive**
- **Child & People Centred**
- **Caring & Compassionate**
- **Charitable & Fair**

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To achieve our mission, we must attain these 7 key goals:

1. Great Outcomes:.. Deliver the best possible outcomes for our children.
2. Outstanding People:.. Supporting our staff and foster carers to deliver the best possible childhoods.
3. Innovate: A culture of developing and delivering successful services.
4. Be The Best:.. Be the first choice foster care agency.
5. Speak Up: Advocate for our children, young people and care experienced adults, and encourage them to speak up for themselves.
6. A Community for Life: We will be there for our care experienced people lifelong.
7. Generate a Surplus: Have a strong and sustainable financial position, so that we can invest in our children and care experienced adults.

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STRATEGIC REPORT

ORGANISATIONAL AND ACTIVITY REVIEW

The Year in Perspective

In 22/23, we emerged from the pandemic and lockdowns. Financially, we had a strong year. which positions us well to face the new cost of living challenges that arose in quarter 2, as inflation and governmental chaos and ineptitude made the macro-economic situation extremely uncertain and hostile.

However, we continued to offer children safe, stable, loving homes, and our activity remained steady and constant. The work of our staff and foster carers has, again, been humbling, as has the response of our young people, who have been incredible in dealing with such drastic changes to the world around them.

The last two years have had a significant impact on young people's lives, and there is still much to do to catch up after this interruption in their lives. We are very cognisant of the impact on mental and emotional health that the pandemic, and the economic uncertainty has had on our children and young people, and have invested in services and support to ameliorate this.

It has been a busy year with carer recruitment continuing apace in a difficult and challenging market. We further expanded our Education support service to provide more support to carers and children. This service continues to be highly valued by carers and children, and has contributed to stability in our foster homes. It also continues to be extremely successful in unlocking funding for our young people, by advocating for and supporting applications for PEP and EHCP funding, where school and virtual school have not wanted, or have not had the capacity to progress these.

The decision in January 2021 to move to being a virtual organisation has paid huge dividends as the cost of living crisis hit. Although we in no way foresaw the instability and economic forces that caused the cost of living crisis, the fact that we no longer had energy inefficient offices has been a significant financial benefit. We have continued to offer all staff a home working allowance, and we are exceptional in our sector in doing this. We were also able to provide a substantial one off payment to staff in December 2022, to offset the spiralling energy costs that they were facing at home.

We invested substantial sums in supporting our foster carers. In August 2022, we increased foster carer fees significantly, in response to the emerging cost of living crisis, and we provided additional support during the winter of 22/23.

TACT's main revenue base relates to the provision of foster care services, which is a local authority funded service. We do not engage in any public fundraising activity, however, to enhance our ability to support carers and young people, we are actively seeking new

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opportunities to secure sources of additional funding through grants and donations. We are grateful to the The National Lottery Foundation for their generous support of £72,000 this year to fund our innovative TACT Connect service.

The appetite for change across the organisation has continued. We engaged all levels of staff, alongside carers and young people, in shaping our new Strategic Plan, and launched this at a series of Away Days in autumn 2022. Alongside this, we refreshed our vision and values, and committed to becoming a trauma informed organisation over the coming years.

We continue to play a significant role in lobbying and policy work. We are closely involved in the implementation of the English Care Review, and we are pushing for changes to the care system that will benefit children, young people and care experienced adults

We come out of the year stronger, both financially and organisationally. Having progressed significantly, we are in a better place to face the challenges that the current economic climate presents with confidence in the coming year.

TACT are looking forward to launching our new five year strategy in 2023. Central to this is our aspiration to become a fully Trauma Informed organisation. We are working closely with Dr. Karen Triesman, and this work underpins our new values. We are investing in our children, foster families, care experienced adults and staff to ensure that we give everyone the best possible opportunity to achieve their potential.

We are pleased with the progress we made during the pandemic, and since emerging from it. We now seek to build on this, whilst continuing to focus on:

‘Creating better lives for our children, young people and care experienced adults’.

PUBLIC BENEFIT

The Trustees have complied with their duty under Section 4 of the Charities Act 2016, to have due regard to the guidance published by the Charity Commission. The benefit to the public is demonstrated by the achievements under the strategic objectives below, most of which speak to, or enable, excellent outcomes for the children in TACT's care.

ACHIEVEMENTS FOR THE YEAR 2022-23

Our strategy is governed by four key aims. They are:

1. To enhance life opportunities for all our children, improving their attainment and achievement.

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2. To be an excellent organisation, and the agency of choice for our foster carers, and the employer of choice for our people.
3. To be a sector leader through investment in innovation, and service improvement.
4. To be financially strong, stable and sustainable, by generating a healthy surplus.

TACT is widely recognised for the fantastic quality of support that our social work teams provide foster carers across the UK. Last year, we continued to receive fantastic feedback from Ofsted, with our regional teams consistently receiving good ratings.

In 2022, TACT south west was awarded the highest possible Ofsted rating, “outstanding”, for its work with vulnerable children and young people in the south west of England.

Following the inspection, Ofsted reported that:

“Outcomes for children are consistently outstanding in all areas. Children who spoke to the inspector said that they had made great progress since living with their foster families.”

TACT is striving to become a more trauma informed organisation, and it was noted by Ofsted that the charity... “underpins every aspect of their care for children with trauma informed practice. Carers are skilled in understanding children’s behaviour. They know how to respond to children in ways that promote their self-esteem and resilience. This ethos is led from the top”. During the inspection, the inspector saw this practice in all areas of care.

Caring for Siblings

Most children in care have at least one sibling. Far too often they are separated, usually because of a lack of foster families with available space to accommodate all of them. Separation from siblings has been linked to poorer child well-being. TACT naturally recognises the importance of keeping siblings in care together, whenever possible. We currently look after nearly 300 siblings, with the overwhelming majority living with each other. This is made possible, thanks to our wonderful foster carers, who have opened their homes to enable brothers and sisters to avoid the trauma of separation at an already difficult time in their lives.

Our carers are very keen to welcome siblings into their homes if they have the physical space to do so. We have urged government to find solutions to address the pressing issue of lack of suitably sized foster carer accommodation for sibling groups. Addressing that issue could vastly increase the number of siblings kept together.

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“Quite soon after becoming approved carers, we found out that we were going to have two teenage siblings placed with us. I was excited and scared at the same time, but mostly I was pleased that we would enable the siblings to stay together. They might not be able to live with their family, but they would, at least, have each other. Being fostered together helped them to settle well into family life with us.” - Elaine, TACT West Midlands Foster Carer.

Foster Carer Welfare

The welfare of our foster carers is very important to us, hence why in 2022 we launched our Foster Carer Wellbeing Programme. In addition to the many existing resources and services available to our foster carers, they now have access to the Help@Hand service, giving them free of charge access to an online GP, physio and second opinion services, as well as menopause support and mindfulness, amongst other things.

Last year was a tough one economically for everyone, including our foster carers. While everyone was feeling the pinch as a result of the cost-of-living crisis, we wanted to ensure that none of our foster carers had to consider giving up fostering for financial reasons. As such, following consultations with our Foster Carer Representatives group, we provided £350,000 of additional financial support to our carers to help them through this difficult period. That represented a significant portion of TACT's budget surplus for the year, underlining our commitment to our carers in such unprecedented times, whilst also reflecting our gratitude for the incredible work that they do.

Last year we continued to invest in a wide range of training and development opportunities, to assist and support our carers, and provide them with the necessary skills and knowledge they need to handle whatever comes their way.

More than 80 different training courses were made available, with training delivered in a variety of ways, both online and in person.

Supporting Carers Who Look After Children With Disabilities, & LGBTQ+ Carers

Having listened to our carers of children with disabilities, we realised that they sometimes feel isolated because of their responsibilities and experiences. In response to this feedback, we created a TACT wide network for carers of children with disabilities, to enable them to connect and provide peer support to each other.

The network meets monthly, giving them the opportunity to share their experiences and how they are feeling. They are also regularly joined by guests, such as Heads of Specialist Services, who can provide information and bespoke support or the group.

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In 2022, we also launched our LGBTQ+ Network, the first group meeting of which took place in November. The network aims to be open and inclusive for carers who are part of the LGBTQ+ community, or those that care for or support children who are part of the community, as well as any staff or carers who want to inform others about their practice supporting LGBTQ+ carers and young people.

Meeting virtually, every six weeks, the LGBTQ+ network is a space for people to come together to discuss subjects and issues that are relevant to the LGBTQ+ community.

Both of these new networks are facilitated by foster carers, who are involved in our Foster Carer Reps group. As Foster Carer Reps, they meet with TACT's CEO, Andy Elvin, and raise current issues, and ideas on how to improve the support we provide to our carers and their children.

Support for Children

TACT employs Children's Support Workers (CSWs) who work closely with our children and young people across the UK. Our CSWs lend a listening ear, and provide support and guidance to help them deal with difficulties and challenges that they may be facing, and help them fulfil their full potential.

Among their varied responsibilities, CSWs bring our children and young people together for year-round group activities, providing them with the opportunity to have fun, try new things, build confidence and make new friends. They also undertake specifically targeted one-to-one work, based on young people's needs.

CSWs also play a key role in helping to amplify our children and young people's opinions about TACT and being in care, empowering them to help shape our policies, procedures and working practice.

As well as focussing on the needs of children and young people in care, they also offer support to fostering families' birth children, and organise fun activities that give them the opportunity to be with like-minded young people who understand their situation. We have also started an online forum for children who are fostered, so they can share their experiences.

Here are some of 2022's highlights:

- During the Summer, young people across the South of England enjoyed a residential activity break at Bewl Water in Kent. Canoeing and wall climbing were amongst the variety of exciting challenges that our young people participated in, and these activities also provided them with the opportunity to socialise and bond with each other.

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- Young people aged 10-16 from Wales, East Midlands and West Midlands enjoyed a weekend of orienteering, gorge walking and canoeing in North Wales during the Summer. This was rounded off with an evening at the beach to watch the sunset.
- In August 2022, a highly successful three-day cookery residential took place, involving young people from the East Midlands, West Midlands, South West and North West of England. All the young people thoroughly enjoyed learning new culinary skills, and the opportunity to experiment with recipes. Of course, the best part was being able to hang out with each other and make new friends!
- As a Christmas treat, TACT Scotland arranged for over one hundred of their foster carers and young people to attend local pantomime performances in Edinburgh, Falkirk and Glasgow. It was a fantastic opportunity to have fun and socialise together.
- We ran three TACT young people's awards ceremonies during the summer holidays in London, Kent and South Coast, with both young people and carers enjoying a special day together, celebrating their talents and achievements.
- The annual Christmas Card design competition attracted lots of fun and creative entries across TACT from our children and young people. Our Chair of Trustees, Matthew Doyle, chose the winning design.
- Some young people are anxious about joining in with events and activities, because of not knowing anyone. To help overcome this, a buddying system was created to pair those that might be new to TACT with other children who can offer reassurance, and be a familiar face.
- There were lots more activities and fun events organised for TACT's children and young people across the UK, including go karting, ice skating, ten pin bowling and trampolining.

Education Service

Educational attainment for children in care is sadly much lower than those not in care. This is due to a variety of reasons, including having to face difficult circumstances in their home lives, resulting in absence from school, or frequently moving schools. TACT's Education Service works to close that attainment gap, by supporting our foster carers and social workers in ensuring our children and young people achieve the best possible educational outcomes.

In 2022, the Service's team of education professionals expanded, and it now comprises: a Head of Education, Advisory Teachers for each of the three nations, an Education

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Service Administrator, and a Post 16 Advisor, to offer focused support to our care experienced adults.

Last year, the Education Service made a hugely positive impact on our children's and young people's education. A large proportion of the Service's time was spent acting as a communication link between the child / foster family and the school, including advising on educational meetings, Personal Education Plans (PEPs), assessing and assisting with any strategies to deal with issues within the school environment, and providing funding for short falls in resources (for example, Education Psychology Assessments).

In 2022, the Education Service achieved the following:

- Successfully advocated to ensure that no young person has been permanently excluded from school, and worked to significantly reduce other punitive sanctions, including fixed term exclusions, detentions and isolations, which we believe are trauma inducing, and inappropriate ways of teaching our young people to make positive choices.
- Delivered over thirty training sessions to carers, schools and area teams on a range of topics, including Trauma Informed Education, Personal Education Plans (PEPs), Education Health Care plans (EHCPs), Phonics, and Communication Needs, to name but a few.
- Participated in hundreds of meetings from PEPs, EHCP Reviews, Children with Disabilities Network Meetings, Carer Forums, and many more.
- Delivered over thirty one-to-one Career Guidance sessions to our young people, which have been followed up with bespoke personalised pathways plans for Post 16 education.
- Supported young people new to the UK from overseas, to access suitable English for Speakers of Other Languages (ESOL) programs.
- The Education Service also enabled our care experienced adults to access training, further education, higher education, and employment opportunities. It worked with colleges to consider a more trauma informed response to low attendance and young people's personal challenges, overturning two college exclusions and one revoked college place, to ensure our young people are accessing further education.
- We supported young people going to university by helping them to access extra funding from the local authority to cover gaps in their accommodation costs, and to apply to university bursaries, as well as access funds for travel support.

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Health Service

As with children and young people's educational needs, their physical and mental health can suffer as a result of coming into care, particularly if there has been family abuse or neglect leading to disconnection, or feelings of abandonment. In 2022, TACT launched a new Health Service to support foster carers, social workers and other professionals in addressing children's and young people's physical and mental health difficulties. The Service works in line with TACT's trauma informed approach, and helps identify previous and ongoing traumas, and subsequent consequences for the child.

While still in its infancy and evolving, some of the key features that have been developed by the Health Service so far include:

- Consultation for TACT social workers, Children's Support Workers (CSWs), foster carers and external agencies, providing them with a level of clinical oversight which considers past, current and potential difficulties, and finds solutions.
- Attendance at multi-agency and stability review meetings, which offer support and guidance to foster carers, helping to reduce disruption and increase stability in foster placements.
- Implemented peer support for TACT's Children's Support Workers, to help share good practice and resources.
- Engaged with TACT's Children with Disabilities group, to ensure children with additional needs are supported to the best of our ability, and reviewed all current external therapies to ensure all are in line with TACT's values.

The Health Service has lots of exciting plans for the next 12 months, and we are optimistic about the continued positive impact the service will have on the health and wellbeing of young people cared for by TACT.

TACT Connect

TACT Connect is a membership scheme that is offered to TACT care experienced young people and adults who are aged 15 and over. Our TACT Connect members are offered spaces to be together, to connect with each other, and co-create all aspects of our scheme, including who works within it.

We are really proud of the progress we made in 2022. We are now a totally co-created membership scheme, with our members and Advisors' wants and needs completely guiding the way that we develop. We started the year committed to growing our membership in a way that feels safe and comfortable for everyone, and have seen our membership continue to grow.

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As we integrate TACT Connect into TACT, we have visited all of TACT's Area Teams, and have updated staff about our growing scheme. We also send regular newsletters, keeping those colleagues and foster parents who know our young people best of all in the loop, empowering them to spread the word!

Events have been booming, and we launched our very first face-to-face TACT Connect Getaway residential! This was a weekend trip to a house in the Peak District, where our TACT Connect Team and members spent quality time together, participating in activities and cooking meals together. This went down so well that we have planned three more in 2023; one in each country of Great Britain.

Our virtual events have also grown, with new ones being created by our members, such as a gaming group, and a safe space for people who might want to be mentored. Members have been involved with writing articles for our quarterly magazine, utilising external opportunities alongside our support, and coming to events such as the annual TACT Connect Development Day, to make their opinions known.

There have been lots of changes within the political landscape throughout the last year, and our TACT Connect Team have remained alongside our members, as they think through and express their views on matters like the John Lewis advert, and the Government's response to the English Care Review. What we have seen is that many of our care-experienced community members want connection and relationships, especially from those who understand and value the experience of being in care.

Whilst we are always available to chat about the more difficult things, we also understand the importance of providing a safe space to have fun, connect with others, and not talk about the care sector at all. This has been one of our biggest learning curves, and has really shaped our priorities over what we offer to our members.

Going into the next year, we want to continue to offer more opportunities to develop ourselves as a community (not a service) that provides on-going human connection, and strengthens the relationships we have already developed.

Conclusion

TACT continues to innovate, and we strive to offer the best possible support to our foster carers and their children, so that they have the best possible chance of achieving their full potential.

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REVIEW OF THE FINANCIAL RESULTS

It has been another strong year of financial progress, with a reported surplus of £1.951M, and improving cash and net asset positions. The move to being a virtual organisation, which we started in March 2020 and confirmed in January 2021, continues to provide benefits in terms of costs as we have terminated all our rented office space, and at the year end we only had one unsold property on our books.

During the year, we continued to rebuild our reserves and, encouragingly, were in a position to invest back into the services we provide, and improve our reward packages to carers and staff. Our carers and staff are of the utmost importance to the care and support we can provide to the young people placed in our care. Overall, we committed to an investment of over £0.7M into supporting carers and staff during the year, in a mix of one off and recurrent expenditure.

Our primary source of funding is from Local authority commissioned foster care placements. Our activity levels fell by 3.8% (2022: 4.7%) against the prior year. We have consistently seen reducing activity and market share over a number of years, driven by falling carer numbers, and the primary focus is now on stabilising activity in the current year (22/23). Carer recruitment became more challenging from summer 2022 as the cost of living crisis impacted families. Many people who might consider fostering find their adult children still living with them as interest rates and rental costs increase. A focus on carer recruitment and retention will be a major part of our work in 23/24. The fall in activity was mitigated by an increase of 6.5% on our average weekly fees charged to LA's, due to a mix of churn in placements and the continued work on improving our fee proposition. We monitor fee levels across the sector as we have moved our pricing from lowest to market mid-point.

During the year, we made of a number of recurrent investments by uplifting staff and foster carer pay. We also made a number of one-off payments to both groups, as recognition for the amazing work they had undertaken during the pandemic. In addition, we invested in extending our Education service and support.

Whilst we have worked hard over the last three years to turn our finances around and be able to look forward and invest back into the service, we know that there is still much to do, especially around further improving our carer offer and support. Towards the end of the year, we started to see rising inflationary pressures in the economy, and this has been exacerbated with the war in Ukraine impacting on energy and food prices. Initially, this inflationary pressure was seen by most experts as a temporary jolt, but as time has gone on, the outlook is for an extended period of high inflation, which will require careful cost base management to contain.

In conclusion, whilst we have had another strong year financially, the environment is becoming more financially challenging. The hard work undertaken repairing the balance

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TRUSTEES' REPORT

sheet and rebuilding reserves was necessary and leaves us in a strong position to take on the challenges of the new realities facing the sector.

Balance Sheet

We ended the year with £6.57M (2022 £4.25M) of free reserves, which is around 126%, (2022: 87.7%) of the targeted level of reserves that the Trustees believe is necessary to maintain the financial sustainability of the charity.

RESERVES POLICY

TACT is committed to ensuring appropriate reserve levels, sufficient to enable the organisation to maintain capacity and, significantly, to enable TACT to accommodate planned growth.

The primary aim of TACT's reserves policy is to preserve a level of 'free' reserves – the unrestricted funds not committed or invested in fixed assets [net of any associated liabilities]. TACT's approach is to maintain free reserves, equivalent to fifty percent of overhead expenditure £5.21M. This leaves a surplus of £1.36M.

The reserves policy also states that TACT should hold cash levels equivalent to two months of operating expenditure, or £3.794M. At 31 March 2023, this requirement was fully satisfied as cash levels were at £6.524M.

Having made continued progress during the year with the financial performance, it is critical that this momentum continues, and that funds can be re-invested in developing the services offered.

At present, the reserves policies are being achieved. Having reviewed the market, the associated risks, the improving financial position in year, and the basis for projected future improvements, the Trustees remain confident that the reserves will continue to be achieved over the next year.

GOING CONCERN

Based upon reserves, the forecast for future trading, and the market environment, the Trustees consider that the Company have adequate resources to remain in operation for the foreseeable future and have, therefore, continued to adopt the going concern basis in preparing the financial statements.

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TRUSTEES' REPORT

FUTURE

The English Care review recognised that the market for fostering services was broken yet acknowledged that in the short to medium term there was little that could be achieved by intervention in the market. Excess profits from private equity investors are seen as inevitable, and that change will take concerted effort over a long period, and a more joined up approach to the market than has been achieved to date. From a TACT perspective, it was comforting to see that the CMA's view of returns in an efficient market would be that they would expect it to be 4%, which is in line with our own aspirations and performance.

After an extended period of economic stability and low inflation, events over the last year have changed the sector's outlook and challenges. Initially, inflation fuelled by a rebound in demand following Covid, which was seen as a temporary blip, has turned into a much more challenging scenario, with energy and food inflation consequences arising from the war in Ukraine. The position and forecasts change constantly, underlining the uncertainty that abounds. As we enter into 2023/24 inflation rates for the UK are currently in the range of 8% to 18%, and the timeframe before inflation starts to fall is also pushed back. Inflationary pressures cause carers and staff to re-evaluate reward. The way in which the sector is commissioned and funded, however, makes passing on cost increases difficult and, therefore, margins are expected to come under pressure.

The impact of cost of living increases also puts most pressure on those at the lowest spectrum of the pay and benefits scale. Poverty is one of the major drivers of rates of looked after children. At the same time, rewards for fostering are diminishing, and the pool of new fostering capacity is struggling to replace the experienced carers leaving the sector.

To respond to these challenges, TACT is looking at further developing support to carers through its Education and Health services, improving our mental health and well-being offer to carers, as well as improving rewards, and looking at ways to bring more new carers, who may not have considered fostering, into the sector. As a charity, we will look to charitable funding and grants to help innovation, and we will work with Commissioners and in partnership to deliver solutions to the problems faced.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees meet regularly and, at least annually, review the risks to which the Charity is exposed. The risks are classified for review purposes, as follows:

Strategic and Governance

- Risks associated with a strategy or organisational structure e.g. over-expansion, competitive threats, poor contractual arrangements.

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Financial

- Risks arising from the financial structure, insufficient funding, weak asset base, systems, and transactions of the business, e.g., failure to win tender applications.

Operational

- Risks emerging from operational, administrative, processes and procedures, e.g., substantial technological disruption.

Regulatory and Political

- Risks posed by potential or actual changes in the regulatory and political environment, e.g., failure to comply with minimum standards, serious case review.

Reputational

- Risks to the perceived quality or brand of TACT, e.g., failing Ofsted inspection.

Information Security

- Risks associated with the breach or loss of restricted or personal sensitive data, or infringement of privacy, e.g., the loss of a child's historic file, cyber-attack.

Contingent

- Risks that will arise only if certain events take place, e.g., providing contractual guarantees to a third party.

RISK ASSESSMENT

TACT views risk in the context of the **likelihood** of an adverse outcome that is worse than expected, and where the potential **impact** of such an outcome is very significant. Known or identified risks are colour-coded in terms of severity – Red - Amber - Green (otherwise known as a RAG rating). This will be used to reflect the combination of likelihood, and impact of the severity of each risk. Risk is also viewed as a missed opportunity to add value to the organisation. The risk framework sets out the controls in place to avert risk, and will be pursued by officers with the relevant assigned responsibilities.

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TRUSTEES' REPORT

RISK CONTROLS

The Trustees ensure that a robust risk management policy is in place, as well as associated policies and procedures e.g., business continuity, information security, health, and safety. Performance indicators, and the associated reporting processes, are in place to manage and mitigate identified and potential risks. The Trustees regularly approve a delegation of authority process, which enables Executive action to be undertaken on their behalf, should any material risks arise and require action.

RISK MINIMISATION

The Trustees annually review TACT's risk management framework in detail, and focus on those risks to which the Charity is pre-eminently exposed. The risks are classified for review purposes. The reputational and political risks are minimised through the frequent validation and quality inspections undertaken by our regulators, e.g., Ofsted. Also, quality tests such as Customer Service Excellence, Investors in People, and the Sunday Times Best 100 companies, in which TACT participates and succeeds, will help to reduce the likelihood of these risks.

Internal scrutiny though external audits (financial) foster carer reviews, supervision, appraisals and training, all assist with risk minimisation. Finally, through its sub-committees, 'Finance, Audit and Risk' and 'Safeguarding and Children's Services', the Trustees ensure that relevant operational matters are regularly scrutinised, to provide comfort to the main Board that attendant risks are identified and addressed.

KEY RISKS

The Trustees have identified the principal risks as:

Market risk. Covid has placed a significant financial burden on the economy, and both the disruption from Covid and Brexit are beginning to filter through into inflationary pressures. The war in Ukraine has also destabilised both the energy and food sectors, adding significantly to the cost of living crisis. At the same time, anticipated public sector funding squeezes are likely to put pressures on our ability to pass on cost increases. Of significant importance, is the impact on foster carers of both the results of the last two years, and a period of high inflation and pay restraints presenting potential challenges for the sector in terms of recruitment and retention of a pool of experienced, committed, and talented foster carers. Cost of living pressures are likely to compress margins, and could accelerate the number of small independent providers exiting the market.

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TRUSTEES' REPORT

Workforce Development

Nationally, we have more job vacancies than people seeking work. Brexit, the impact of Covid, and a richer post fifty population not needing to work as much, has led to a contraction in the workforce. Demand for services we provide continues to be strong, and the impact of extended lockdown restrictions and financial pressures on families is yet to be fully understood, with potentially increasing demand for more complex placements than previously. It is important we need to continue to invest in developing, supporting, and training our staff and carers to be able to support these young people in the future. Ability to recruit and retain in a labour market with scarcity will be challenging, and risk to quality of service will be heightened. Paying more, or looking at new models of delivering service, will be key.

Foster Carer Recruitment

The key to our business model is having a pool of foster carers, with the requisite training and skills to be able to provide good quality placement opportunities to local authorities. Attracting and retaining these highly skilled and committed carers is critical. We are developing our offer to attract more new carers, and to support them in their journeys.

Competition Risk

The fostering market place is still fragmented, but recent years have seen the emergence of large private equity backed operators who have been driving consolidation in the independent providers market. Local authorities act as both commissioners and providers of foster care placements. Differentiation in a crowded market becomes increasingly difficult. We continue to differentiate our offer in terms of the quality of services, stability of placements, and our commitment to helping young people achieve their aspirations through support, pre and post eighteen, within the TACT family. Placing young people's outcomes at the heart of everything we do, and continuing to invest in services that contribute to support these through our fundraised initiatives, gives TACT a unique opportunity to develop its brand and offering.

Liquidity Risk

Cash flow and financial projections with associated risks are routinely scrutinised by the Finance Committee.

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TRUSTEES' REPORT

Cyber and Technological Risk

The increasing reliance on technology, move to home working, and the increase in cyber attacks worldwide, presents additional challenges in protecting our data and systems from attack. We continue to proactively monitor our systems, and strengthen our controls in this area.

ASSET COVER FOR FUNDS

Note 15 sets out analysis of the assets attributable to the various funds, and a description of the funds. These assets are sufficient to meet the Charity's obligations on a fund by fund basis.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the Trustees has confirmed that they are not aware of any information which is relevant to the audit, of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information, and to establish that the auditors are aware of such information.

AUDITORS

HW Fisher LLP were appointed auditors to the company, and in accordance with Section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

The Board of Trustees Report, and the Strategic Report, have been approved by the Board of Trustees.

Signed: 

.....

M. Doyle (Chair)
Trustee

Date: 26 Sep 2023

.....

THE ADOLESCENT AND CHILDREN'S TRUST

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TRUSTEES' REPORT

The Charity's Trustees (who are also the directors of The Adolescent and Children's Trust for the purposes of company law) are responsible for preparing a Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the Charity Trustees to prepare Financial Statements for each 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 the 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 (Statement of Recommended Practice);
- 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 Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the Charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in the other jurisdictions.

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AUDITORS REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE ADOLESCENT AND CHILDRENS TRUST

Opinion

We have audited the financial statements of the Adolescent and Children's Trust (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 as amended).

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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AUDITORS REPORT

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information contained within the annual report and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- The information given in the Trustees' Report, which includes the Directors' Report and Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

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 Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate and proper 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees, who are also the Directors of the Charity for the purpose of company law, 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 the directors 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 company or to cease operations, or have no realistic alternative but to do so.

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AUDITORS REPORT

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected, or alleged fraud. The charity did not inform us of any known, suspected, or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006, the Charities and Trustees (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets, and liabilities between unrestricted, designated and restricted funds.
- Documenting and verifying all significant related party balances and transactions.
- Obtaining third-party confirmation of bank balances.
- Reviewing documentation such as the Charity's board minutes, correspondence with solicitors, for discussions of irregularities including fraud.

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AUDITORS REPORT

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 and with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Carol Rudge

Carol Rudge (Senior Statutory Auditor)
for and on behalf of HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
United Kingdom
NW1 3ER

26 Sep 2023
Date:

THE ADOLESCENT AND CHILDREN'S TRUST

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2023

| | Note | Unrestricted funds £'000 | Restricted funds £'000 | Total funds 2023 £'000 | Total funds 2022 £'000 |
|---|------|--------------------------------|------------------------------|---------------------------------|---------------------------------|
| Income from: | | | | | |
| Donations | | - | 11 | 11 | 7 |
| Charitable activities | 2 | 25,903 | 160 | 26,063 | 25,376 |
| Other income | 2 | 190 | - | 190 | 51 |
| Furlough Income | 2 | -- | - | - | 5 |
| Investments – Bank Interest | 2 | 58 | - | 58 | - |
| Total income | | 26,151 | 171 | 26,322 | 25,439 |
| Expenditure on: | | | | | |
| <i>Raising funds:</i> | | | | | |
| Costs of generating donations | | 100 | - | 100 | 98 |
| <i>Charitable activities:</i> | | | | | |
| Foster care | | 24,072 | 160 | 24,232 | 24,100 |
| Campaigning, policy, and research | | 39 | - | 39 | 39 |
| Total expenditure | 3 | 24,211 | 160 | 24,371 | 24,237 |
| Net Income and net movement in funds | | 1,940 | 11 | 1,951 | 1,202 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 14 | 5,997 | 74 | 6,071 | 4,869 |
| Total funds carried forward | 14 | 7,937 | 85 | 8,022 | 6,071 |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
 FOR THE YEAR ENDING 31 MARCH 2023

Prior year comparatives

| | Note | Unrestricted funds £'000 | Restricted funds £'000 | Total funds 2022 £'000 |
|---|------|--------------------------------|------------------------------|---------------------------------|
| Income from: | | | | |
| Donations | | - | 7 | 7 |
| Charitable activities | 2 | 25,247 | 129 | 25,376 |
| Other income | 2 | 51 | - | 51 |
| Furlough Income | 2 | 5 | - | 5 |
| Investments | 2 | | | |
| Total income | | 25,303 | 136 | 25,439 |
| Expenditure on: | | | | |
| <i>Raising funds:</i> | | | | |
| Costs of generating donations | | 98 | - | 98 |
| <i>Charitable activities:</i> | | | | |
| Foster care | | 23,971 | 129 | 24,100 |
| Campaigning, policy, and research | | 39 | - | 39 |
| Total expenditure | 3 | 24,108 | 129 | 24,237 |
| Net income and net movement in funds | | 1,195 | 7 | 1,202 |
| Reconciliation of funds: | | | | |
| Total funds brought forward | 14 | 4,802 | 67 | 4,869 |
| Total funds carried forward | 14 | 5,997 | 74 | 6,071 |

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

Company registration number: 02779751
 BALANCE SHEET
 AS AT 31 MARCH 2023

| | Note | 2023 £'000 | 2022 £'000 |
|--|------|---------------|---------------|
| Fixed assets: | | | |
| Tangible assets | 10 | 216 | 511 |
| Current assets: | | | |
| Debtors | 11 | 3,328 | 3,336 |
| Investments | 18 | 1,672 | - |
| Cash at bank and in hand | 12 | 6,524 | 5,960 |
| <i>Total current assets</i> | | 11,524 | 9,296 |
| Liabilities: | | | |
| Creditors: Amounts falling due within one year | 12 | (3,718) | (3,736) |
| <i>Net current assets</i> | | 7,806 | 5,560 |
| <i>Total assets less current liabilities</i> | | 8,022 | 6,071 |
| Total net assets | | 8,022 | 6,071 |
| The funds of the Charity: | | | |
| Restricted funds | 14 | 85 | 74 |
| Unrestricted funds | | | |
| - General funds | | 5,209 | 4,769 |
| - Designated funds | | 2,728 | 1,228 |
| Total funds | | 8,022 | 6,071 |

The notes at pages 35 to 48 form part of these accounts.



M. Doyle (Chair)
 Trustee



M. Scott
 Trustee

Approved by the Trustees on 26 Sep 2023

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

| | Note | 2023 £'000 | 2022 £'000 |
|---|-----------|----------------------------|----------------------------|
| Cash flows from operating activities | 17 | 1,764 | 959 |
| Cash flows from investing activities: | | | |
| Proceeds from the sale of property | | 472 | - |
| Cash investments | | <u>(1,672)</u> | <u>-</u> |
| Net Cash provided by investing activities | | (1,200) | - |
| Change in cash and cash equivalents in the year | | <u>2,236</u> | <u>959</u> |
| Cash and cash equivalents at the beginning of the year | | <u>5,960</u> | <u>5,001</u> |
| Cash and cash equivalents at the end of the year | | <u><u>6,524</u></u> | <u><u>5,960</u></u> |

THE ADOLESCENT AND CHILDREN'S TRUST

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies

TACT is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 98 Station Road, Sidcup, Kent, DA15 7BY.

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

1.1 Basis of preparation

The financial statements have been prepared in accordance with the company's Memorandum & Articles of Association, the Companies Act 2006, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and "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 (FRS102) (effective 1st January 2019)

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

1.2 Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

1.3 Preparation of the accounts on a going concern basis

The Trustees receive regular updates on current and forecast trading taking into account risks within the overall market and anticipated costs pressures and investment funds. These projections are scrutinised by Finance Audit and Risk Committee (FARC) and consider sensitivities to the projections and the impact on cash reserves. Based on these forecasts and the reserves maintained the Trustees are confident that the Charity can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.4 Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from foster carer fees is accounted for on a receivable basis.

Income from government or other grants, whether 'capital' grants or 'revenue' grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Investment income is recognised on a receivable basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

Government grants are recognised at the fair value of the amount received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. The charity has received grants under the Coronavirus Job Retention Scheme. The scheme is designed to compensate for staff costs, so amounts received or receivable are recognised in the income statement as part of other operating income over the same period as the costs to which they relate.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

1.5 Expenditure

Expenditure including redundancy and termination payments 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. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise those costs associated with attracting voluntary income, in particular grant funding.
- Expenditure relating to Foster care, Campaigning & Policy and Research are those elements of expenditure directly incurred in performing these activities. It also includes allocated support costs relating to this activity.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

1.6 Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned in the same proportion as direct costs.

1.7 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities not readily apparent from other sources.

The Trustees are satisfied that there are no significant estimates or assumptions in the financial statements.

1.8 Tangible fixed assets and depreciation

Items of equipment are capitalised where the purchase price exceeds £5,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

| | |
|-----------------------------------|-------------------------|
| Freehold land is not depreciated | |
| Freehold buildings | 2% straight line |
| Leasehold property | 2% straight line |
| Fixtures, fittings, and equipment | 25-33.33% straight line |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

1.9 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered and provision for bad and doubtful debts. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 Financial instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Pensions

For defined-contribution schemes, the amount charged to the SoFA in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Any difference between the charge to the SoFA and the contributions payable to the scheme is shown as an asset or a liability in the balance sheet.

1.14 Operating leases

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.15 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted funds is set out in the notes to the financial statements.

Designated funds are earmarked by the Trustees for a specific purpose

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

2. Income

| | Unrestricted funds 2023 £'000 | Restricted funds 2023 £'000 | Total 2023 £'000 | Unrestricted funds 2022 £'000 | Restricted funds 2022 £'000 | Total 2022 £'000 |
|----------------|--|--------------------------------------|---|--|--------------------------------------|------------------------|
| Fostering Fees | 25,871 | - | 25,871 | 25,216 | - | 25,216 |
| Grants | 32 | 160 | 192 | 31 | 129 | 160 |
| | 25,903 | 160 | 26,063 | 25,247 | 129 | 25,376 |

Other Income

| | 2023 £'000 | 2022 £'000 |
|---------------------------------------|---------------|---------------|
| Net gain on disposals of fixed assets | 183 | - |
| Furlough Income | - | 5 |
| Other income | 7 | 51 |
| | 190 | 56 |

Investment Income

| | 2023 £'000 | 2022 £'000 |
|---------------------------------------|---------------|---------------|
| Investment Income from fixed deposits | 58 | - |
| | 58 | - |

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 31 MARCH 2023

3. Analysis of expenditure

| | Raising Funds | Foster Care | Campaigning, Policy, and Research | Governance Costs | Support Costs | Total 2023 | Total 2022 |
|---|------------------|---------------|---|---------------------|------------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff Costs (Note 5) | 79 | 4,440 | 31 | - | 3,696 | 8,246 | 7,559 |
| Fees and reimbursements paid to foster carers | - | 13,909 | - | - | - | 13,909 | 14,210 |
| Training costs | - | 152 | - | - | 107 | 259 | 231 |
| Legal and professional fees | - | - | - | 88 | - | 88 | 432 |
| Audit and accountancy fees | - | - | - | 39 | - | 39 | 51 |
| Trustee meeting expenses | - | - | - | - | 12 | 12 | 13 |
| Depreciation | - | - | - | - | 4 | 4 | 14 |
| Other costs | - | 673 | - | - | 1,141 | 1,814 | 1,727 |
| | 79 | 19,174 | 31 | 127 | 4,960 | 24,371 | 24,237 |
| Governance costs | 1 | 126 | - | (127) | - | - | - |
| Support costs | 20 | 4,932 | 8 | - | (4,960) | - | - |
| | 100 | 24,232 | 39 | - | - | 24,371 | 24,237 |

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 31 MARCH 2023

Prior year comparatives

| | Raising Funds | Foster Care | Campaigning, Policy, and Research | Governance Costs | Support Costs | Total 2022 |
|--|------------------|-------------|---|---------------------|------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff Costs (Note 5) | 78 | 4,193 | 31 | - | 3,257 | 7,559 |
| Fees and reimbursements paid to foster carers | - | 14,210 | - | - | - | 14,210 |
| Training costs | - | 172 | - | - | 59 | 231 |
| Legal and professional fees | - | - | - | 432 | - | 432 |
| Audit and accountancy fees | - | - | - | 51 | - | 51 |
| Trustee meeting expenses | - | - | - | - | 13 | 13 |
| Depreciation | - | - | - | - | 14 | 14 |
| Other costs | - | 593 | - | - | 1,134 | 1,727 |
| | 78 | 19,168 | 31 | 483 | 4,477 | 24,237 |
| Governance costs | 2 | 480 | 1 | (483) | - | - |
| Support costs | 18 | 4,452 | 7 | - | (4,477) | - |
| | 98 | 24,100 | 39 | - | - | 24,237 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

4. Net income for the year

This is stated after charging:

| | 2023 | 2022 |
|---|-------|-------|
| | £'000 | £'000 |
| Depreciation | 4 | 14 |
| Auditor's remuneration – audit services | 33 | 29 |
| Auditor's remuneration – other services | - | - |
| Operating lease charges | 50 | 99 |

5. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

| | 2023 | 2022 |
|----------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Wages and salaries | 7,099 | 6,651 |
| Social security costs | 741 | 644 |
| Pension | 264 | 246 |
| Redundancy and termination costs | 142 | 18 |
| | 8,246 | 7,559 |

Included within staff costs are £126K (2022: £164K) of costs relating to agency staff.

The number of employees whose annual emoluments were £60,000 or more were:

| | 2023 | 2022 |
|-------------------|--------|--------|
| | Number | Number |
| £60,000- £69,999 | 11 | 8 |
| £70,000- £79,999 | 2 | 1 |
| £80,000- £89,999 | 1 | 6 |
| £90,000- £99,999 | 4 | - |
| £100,000-£109,999 | - | - |
| £110,000-£119,999 | - | 1 |
| £120,000-£129,999 | - | - |
| £130,000-£139,999 | - | 1 |
| £140,000-£149,999 | 2* | - |
| £200,000-£209,999 | 1* | - |

The key management personnel of the Charity comprise the Trustees and Senior Leadership Team, as detailed on page 5 of the Trustees' report. The total employee benefits of the key management personnel of the Charity were £985K (2022- £822K).

*Includes an element of a one off payment relating to a restructure of senior staff.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

6. Trustees

None of the Trustees (or any person connected with them) received any remuneration during the year in their capacity as Trustees.

5 Trustees (2022 - 10) were either reimbursed for or had expenses relating to travel and accommodation paid on their behalf by the Charity £12K, (2022 - £13K). There were no other related party transactions during the year.

7. Staff Numbers

The average monthly head count of employees during the year was as follows:

| | 2023 Number | 2022 Number |
|-----------------------------------|----------------|----------------|
| Fundraising | 2 | 2 |
| Fostering | 103 | 99 |
| Campaigning, policy, and research | 1 | 1 |
| Support | 93 | 89 |
| | 199 | 191 |

8. Pension and other post-retirement benefit commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund.

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Contributions payable by the company for the year | 264 | 246 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

9. Corporation tax

As a charity, The Adolescent and Children's Trust is exempt from UK tax on income and gains to the extent that these are applied to its charitable objects. No UK tax charges have arisen in the Charity, during the year or the previous year.

10. Tangible fixed assets

| | Freehold land and buildings £'000 | Leasehold land and buildings £'000 | Fixtures, fittings, and equipment £'000 | Total £'000 |
|-----------------------------|--|---|---|----------------|
| Cost: | | | | |
| As at 1 April 2022 | 461 | 342 | 11 | 814 |
| Disposals | (461) | - | - | (461) |
| As at 31 March 2023 | - | 342 | 11 | 353 |
| Depreciation: | | | | |
| As at 1 April 2022 | 170 | 122 | 11 | 303 |
| On disposals | (170) | - | - | (170) |
| Charge for year | | 4 | - | 4 |
| As at 31 March 20223 | - | 126 | 11 | 137 |
| Net book value | | | | |
| As at 31 March 2023 | - | 216 | - | 216 |
| As at 31 March 2022 | 291 | 220 | - | 511 |

All assets were used for charitable purposes.

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(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

11. Debtors

| | 2023 | 2022 |
|--------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Trade debtors | 2,751 | 3,003 |
| Other debtors | 114 | 95 |
| Prepayments and accrued income | 463 | 238 |
| | 3,328 | 3,336 |

12. Creditors: amounts falling due within one year

| | 2023 | 2022 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Trade creditors | 214 | 381 |
| Taxation and social security costs | 204 | 182 |
| Other creditors | 277 | 245 |
| Children Savings | 289 | - |
| Accruals and deferred income | 2,530 | 2,796 |
| Termination costs | 204 | 132 |
| | 3,718 | 3,736 |

Children Savings refers to monies saved on behalf of children and the corresponding amount is held in a separate ring fenced HSBC bank account.

13. Deferred income

| | 2023 | 2022 |
|----------------------|------------|------------|
| | £'000 | £'000 |
| Brought forward | 185 | 171 |
| Released in the year | (186) | (222) |
| Recognised in year | 125 | 236 |
| Carried forward | 124 | 185 |

Deferred income represents funds received in 2022-23 for delivery of services in 2023-24.

THE ADOLESCENT AND CHILDREN'S TRUST

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

14. Movements in funds (current year)

| | Balance as at 1 April 2022 £'000 | Transfers between Funds £000's | Income and gains £'000 | Expenditure and losses £'000 | Balance as at 31 March 2023 £'000 |
|--------------------------------------|--|---|---------------------------------|------------------------------------|--|
| Restricted income funds | | | | | |
| Donations for children's activities | 74 | - | 11 | - | 85 |
| Skills to Care | - | - | 1 | (1) | - |
| Big Lottery Fund | - | - | 159 | (159) | - |
| Total restricted income funds | 74 | - | 171 | (160) | 85 |
| Unrestricted funds | | | | | |
| - General funds | 4,769 | (1,600) | 26,151 | (24,211) | 5,109 |
| - Designated funds | | | | | |
| o Capital Fund | 1,200 | - | - | - | 1,200 |
| o Transformation Fund | - | 1,500 | - | - | 1,500 |
| o YP Fund | - | 100 | - | - | 100 |
| o Adoption Fund | 28 | - | - | - | 28 |
| Total unrestricted funds | 5,997 | - | 26,151 | (24,211) | 7,937 |
| Total funds | 6,071 | - | 26,322 | (24,371) | 8,022 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

Movement in funds (prior year)

| | Balance as at 1 April 2021 | Transfers between Funds | Income and gains | Expenditure and losses | Balance as at 31 March 2022 |
|--------------------------------------|----------------------------------|-------------------------------|---------------------|---------------------------|-----------------------------------|
| | £'000 | £000's | £'000 | £'000 | £'000 |
| Restricted income funds | | | | | |
| Donations for children's activities | 67 | - | 7 | - | 74 |
| Children in Need grant | - | - | 8 | (8) | - |
| Confidence in Care grant | - | - | 4 | (4) | - |
| Skills to Care | - | - | 9 | (9) | - |
| Big Lottery Fund | - | - | 73 | (73) | - |
| Lord Laming | - | - | 4 | (4) | - |
| Covid Grant | - | - | 18 | (18) | - |
| Murgatroyd Foundation | - | - | 13 | (13) | - |
| Total restricted income funds | 67 | - | 136 | (129) | 74 |
| Unrestricted funds | | | | | |
| - General funds | 3,574 | - | 25,303 | (24,108) | 4,769 |
| - Designated funds | | | | | |
| o Capital Fund | 1,200 | - | - | - | 1,200 |
| o Adoption Fund | 28 | - | - | - | 28 |
| Total unrestricted funds | 4,802 | - | 25,303 | (24,108) | 5,997 |
| Total funds | 4,869 | - | 25,439 | (24,237) | 6,071 |

Purposes of restricted funds

The donations for children's activities fund relate to amounts received to be spent for the benefit of children in care.

Skills to care fund provides funding for training staff on specialist equipment.

Big Lottery Fund is provided to support our TACT Connect offering for care leavers.

Purposes of designated funds

Adoption Fund. TACT established a designated fund in 2016/17 following the receipt of a legacy donation from an ex-adopter. The Trustees have decided that this fund will be spent on positive activities for adopted children and support for adopter families.

Capital Fund. Following a review of the Charity's property portfolio the Trustees made a decision during 2018/19 to divest itself of its estate which was deemed no longer fit for purpose and to use the monies raised to reinvest back into property assets or such other capital purposes in the future which would support the ongoing operations of the charity. A programme of disposals commenced in March 2019 and cash receipts were designated.

THE ADOLESCENT AND CHILDREN'S TRUST

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

Transformation & Innovation Fund. The Trustees have decided that this fund will be used to increase our capacity to meet our strategic goals of becoming Trauma Informed, assist us in being able to look after children who bring more complexity, increase service innovation and enable process improvement.

YP Fund. The Trustees have decided that this fund will be used for outdoor and culture activities and encourage young people to try out of the ordinary adventure.

15. Analysis of net assets between funds

Fund balances at 31 March 2023 are represented by:

| | Unrestricted funds 2023 £'000 | Restricted funds 2023 £'000 | Total Funds 2023 £'000 |
|---------------------------------|--|--------------------------------------|---------------------------------|
| Tangible fixed assets | 216 | | 216 |
| Current assets | 11,439 | 85 | 11,524 |
| Creditors of less than one year | (3,718) | - | (3,718) |
| | 7,937 | 85 | 8,022 |

Fund balances at 31 March 2022 were represented by:

| | Unrestricted funds 2022 £'000 | Restricted funds 2022 £'000 | Total Funds 2022 £'000 |
|---------------------------------|--|--------------------------------------|---------------------------------|
| Tangible fixed assets | 511 | | 511 |
| Current assets | 9,222 | 74 | 9,296 |
| Creditors of less than one year | (3,736) | - | (3,736) |
| | 5,997 | 74 | 6,071 |

16. Commitments under operating leases

The Charity had future minimum lease payments under non-cancellable operating leases for each of the following periods:

| | Property | | Equipment | |
|----------------------------|---------------|---------------|---------------|---------------|
| | 2023 £'000 | 2022 £'000 | 2023 £'000 | 2022 £'000 |
| Expiry date: | | | | |
| Within one year | - | 14 | - | 14 |
| Between two and five years | - | - | - | - |
| | - | 14 | - | 14 |

THE ADOLESCENT AND CHILDREN'S TRUST

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

The following lease payments were recognised as an expense during the year:

| | 2023 £'000 | 2022 £'000 |
|--------------------|---------------|---------------|
| Land and buildings | 15 | 66 |
| Equipment | 35 | 33 |
| | <u>50</u> | <u>99</u> |

17. Reconciliation of cashflows from operating activities

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Net (expenditure) / income for the reporting period | 1,951 | 1,202 |
| Depreciation charges | 4 | 14 |
| Loss / (profit) on sale of fixed assets | (181) | - |
| (Increase) / decrease in debtors | 8 | (355) |
| Increase / (decrease) in creditors | (18) | 98 |
| Net cash provided by / (used in) operating activities | <u>1,764</u> | <u>959</u> |

18. Current Assets Investment

| | 2023 £'000 | 2022 £'000 |
|----------------|---------------|---------------|
| Fixed Deposits | 1,672 | - |
| | <u>1,672</u> | <u>-</u> |

During the year £1.672m was placed in a 12 month fixed deposit with a maturity date of December 2023.

THE ADOLESCENT AND CHILDREN'S TRUST

England & Wales - Charity number 1018963

Accounts



Charity Registration No. 1018963

Charity Registration No. SC039052 (Scotland)

Company Registration No. 2779751 (England and Wales)

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--|--|
| Trustees | Mr M. R. Doyle Ms L. Waterman-Glasgow Mrs M. Griffith-Jones Mr O. Evans Mr D. Rankin Mr M. Scott Mr P. Anderson (appointed 26/01/2021) Mrs J O'Connell (appointed 21/09/2021) Mr T, Bingham (appointed 30/11/2021) |
| Chief Executive | Mr A. Elvin |
| Secretary | Mr P. Oldfield |
| Charity number (England and Wales) | 1018963 |
| Charity number (Scotland) | SC039052 |
| Company number | 02779751 |
| Principal address and registered office | 98 Station Road, Sidcup, Kent, DA15 7BY |
| Auditors | HW Fisher LLP Acre House 11-15 William Road London NW1 3ER |
| Bankers | HSBC Plc Level 3 8 Canada Square London E14 5HQ |

THE ADOLESCENT AND CHILDREN'S TRUST
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THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT

CHAIRMAN'S STATEMENT

We don't spend enough time recognising the successes of our children, our carers, our care experienced adults, and staff.

This year, I want to take the opportunity to acknowledge our successes as a community.

During the pandemic, our children continued to flourish, and they took the changes that were imposed on them in their stride. Although they have continued to adapt and evolve, the most recent research, and this is still indicative, is that the isolation they have experienced will have a potential long term impact that we will need to watch and be ready to respond to.

Our children would have been unable to evolve and adapt so easily without the support and love of our carers and staff, so to you go the thanks of a grateful society.

As in previous years, the Board were able to meet with our children, foster families, care experienced adults, and staff at various meetings and events across the country. These events help us to better understand the needs of the people we serve, and ensure that our resources, both financial and non-financial, are able to improve our children's lives.

I was recently able to join a group of children as they explored Hadrian's Wall, and listen to their stories and experiences first hand. This left me wanting to do more for the most vulnerable children in our society.

Reflecting, tonight over **108,000** children will not be spending the night under the roof of their birth family, but of a family that have taken them in and given them a safe, loving environment. My challenge to anyone reading this report is: What Are You Doing? Whatever you do, big or small, does not matter, but by doing something, your actions will improve the lives of some of the most vulnerable children in our society.

In October 2021, TACT's Board and Senior Management met to begin developing our new five year strategy, which was released in the second half of 2022. This was the first time we have brought these two groups together, and the increased interaction and communication that has continued since this meeting has resulted in positive outcomes being delivered.

During the course of the year, we said goodbye to Martine Bond from TACT's Board. Martine is a great friend of TACT and, whilst she is no-longer a Board member, Martine remains a valued member of the TACT family.

It is great to report that our TACT Connect community and Education Service have continued to provide valuable support for our children and foster families, making a real impact on day to day lives. You can find out more via www.tactcare.org.uk. During 2021/22, we continued planning for the launch of our Health Service. Unfortunately, the launch was delayed whilst we took time to find the right person to lead this innovative new Service. We have now found that person, Coleen Lunt, and in September 2022, Coleen joined us and commenced her role as Head of Health Service. Similarly to our Education Service, The Health Service aims to support our foster families in dealing with the, often, unique needs of our children, and to access the appropriate services and support to improve our children's lives. During 2021/22, we began to look at how we might provide increased levels of support in other areas, such as housing and employment, which we will continue to develop throughout 2022/23.

As you will see from these accounts, our financial position continues to be strong, allowing us to invest in improving the lives and well being of our children, foster families, and staff. Each year, we aim to achieve a 4% surplus. We refer to this as our "structural surplus", and it ensures that we are financially sustainable in the future. As we don't seek to "horde cash", and retain prudent reserves, this surplus is reinvested into activities that benefit our children, foster families and staff, such as TACT Connect, our Education Service, and our Health Service. In 2021/22, this also allowed us to make one off payments to foster families and staff, to assist with

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

the financial impact of COVID-19. As a charity, TACT pays no dividends to shareholders, therefore, all our funds are reinvested to support foster carers, children, care experienced adults and staff.

We are also able to provide financial support to children and foster families, enabling them to participate in and enjoy experiences that, otherwise, they would not have access to. These have included a residential cookery school, which will now become an annual event, and a variety of residential outward bound adventure weekends for children and young people. We also often step in and offer financial support to our young people and care experienced community, to enable them to access education and employment opportunities when their LA corporate parent will not help.

Last year, I commented: *"the macro-economic outlook is uncertain, we are in times of unprecedented government debt, with the likelihood of high inflation, an economy impacted not just by COVID-19, but also by Brexit, and our civil society is divided"*.

Unfortunately, we find ourselves in a period of high inflation, unseen for generations. However, as previously mentioned, due to TACT's financial strength, we are well positioned to get through this next crisis and support our children, foster families, care experienced adults, and our staff. This is due to great effort and team work over a number of years, ably led by Philip Woodman (resigned in September 2022), Chair of our Finance Committee, and Philip Oldfield, TACT's CFO.

We have not seen any improvement in our civil society, with "tribalism" across the spectrum creating an environment that does not support collaboration. I am happy to report that, against this trend, TACT has been working with organisations including Action for Children, Barnardo's, and the Welsh Government, to create a new model for fostering in Wales. In Scotland, we have been working closely with the sector to deliver on The Promise <https://thepromise.scot/>, a set of commitments from the Scottish Government to improve the lives of children in care. TACT's CEO, Andy Elvin, also Chairs the Fairer Fostering Partnership, which is a collaborative umbrella organisation for all charitable and not for profit fostering agencies.

Looking ahead, as a society we are in for a difficult couple of years. Inflation will continue to eat away at spending power, which in turn will have a significant impact across the UK and the world, and many families that were previously "financial comfortable" will struggle to make ends meet. This could lead to an increase in demand for TACT's support. Whilst I hope this is not the case, our ability to evolve and change over the last few years has been tested and proven. Along with our children's resilience, and that of our carers and staff, we are ready as a community for what is to come.

On behalf of the Board, I would like to thank our foster families and our staff for continuing to provide loving, caring, safe and stable homes for children across England, Scotland and Wales, giving these children the start in life that they deserve.

Matthew Doyle

Matthew Doyle
Chair

20 Dec 2022

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board presents its report with the accounts and the auditor's report for the financial year ending 31 March 2022. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (FRS102) (effective 1st January 2019)

LEGAL STATUS

The Adolescent and Children's Trust (TACT) was incorporated as a company limited by guarantee, on the 14 January 1993, under the Companies Act 1985 and 1989. On the 19 March 1993, TACT sought and obtained charitable status.

TACT is described as an 'incorporated' charity with company registration number of 277951 and charity registration number 1018963. On the 8 April 2008, TACT was formally registered as a charity in Scotland (Reg No: SC039052).

THE ORGANISATIONAL AND DECISION-MAKING STRUCTURE

The Board of Trustees

The Trustees who served during the year were:

| Name | Occupation | Appointed | Resigned |
|-----------------------|--|------------|------------|
| Matthew Robert Doyle | Company Director | 04/08/2016 | |
| Philip B. Woodman | Accountant | 26/09/2012 | 26/09/2022 |
| Lisa Waterman-Glasgow | Communications Director | 30/06/2015 | |
| Mary Griffith-Jones | Retired Social Worker | 27/09/2017 | |
| Owen Evans | Charity CEO | 27/03/2019 | |
| David Rankin | Accountant | 23/09/2020 | |
| Michael Scott | Retired | 23/09/2020 | |
| Paul Anderson | Social Worker | 26/01/2021 | |
| Jennifer O'Connell | Lawyer | 21/09/2021 | |
| Tom Bingham | Marketing and Communications Director. | 30/11/2021 | |
| Martine Bond | Banker | 27/09/2017 | 30/04/2021 |
| Andrew White | Company Director | 27/03/2019 | 23/09/2021 |

Structure

At the 31 March 2022, the Board of Trustees comprised ten members. During the year we were pleased to welcome to the Board Paul Anderson, Jennifer O'Connell and Tom Bingham. We wish Martine Bond, Andrew White well in their future endeavours and thank them for their valued contribution to the Board during their tenure. Since the year end Philip Woodman completed his term of office. We express our deep gratitude for his long standing commitment and energy to TACT and whilst no longer a Trustee we are pleased that Philip has agreed to work with TACT at developing employment opportunities for our children.

Throughout the last year, the Board of Trustees governed the Charity and managed its resources so that it could meet its charitable objectives. They review the mission, vision and values regularly and have concluded that they are still relevant.

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To effectively undertake its governance responsibility, the Board delegates detailed scrutiny to: (i) the Finance, Audit and Risk Committee; (ii) the Safeguarding and Children's Services Committee. The membership of each Committee is as follows:

| Finance, Audit and Risk (FARC) Committee | Safeguarding and Children's Services Committee |
|--|---|
| P. B. Woodman (Chair – resigned 20 th September 2022). M. Bond (resigned 30 th April 2021) M Scott (Chair 20 th September 2022) O Evans D Rankin (from 19 th October 2021) | M. Griffith-Jones (Chair) D Rankin P Anderson (from 26 th January 2021) T Bingham (from September 2021) |

The Chair of each Committee reports to the Board and this informs the decision making at that level. All **new** Trustees undergo an induction process, which includes TACT's governance arrangements, and clarifies the Trustees duties and responsibilities and sets out its key organisational policies. Ongoing training is provided for Trustees as need identified through annual performance review discussions.

The Board of Trustees is always keen to evaluate its effectiveness and to find varying ways to add value to the Charity. Every year, the Trustees undertake an 'Away Day'. The intent is to enable them to consider their inter-relationships at Board level, the degree of cohesiveness and how these factors influence 'decision making', especially on matters of critical strategic significance.

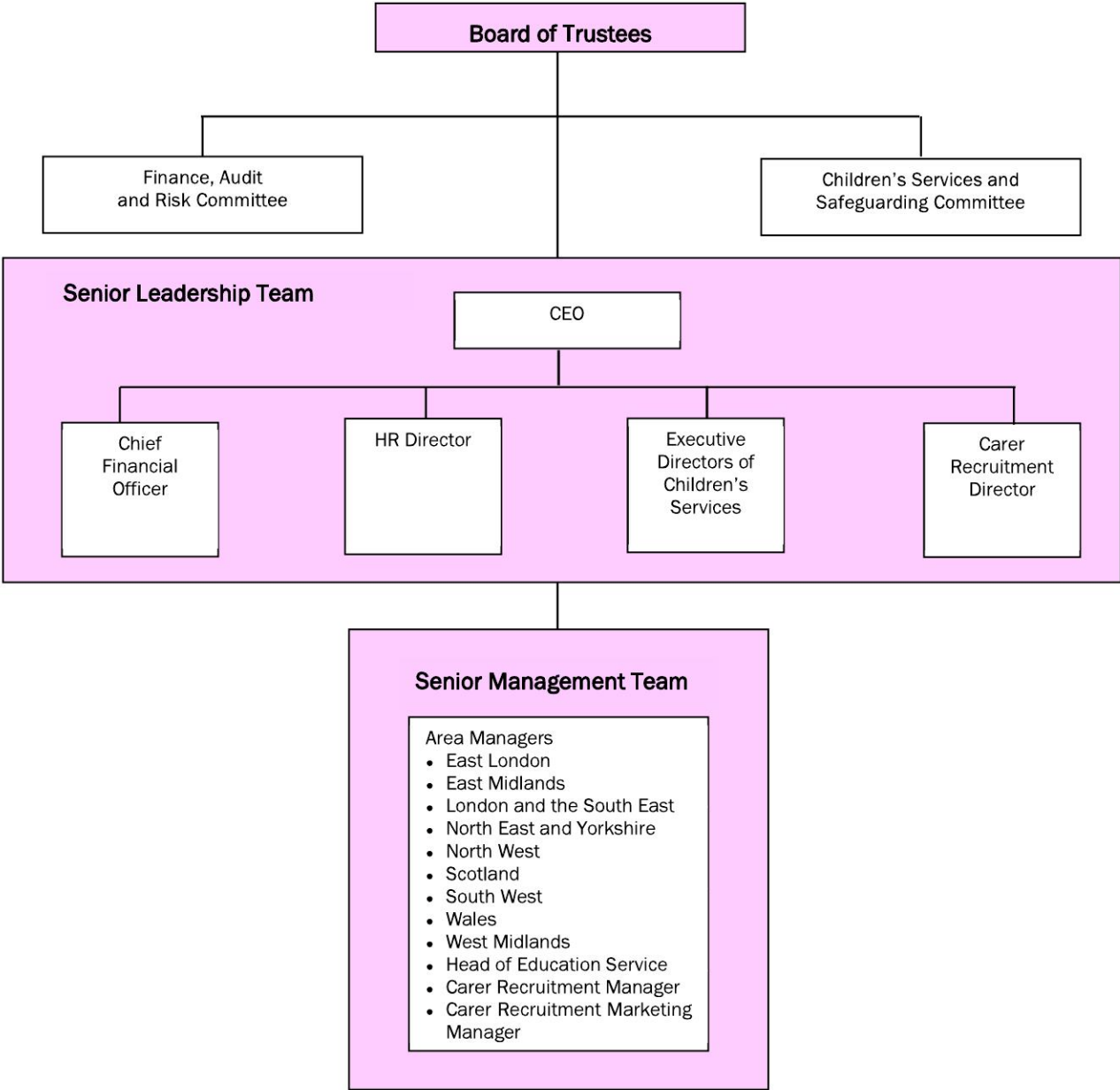
SENIOR MANAGEMENT STRUCTURE

The Senior Leadership Team (SLT) led by Mr Andy Elvin since September 2014, is responsible for driving the strategy delineated in the strategic plan, agreed by the Board. The Senior Management Team (SMT), comprising Area Managers and led by the Executive Directors, manage the processes which underpin the strategy and monitor the outcomes.

Senior Leadership Team pay is predicated on the latest job description and person specification, which is used as a basis for an evaluation by, Reward Connected, an independent agency. Each job is ranked using a matrix which utilises a set of factors including but not exclusively, skills, intellectual demands, judgement and use of resources set against the scope and difficulty of the work involved. The evaluation score emerging from this exercise is set against an agreed 'TACT Pay and Remuneration Table', from which the salary and/or salary range is determined.

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GEOGRAPHICAL COVERAGE OF TACT OPERATIONS



THE ADOLESCENT AND CHILDREN'S TRUST

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TRUSTEES' REPORT

REGISTERED OFFICE

Head Office, 98 Station Road, Sidcup, Kent, DA15 7BY

ADVISORS

| | |
|---------------------------------|---|
| Solicitors – Corporate | Lee Bolton Monier-Williams, 1 The Sanctuary, London, SW1 3JT |
| Solicitors – Social Care | S. Carr & Co, 416 Mare Street, Hackney, London E8 1HP |
| Solicitors – Property | Meade King LLP, Springfield House, 45 Welsh Back, Bristol, BS1 4AG |
| Solicitors – Contracts | DAC Beachcroft LLP, Portwall Place, Portwall Lane, Bristol, BS1 9HS |

VISION AND VALUES

Vision

Better lives for our children and young people

Values

ASPIRATIONAL

By helping others to grow, we grow ourselves.

PASSIONATE

We are determined to keep improving what we do. We will ambitiously pursue the best outcomes for everyone we work with and strive for excellence in all we do.

CUSTOMER FOCUSED

We shall listen and respond to the people we work with, children and young people, their birth families, carers, our staff, our supporters and local authorities.

FAIR AND EQUITABLE

We will be open and transparent, communicating what we do and why we do it, based on equality and respect for all.

BEYOND PROFIT

We reinvest our resources into services for our carers and improving outcomes for children and young people.

THE ADOLESCENT AND CHILDREN'S TRUST

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TRUSTEES' REPORT

STRATEGIC REPORT

ORGANISATIONAL AND ACTIVITY REVIEW

The Year in Perspective

Covid 19 continued to dominate the year offering both challenges and also the impetus for change. Financially we had a strong year which positions us well to face the new challenges that arose in the last 3 months of the year as inflation and cost of living came to the forefront of issues.

The response of our colleagues and foster carers has again been amazing as has the response of our young people who have been incredible in dealing with such drastic changes to the world around them. The last two years has had a significant impact on young people's lives and there is much to do to catch up after this interruption in their lives.

It has been a busy year as we launched our Carer Recruitment Service in April, bringing together activities that had previously been dissipated across the organisation into one focussed unit to better support and manage our carer recruitment process and prospective carers. A new team was recruited, and processes redesigned to streamline activity. In the second half of the year, we further invested in the development of a computerised CRM system to further improve efficiencies in the process. We recognise that recruitment of carers is pivotal to our business model, and it was encouraging to see that the initial targets for conversion rates and process timescales have been achieved and the service is well placed to scale up in the next financial year.

We also expanded our Education service to provide more support to carers and children. This service has been well received by carers and has contributed to placement stability. It has also been extremely successful in unlocking funding for our young people by advocating for and supporting applications for PEP and EHCP funding where school and virtual school have not wanted to progress.

The decision in January 2021 to move to a virtual organisation has created a need to manage the exit of leasehold premises and also the marketing and sale of our remaining freehold buildings. At the year end we had completed the closure and handing back/ sale of six offices which was a massive achievement and was managed by the Administration teams with support from the small central resource. The move to home working also facilitated the retendering of the IT and phone contracts with a resultant change of suppliers and realisation of significant cost savings which can be reinvested in upgrading our systems and hardware to better support the organisation.

The appetite for change across the organisation has increased throughout the last two years as we have tackled the challenges presented by Covid. During the summer we started to assemble agile working groups to look at issues and problems and work to find solutions. Engaging all levels of staff in shaping our present and future is an investment that we can start to see is reaping benefits in terms of implementing change.

We come out of the year both stronger financially and also organisationally. Having progressed significantly we are in a better place in the coming year to face the challenges with confidence.

TACTs main revenue base relates to the provision of foster care services which is a local authority funded service. However, to enhance our ability to support carers and young people we are actively seeking new opportunities to secure sources of additional funding through grants and donations. We do not engage in any public fundraising activity. We are grateful to the following organisations for their generous support this year:

- The National Lottery Foundation £72,000 to fund our innovative TACT Connect service.
- Welsh and Scottish Governments for support to staff during the Covid pandemic

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TRUSTEES' REPORT

- The David and Ruth Lewis Family charitable Trust for grants worth £8,853 to enable access to educational equipment for our young people during the pandemic.
- Lord Laming for donation of £4,000; and
- Murgatroyd Foundation for their donation of £12,500

PUBLIC BENEFIT

The Trustees have complied with their duty under Section 4 of the Charities Act 2016 to have due regard to the guidance published by the Charity Commission. The benefit to the public is demonstrated by the achievements under the strategic objectives below, most of which speak to, or enable, excellent outcomes for the children in TACT's care.

ACHIEVEMENTS FOR THE YEAR 2021-22

Our strategy is governed by four aims. They are:

1. To enhance the life chances for all of our children, improving their attainment and achievement.
2. To be an excellent organisation and the agency of choice for our foster carers and the employer of choice for our people.
3. To be a sector leader through investment in innovation and service improvement.
4. To be financially strong, stable and sustainable through generating a healthy surplus.

| | |
|------------------------------|---|
| Strategic Objective 1 | Childrens Outcomes. TACT seek to improve educational, health and wellbeing outcomes for all our children and young people to enhance their life chances and benefit from families where they feel safe, valued and enjoy the stability that enables them to achieve and best prepare them to be resilient adults. |
| Achievement | <ul style="list-style-type: none"> ▪ Education service has released over £1.07M on behalf of our children in 21/22 by advocating for access to Pupil premium funding and educational health care plans. In addition, 27 young people have been supported to successfully receive EHCP funding (worth an estimated £85,000 each) where the school and virtual school have been unwilling to make applications. ▪ Since August 2021, the Education Service has offered annual Education Review Meetings to all area teams so that every young person's education can be discussed with SSWs and their line managers. In September 2021 country specific Education Advisory Teachers were appointed in England and Scotland (the Head of Education has overseen Wales due to recruitment challenges) and a Post 16 Education Advisor took up post in February 2022. No children or young people have experienced permanent exclusions over the period and 99% of young people living with TACT foster carers and those we are in contact with living independently are in work or employment. ▪ All teams now have access to Psychology services and/or PACE therapy support which has supported stability in our foster homes. Only 4.29 % of young people have left their foster carers homes in an unplanned way, which is below the national benchmarks we operate within. ▪ 94% of children and young people living with TACT carers for over 3 months have an Outcomes Tracker completed and 70% of those are achieving more than they did when they first were cared for by TACT ▪ 99% of children and young people living with TACT foster carers say they feel safe and listened to in their families and 82% provide feedback on a regular basis. ▪ TACT Connect was engaged with 37% of its 114 members over the year against a target of 30% |

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| | <p>There are two new advisors and members have: -</p> <ul style="list-style-type: none"> • Sat on four different interview panels. • Led a whole TACT Staff Book Club with <u>Kirsty Capes</u> • Sat on a TACT Fostering Panel as a care experienced and policy expert. • Met with TACT Trustees to give insight into TACT Connect and the care experience. • Met with Area Teams to give insight into TACT Connect and the care experience. • Written and publicly published an article about <u>stigma</u>. • Met with older care experienced adults to explore their views on being heard. • Attended English Care Review events and other training events to ensure that views are shared from a member's perspective. • Participated in and hosted our Young Voices Participation Events. • Co-produced all aspects of the TACT Connect scheme. |
|--|--|

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| Strategic Objective 2 | Fundraising. To increase levels of fundraised income to provide additional resources for investment and innovation and cover the costs of services we provide that are not within our core contractual fees. |
| Achievement | <ul style="list-style-type: none"> ▪ During the year we received £167,000 (2020/21: 135,000) of grants and donations to support our charitable activities ▪ Restricted income totaled £129,000 and the remaining £31,000 was unrestricted. |

| | |
|------------------------------|---|
| Strategic Objective 3 | Carer Recruitment and Retention. To be the agency of choice for foster carers by providing them with highly skilled social work support, training and competitive fee levels that recognise carers contributions in supporting young people. |
| Achievement | <ul style="list-style-type: none"> ▪ Average 78% improvement in timescales across the carer recruitment journey stages ▪ Conversion from enquiry to assessment increased from 0.62% baseline to 1% in line with targets ▪ A lower unit cost per enquiry – reduction of 37% ▪ Website search visibility for TACT increased to 4.75% up from 1.94% ▪ Review of recruitment processes and an upgrade to a new system that will reduce manual processes. ▪ Review of carer offer to improve attractiveness of TACT as an agency. ▪ Improved core training and preparation for applicants to ensure they are 'placement ready'. ▪ Increased carer payments and fees for enhanced placements. ▪ Harmonised birthday and festival payments for all children across age ranges |

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| Strategic Objective 4 | Our People. To invest in our people through training, wellbeing, career development, reward and systems and processes to support them in delivering excellent levels of support to our foster carers and young people. |
| Achievement | <ul style="list-style-type: none"> ▪ Best Companies Top 100 Not For Profit Organisations to Work for – Achieved Two Star Status, which equates outstanding levels of employee engagement. ▪ Staff Turnover as at June 2022 is 12.3%. Employee retention rate at 90.9% and average length of Service 7 years. ▪ Low sickness absence (5% lost time rate) and TOIL balances. ▪ 23.2% of vacancies filled internally |

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| | <ul style="list-style-type: none"> ▪ No formal disciplinary or grievances since 2020 ▪ Anti-Racist Survey 2022- 2% of staff members report recently experiencing racial harassment at work. On average, across all respondents, ethnic minority staff do not feel their ethnicity is a significant barrier to feeling included at work. High levels of racial diversity amongst entry level/junior staff. ▪ Further developed our well established and embedded Wellbeing Program for all Staff and introduced a core wellbeing offer to all Foster Carers. ▪ We started a relationship with “Fostering Training” on March 1st, 2021. Since then, we have had over 2,700 courses completed by foster carers and currently have 592 live accounts and feedback has been overwhelmingly positive. ▪ Compliance training –99% in 2021. ▪ FASD training offered to a total of 5 online sessions open to all staff (not just Social Workers, although one of the events was specifically for Independent Assessors) in July/August/Sept 2021. 20 attended on average across the 5 events. |
| <p>Strategic Objective 5</p> | <p>Finance and Business Development. To achieve a surplus year on year that can be re-invested in the charity</p> |
| <p>Achievement</p> | <ul style="list-style-type: none"> ▪ The charity returned to surplus in the year and ended the year with a reported surplus of £1.202M and a balance sheet total funds position of £6.071M. ▪ During the year, we committed to investment of £1.3M in foster carer pay, staff pay, expansion of the Education service and foster carer capacity, with circa £1M expended in the year. ▪ Average weekly fee for our services increased by 4.1 % in the year as we continued renegotiation of some historical placements and introduction of new pricing on retendered frameworks. ▪ Levels of Free Reserves are at 88% of the targets set by Trustees (see reserves policy on page 13 for detailed explanation of reserves). It is forecast that target levels of free reserves will be achieved within the next 12 months. |
| <p>Strategic Objective 6</p> | <p>Innovation. To be innovative in our approaches and act as a driver for change in the sector.</p> |
| <p>Achievement</p> | <ul style="list-style-type: none"> • Commenced working with Welsh Commissioners and the non-profit sector in delivering a partnership approach to LAC in North Wales comprising residential, step forward and fostering • Building on the undoubted success of our education service we have developed plans for a dedicated Health Service and an Employment Service. We have recruited a very experienced child health professional who will begin work in 2022/23 and aim to ensure that our children , young people and care experienced adults have access to the health support and services they require. As with education, there are resources within the health service dedicated to support children in care and we will unlock these to improve outcomes for our children and young people. The service will also support our care experienced adults. We are also seeking to launch an employment service and our treasurer has agreed to take the role of Employment Ambassador . We will seek to build a portfolio of partner companies who will offer our young people work experience, internship & employment opportunities. Our Education Service, Connect and our foster carers will support our young people to take advantage of these opportunities. |

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REVIEW OF THE FINANCIAL RESULTS

Financial Results

Financially the year has been another strong year of progress with a reported surplus of £1.202M and improving cash and net asset positions. The year again has been impacted by the pandemic in part with prolonged periods of lock downs and these limited our ability to meet face to face and to provide group activities for the children. The move to being a virtual organisation which we started in March 2020 and confirmed in January 2021 continues to provide benefits in terms of costs as we have exited all our rented office space and at the year end we only had two unsold properties on our books.

During the year we continued to rebuild our reserves and encouragingly where in a position to invest back into the services we provide and improve our reward packages to carers and staff. Our carers and staff are critical to the care and support we can provide to the young people placed in our care. Overall we committed investment of over £1.3M into supporting carers and staff during the year in a mix of one off and recurrent expenditure.

Our primary source of funding is from Local authority commissioned foster care placements. Our activity levels fell by 4.7% (2021: 7.2%) against the prior year. We have consistently seen reducing activity and market share over a number of years, driven by falling carer numbers, and the primary focus is now on stabilising activity in the current year (22/23) as the investment in the Carer Recruitment Service starts to deliver against its expectations. The fall in activity was mitigated by an increase of 4.3% on our average weekly fees charged to LA due to a mix of churn in placements and the continued work on improving our fee proposition. We monitor fee levels across the sector as we have moved our pricing from lowest to mid quartile.

The decision to exit properties and the fixed cost base that comes with them not only has given us a more variable and flexible costs base but also released significant levels of savings (circa £0.6M). At the year end we retained 2 properties which are marketed for sale and post year end we have disposed of one of those sites.

The mix of strong baseline position entering the year from the prior year, increased margin from the net effect of fee increases offset by loss of margin from reduced activity and the savings from exiting our property portfolio and moving to virtual organisation allowed us to invest back into the service. During the year we made of a number of recurrent investments by uplifting staff and foster carer pay. We also made a number of one off payments to both groups as recognition for the amazing work they had undertaken during the pandemic. In addition we invested further in the new carer recruitment service and in extending our education service and support.

Whilst we have worked hard over the last three years to turnaround our finances and be able to look forward and invest back into the service, we know that there is still much to do especially around our improving further our carer offer and support. Towards the end of the year we started to see rising inflationary pressures in the economy and this has been exacerbated with the war in Ukraine impacting energy and food prices. Initially this inflationary pressure was seen by most experts as a temporary jolt, but as the time has gone on the outlook is for an extended period of high inflation which will need careful management of our cost base to contain.

In conclusion whilst we have had another strong year financially the environment is becoming more challenging financially. The hard work undertaken repairing the balance sheet and rebuilding reserves was necessary and leaves us in a strong position to take on the challenges of the new reality faced by the sector.

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Balance Sheet

We ended the year with £4.25M (2021 £3.05M) of free reserves which is around 87.7%, (2021: 61%) of the targeted level of reserves the Trustees believe is necessary to maintain the financial sustainability of the charity.

RESERVES POLICY

TACT is committed to ensuring appropriate reserve levels, sufficient to enable the organisation to maintain capacity and significantly, to enable TACT to accommodate planned growth.

The primary aim of TACT's reserves policy is to preserve a level of 'free' reserves – the unrestricted funds not committed or invested in fixed assets [net of any associated liabilities]. The approach in TACT is to maintain free reserves equivalent to fifty percent of overhead expenditure £4.843M. This leaves a shortfall of £0.594M.

The reserves policy also states that TACT should hold cash levels equivalent to two months of operating expenditure or £3.704M. At the 31st March 2022, this requirement was fully satisfied as cash levels were at £5.96M.

Having made continued progress during the year with the financial performance it is critical that this momentum continues and that funds can be re-invested in developing the services offered.

Currently the reserves policies are not being achieved. The Trustees, having reviewed the market, associated risks, the improving financial position in year and the basis for projected future improvements, remain confident that over the next year reserves will be fully replenished.

GOING CONCERN

Based upon reserves, forecast for future trading and the market environment, the Trustees consider that the Company have adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

FUTURE

The English Care review recognised that the market for fostering services was broken, yet acknowledged that in the short to medium term there was little that could be achieved by intervention in the market. Excess profits from private equity investors are seen as inevitable and that change will take concerted effort over a long period and a more joined up approach to the market than has been achieved to date. From a TACT perspective it was comforting to see that the CMA view of returns in an efficient market they would expect to be 4% which is in line with our own aspirations and performance.

After an extended period of economic stability and low inflation, events over the last year have changed the outlook and challenges for the sector. Initially inflation fuelled by a rebound in demand following covid which was seen as a temporary blip has turned into a much more challenging scenario with the energy and food inflation consequences arising from the war in Ukraine. The position and forecasts change constantly underlining the uncertainty that abounds, Inflation rates for the UK as we enter into 2023 are currently in the range of 13 to 18% and the timeframe before inflation starts to fall also is pushed back. Inflationary pressures cause carers and staff to re-evaluate reward. The way in which the sector is commissioned and funded however makes passing on cost increases hard and therefore margins are expected to come under pressure.

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The impact of cost of living increases also pushes those at the lowest spectrum of the pay and benefits scale the hardest. Poverty is one of the major drivers of rates of looked after children. At the same time rewards for fostering are diminishing and the pool of new fostering capacity is struggling to replace the experienced carers leaving the sector.

To respond to these challenges TACT are looking at further developing support to carers through education and health services, improving our mental health and well being offer to carers as well as improving rewards and looking at ways to bring more new carers, who may not have considered fostering, into the sector. As a charity we will look to charitable funding and grants to help innovation and we will work with Commissioners and work in partnership to deliver solutions to the problems faced.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees meet regularly, and at least, annually, review the risks to which the Charity is exposed. The risks are classified for review purposes, as follows:

Strategic and Governance

- *Risks associated with a strategy or organisational structure e.g. over-expansion, competitive threats, poor contractual arrangements.*

Financial

- *Risks arising from the financial structure, insufficient funding, weak asset base, systems, and transactions of the business – e.g., failure to win tender applications.*

Operational

- *Risks emerging from operational, administrative, processes and procedures – e.g., substantial technological disruption.*

Regulatory and Political

- *Risks posed by potential or actual changes in the regulatory and political environment – e.g., failure to comply with minimum standards, serious case review.*

Reputational

- *Risks to the perceived quality or brand of TACT – e.g., failing Ofsted inspection.*

Information Security

- *Risks associated with the breach or loss of restricted or personal sensitive data, or infringement of privacy – e.g., the loss of a child's historic file, cyber-attack.*

Contingent

- *Risks that will arise only if certain events take place – e.g., providing contractual guarantees to a third party*

RISK ASSESSMENT

TACT views risk in the context of the **likelihood** of an adverse outcome that is worse than expected and where the potential **impact** of such an outcome is very significant. Known or identified risks are colour-coded in terms of severity – Red - Amber - Green (otherwise known as a RAG rating). This will be used to reflect the combination of likelihood and impact of the severity of each risk. Risk is also viewed as a missed opportunity to add value to the organisation. The risk framework sets out the controls in place to avert the will be pursued by officers with the relevant assigned responsibilities.

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RISK CONTROLS

The Trustees ensure that a robust risk management policy is in place as well as associated policies and procedures e.g., business continuity, information security, health, and safety. Performance indicators and the associated reporting processes are in place to manage and mitigate identified and potential risks. The Trustees regularly approve a delegation of authority process which enables Executive action to be undertaken on their behalf, should any material risks arise and require action.

RISK MINIMISATION

The Trustees annually review, in detail, TACT's risk management framework and focus on those risks to which the Charity is pre-eminently exposed. The risks are classified for review purposes. The reputational and political risks are minimised through the frequent validation and quality inspections undertaken by our regulators – e.g., Ofsted. Also, quality tests such as Customer Service Excellence, Investors in People and the Sunday Times Best 100 companies, in which TACT participates and succeeds, will help to reduce the likelihood of these risks.

Internal scrutiny though external audits (financial) foster carer reviews, supervision, appraisals and training, all assist with risk minimisation. Finally, the Trustees through its sub-committees, 'finance, audit and risk' and 'safeguarding and children's services' ensure that relevant operational matters are regularly scrutinised to provide comfort to the main board that attendant risks are identified and addressed.

KEY RISKS

The Trustees have identified the principal risks as:

Market risk. Covid has placed a significant financial burden on the economy and both the disruption from Covid and Brexit are beginning to filter through into inflationary pressures. The war in Ukraine has also destabilised both the energy and food sectors adding significantly to the cost of living crisis. At the same time anticipated public sector funding squeezes are likely to put pressures on our ability to pass on cost increases. Importantly the impact on foster carers of both the experiences of the last two years and a period of high inflation and pay restraint presents potential challenges for the sector in terms of recruitment and retention of a pool of experienced, committed, and talented foster carers. Cost of living pressures are likely to compress margins and could accelerate the number of small independent providers exiting the market.

Workforce development. Nationally we have more job vacancies than people seeking work. Brexit, impact of Covid and a richer post 50 population not needing to work as much has led to a contraction in the workforce. Demand for services we provide continues to be strong and the impact of extended lockdown restrictions and financial pressures on families is yet to be fully understood, with potentially increasing demand for more complex placements than previously. It is important we need to continue to invest in developing, supporting, and training our staff and carers to be able to support these young people in the future. Ability to recruit and retain in a labour market with scarcity will be challenging and risk to quality of service will be heightened. Paying more or looking at new models of delivering service will be key.

Foster Carer Recruitment. The key to our business model is having a pool of foster carers with the requisite training and skills to be able to provide good quality placement opportunities to local authorities. Attracting and retaining these highly skilled and committed carers is critical. We are evolving our offer to attract more new carers and to support them in their journeys.

Competition risk. The fostering market place is still fragmented but recent years have seen the emergence of large private equity backed operators who have been driving consolidation in the independent providers market. Local authorities both act as commissioners and providers of foster care placements.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Differentiation in a crowded market becomes increasingly difficult. We continue to differentiate our offer in terms of the quality of services, stability of placements, and our commitment to helping young people achieve their aspirations through support pre and post 18 within the TACT family. Placing young people's outcomes at the heart of everything we do and continuing to invest in services that contribute to support these through our fundraised initiatives give TACT a unique opportunity to develop our brand and offering.

Liquidity risk. Cash flow and financial projections with associated risks are routinely scrutinised by the Finance Committee. In 19/20 the Board instigated a turnaround plan to address its financial performance and progress against this is monitored.

Cyber and technological Risk. The increasing reliance on technology, move to home working and the increase in cyber attacks worldwide presents additional challenges in protecting our data and systems from attack. We continue to proactively monitor our systems and strengthen our controls in this area

ASSET COVER FOR FUNDS

Note 15 sets out analysis of the assets attributable to the various funds and a description of the funds. These assets are sufficient to meet the Charity's obligations on a fund by fund basis.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the Trustee's has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

AUDITORS

HW Fisher LLP were appointed auditors to the company and in accordance with Section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

The Report of the Board of Trustees and the Strategic Report are approved on behalf of the Board of Trustees.

Signed: *Matthew Doyle*

M. Doyle (Chair)
Trustee

20 Dec 2022
Date:

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charity's Trustees (who are also the directors of The Adolescent and Children's Trust for the purposes of company law) are responsible for preparing a Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the Charity Trustees to prepare Financial Statements for each 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 the 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 (Statement of Recommended Practice);
- 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 Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the Charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in the other jurisdictions.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE ADOLESCENT AND CHILDRENS TRUST

Opinion

We have audited the financial statements of the Adolescent and Children's Trust (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 as amended).

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- The information given in the Trustees' Report, which includes the Directors' Report and Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

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 Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate and proper 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees, who are also the Directors of the Charity for the purpose of company law, 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 the directors 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 company or to cease operations, or have no realistic alternative but to do so.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected, or alleged fraud. The charity did not inform us of any known, suspected, or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006, the Charities and Trustees (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets, and liabilities between unrestricted, designated and restricted funds.
- Documenting and verifying all significant related party balances and transactions.
- Obtaining third-party confirmation of bank balances
- Performing a physical verification of key asset items.
- Reviewing documentation such as the Charity's board minutes, correspondence with solicitors, for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

THE ADOLESCENT AND CHILDREN'S TRUST (A COMPANY LIMITED BY GUARANTEE)

A further description of our responsibilities is available on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 and with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Carol Rudge

**Carol Rudge (Senior Statutory Auditor)
for and on behalf of HW Fisher LLP**

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
United Kingdom
NW1 3ER

~~20 Dec 2022~~

Date:

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
 FOR THE YEAR ENDING 31 MARCH 2022

| | Note | Unrestricted funds £'000 | Restricted funds £'000 | Total funds 2022 £'000 | Total funds 2021 £'000 |
|---|------|--------------------------------|------------------------------|---------------------------------|---------------------------------|
| Income from: | | | | | |
| Donations | | - | 7 | 7 | 4 |
| Charitable activities | 2 | 25,247 | 129 | 25,376 | 25,525 |
| Other income | | 51 | - | 51 | 39 |
| Furlough Income | 2 | 5 | - | 5 | 29 |
| Total income | | 25,303 | 136 | 25,439 | 25,597 |
| Expenditure on: | | | | | |
| <i>Raising funds:</i> | | | | | |
| Costs of generating donations | | 98 | - | 98 | 91 |
| <i>Charitable activities:</i> | | | | | |
| Foster care | | 23,971 | 129 | 24,100 | 23,789 |
| Campaigning, policy, and research | | 39 | - | 39 | 30 |
| Total expenditure | 3 | 24,108 | 129 | 24,237 | 23,910 |
| Net Income and net movement in funds | | 1,195 | 7 | 1,202 | 1,687 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 14 | 4,802 | 67 | 4,869 | 3,182 |
| Total funds carried forward | | 5,997 | 74 | 6,071 | 4,869 |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
 FOR THE YEAR ENDING 31 MARCH 2022

Prior year comparatives

| | Note | Unrestricted funds £'000 | Restricted funds £'000 | Total funds 2021 £'000 |
|---|------|--------------------------------|------------------------------|---------------------------------|
| Income from: | | | | |
| Donations | | - | 4 | 4 |
| Charitable activities | 2 | 25,407 | 118 | 25,525 |
| Other income | | 39 | - | 39 |
| Furlough Income | 2 | 29 | | 29 |
| Investments | | - | - | - |
| Total income | | 25,475 | 122 | 25,597 |
| Expenditure on: | | | | |
| <i>Raising funds:</i> | | | | |
| Costs of generating donations | | 91 | - | 91 |
| <i>Charitable activities:</i> | | | | |
| Foster care | | 23,671 | 118 | 23,789 |
| Campaigning, policy, and research | | 30 | - | 30 |
| Total expenditure | 3 | 23,792 | 118 | 23,910 |
| Net income and net movement in funds | | 1,683 | 4 | 1,687 |
| Reconciliation of funds: | | | | |
| Total funds brought forward | 14 | 3,119 | 63 | 3,182 |
| Total funds carried forward | | 4,802 | 67 | 4,869 |

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

Company registration number: 02779751

BALANCE SHEET

AS AT 31 MARCH 2022

| | Note | 2022 £'000 | 2021 £'000 |
|--|------|---------------|---------------|
| Fixed assets: | | | |
| Tangible assets | 10 | 511 | 525 |
| Current assets: | | | |
| Debtors | 11 | 3,336 | 2,981 |
| Cash at bank and in hand | | 5,960 | 5,001 |
| <i>Total current assets</i> | | 9,296 | 7,982 |
| Liabilities: | | | |
| Creditors: Amounts falling due within one year | 12 | (3,736) | (3,638) |
| <i>Net current assets</i> | | 5,560 | 4,344 |
| <i>Total assets less current liabilities</i> | | 6,071 | 4,869 |
| Total net assets | | 6,071 | 4,869 |
| The funds of the Charity: | | | |
| Restricted funds | 15 | 74 | 67 |
| Unrestricted funds | | | |
| - General funds | | 4,769 | 3,574 |
| - Designated funds | | 1,228 | 1,228 |
| Total funds | | 6,071 | 4,869 |

The notes at pages 25 to 38 form of these accounts.

Matthew Doyle

M. Doyle (Chair)

Trustee

M C Scott

M. Scott

Trustee

20 Dec 2022

Approved by the Trustees on

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

| | Note | 2022 £'000 | 2021 £'000 |
|---|-----------|---------------|---------------|
| Cash flows from operating activities | 17 | 959 | 3,003 |
| Cash flows from investing activities: | | | |
| Proceeds from the sale of property | | - | 24 |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | | 959 | 3,027 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at the beginning of the year | | 5,001 | 1,974 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at the end of the year | | 5,960 | 5,001 |
| | | <hr/> | <hr/> |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting Policies

TACT is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 98 Station Road, Sidcup, Kent, DA15 7BY.

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

1.1 Basis of preparation

The financial statements have been prepared in accordance with the company's Memorandum & Articles of Association, the Companies Act 2006, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and "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 (FRS102) (effective 1st January 2019)

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

1.2 Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

1.3 Preparation of the accounts on a going concern basis

The Trustees receive regular updates on current and forecast trading taking into account risks within the overall market and anticipated costs pressures and investment funds. These projections are scrutinised by Finance Audit and Risk Committee (FARC) and consider sensitivities to the projections and the impact on cash reserves. Based on these forecasts and the reserves maintained the Trustees are confident that the Charity can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.4 Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from foster carer fees is accounted for on a receivable basis.

Income from government or other grants, whether 'capital' grants or 'revenue' grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Investment income is recognised on a receivable basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

Government grants are recognised at the fair value of the amount received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. The charity has received grants under the Coronavirus Job Retention Scheme. The scheme is designed to compensate for staff costs, so amounts received or receivable are recognised in the income statement as part of other operating income over the same period as the costs to which they relate.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

1.5 Expenditure

Expenditure including redundancy and termination payments 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. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise those costs associated with attracting voluntary income, in particular grant funding.
- Expenditure relating to Foster care, Campaigning & Policy and Research are those elements of expenditure directly incurred in performing these activities. It also includes allocated support costs relating to this activity.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

1.6 Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned in the same proportion as direct costs.

1.7 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities not readily apparent from other sources.

The Trustees are satisfied that there are no significant estimates or assumptions in the financial statements.

1.8 Tangible fixed assets and depreciation

Items of equipment are capitalised where the purchase price exceeds £5,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

| | |
|-----------------------------------|-------------------------|
| Freehold land is not depreciated | |
| Freehold buildings | 2% straight line |
| Leasehold property | 2% straight line |
| Computer equipment | 33.33% straight line |
| Fixtures, fittings, and equipment | 25-33.33% straight line |
| Caravans | 10% straight line |

1.9 Debtors

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

Trade and other debtors are recognised at the settlement amount due after any trade discount offered and provision for bad and doubtful debts. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 Financial instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Pensions

For defined-contribution schemes, the amount charged to the SoFA in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Any difference between the charge to the SoFA and the contributions payable to the scheme is shown as an asset or a liability in the balance sheet.

1.14 Operating leases

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.15 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted funds is set out in the notes to the financial statements.

Designated funds are earmarked by the Trustees for a specific purpose

2. Income

| Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
|--------------|------------|-------|--------------|------------|-------|
|--------------|------------|-------|--------------|------------|-------|

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

| | funds | funds | | funds | funds | |
|----------------|---------------|------------|---------------|---------------|------------|---------------|
| | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Fostering Fees | 25,216 | - | 25,216 | 25,390 | - | 25,390 |
| Grants | 31 | 129 | 160 | 17 | 118 | 135 |
| | 25,247 | 129 | 25,376 | 25,407 | 118 | 25,525 |

Other Income

| | 2022 | 2021 |
|---------------------------------------|-----------|-----------|
| | £'000 | £'000 |
| Net gain on disposals of fixed assets | - | 4 |
| Furlough Income | 5 | 29 |
| Other income | 51 | 35 |
| | 56 | 68 |

**THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

3. Analysis of expenditure

| | Raising Funds | Foster Care | Campaigning, Policy, and Research | Governance Costs | Support Costs | Total 2022 | Total 2021 |
|---|---------------|-------------|-----------------------------------|------------------|---------------|------------|------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff Costs (Note 5) | 78 | 4,193 | 31 | - | 3,257 | 7,559 | 6,805 |
| Fees and reimbursements paid to foster carers | - | 14,210 | - | - | - | 14,210 | 14,389 |
| Training costs | - | 172 | - | - | 59 | 231 | 162 |
| Legal and professional fees | - | - | - | 432 | - | 432 | 135 |
| Audit and accountancy fees | - | - | - | 51 | - | 51 | 22 |
| Trustee meeting expenses | - | - | - | - | 13 | 13 | 2 |
| Depreciation | - | - | - | - | 14 | 14 | 29 |
| Other costs | - | 593 | - | - | 1,134 | 1,727 | 2,366 |
| | 78 | 19,168 | 31 | 483 | 4,477 | 24,237 | 23,910 |
| Governance costs | 2 | 480 | 1 | (483) | - | - | - |
| Support costs | 18 | 4,452 | 7 | - | (4,477) | - | - |
| | 98 | 24,100 | 39 | - | - | 24,237 | 23,910 |

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 31 MARCH 2022

Prior year comparatives

| | Raising Funds | Foster Care | Campaigning, Policy, and Research | Governance Costs | Support Costs | Total 2021 |
|---|---------------|-------------|-----------------------------------|------------------|---------------|------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff Costs (Note 5) | 72 | 3,948 | 24 | - | 2,761 | 6,805 |
| Fees and reimbursements paid to foster carers | - | 14,389 | - | - | - | 14,389 |
| Training costs | - | 120 | - | - | 42 | 162 |
| Legal and professional fees | - | - | - | 135 | - | 135 |
| Audit and accountancy fees | - | - | - | 22 | - | 22 |
| Trustee meeting expenses | - | - | - | - | 2 | 2 |
| Depreciation | - | - | - | - | 29 | 29 |
| Other costs | - | 530 | - | - | 1,836 | 2,366 |
| | 72 | 18,987 | 24 | 157 | 4,670 | 23,910 |
| Governance costs | 1 | 156 | - | (157) | - | - |
| Support costs | 18 | 4,646 | 6 | - | (4,670) | - |
| | 91 | 23,789 | 30 | - | - | 23,910 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

4. Net income for the year

This is stated after charging:

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Depreciation | 14 | 15 |
| Auditor's remuneration – audit services | 29 | 26 |
| Auditor's remuneration – other services | - | - |
| Operating lease charges | 99 | 420 |

5. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

| | 2022 £'000 | 2021 £'000 |
|----------------------------------|---------------|---------------|
| Wages and salaries | 6,651 | 5,929 |
| Social security costs | 644 | 578 |
| Pension | 246 | 226 |
| Redundancy and termination costs | 18 | 72 |
| | 7,559 | 6,805 |

Included within staff costs are £164K (2021: £85K) of costs relating to agency staff.

The number of employees whose annual emoluments were £60,000 or more were:

| | 2022 Number | 2021 Number |
|-------------------|----------------|----------------|
| £60,000- £69,999 | 8 | 4 |
| £70,000- £79,999 | 1 | 4 |
| £80,000- £89,999 | 6 | 3 |
| £90,000- £99,999 | - | - |
| £100,000-£109,999 | - | - |
| £110,000-£119,999 | 1 | 1 |
| £120,000-£129,999 | - | 1 |
| £130,000-£139,999 | 1 | - |

The key management personnel of the Charity comprise the Trustees and Senior Leadership Team, as detailed on page 5 of the Trustees' report. The total employee benefits of the key management personnel of the Charity were £822K (2021- £751K).

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

6. Trustees

None of the Trustees (or any person connected with them) received any remuneration during the year in their capacity as Trustees.

10 Trustees (2021 - 0) were either reimbursed for or had expenses relating to travel and accommodation paid on their behalf by the Charity £13K, (2021 - £0K). There were no other related party transactions during the year.

7. Staff Numbers

The average monthly head count of employees during the year was as follows:

| | 2022 | 2021 |
|-----------------------------------|---------------|---------------|
| | Number | Number |
| Fundraising | 2 | 2 |
| Fostering | 99 | 100 |
| Campaigning, policy, and research | 1 | 1 |
| Support | 89 | 81 |
| | 191 | 184 |

8. Pension and other post-retirement benefit commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund.

| | 2022 | 2021 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Contributions payable by the company for the year | 246 | 226 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

9. Corporation tax

As a charity, The Adolescent and Children's Trust is exempt from UK tax on income and gains to the extent that these are applied to its charitable objects. No UK tax charges have arisen in the Charity, during the year or the previous year.

10. Tangible fixed assets

| | Freehold land and buildings £'000 | Leasehold land and buildings £'000 | Fixtures, fittings, and equipment £'000 | Total £'000 |
|----------------------------|--|---|---|----------------|
| Cost: | | | | |
| As at 1 April 2021 | 461 | 342 | 11 | 814 |
| As at 31 March 2022 | 461 | 342 | 11 | 814 |
| Depreciation: | | | | |
| As at 1 April 2021 | 161 | 117 | 11 | 289 |
| On disposals | - | - | - | - |
| Charge for year | 9 | 5 | - | 14 |
| As at 31 March 2022 | 170 | 122 | 11 | 303 |
| Net book value | | | | |
| As at 31 March 2022 | 291 | 220 | - | 511 |
| As at 31 March 2021 | 300 | 225 | - | 525 |

All assets were used for charitable purposes.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

11. Debtors

| | 2022 | 2021 |
|--------------------------------|-------|-------|
| | £'000 | £'000 |
| Trade debtors | 3,003 | 2,677 |
| Other debtors | 95 | 124 |
| Prepayments and accrued income | 238 | 180 |
| | <hr/> | <hr/> |
| | 3,336 | 2,981 |
| | <hr/> | <hr/> |

12. Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|-------|-------|
| | £'000 | £'000 |
| Trade creditors | 381 | 147 |
| Taxation and social security costs | 182 | 153 |
| Other creditors | 245 | 160 |
| Accruals and deferred income | 2,796 | 2,749 |
| Termination costs | 132 | 429 |
| | <hr/> | <hr/> |
| | 3,736 | 3,638 |
| | <hr/> | <hr/> |

13. Deferred income

| | 2022 | 2021 |
|----------------------|-------|-------|
| | £'000 | £'000 |
| Brought forward | 171 | 90 |
| Released in the year | (222) | (67) |
| Recognised in year | 236 | 149 |
| Carried forward | <hr/> | <hr/> |
| | 185 | 172 |
| | <hr/> | <hr/> |

Deferred income represents funds received in 2021-22 for delivery of services in 2022-23.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

14. Movements in funds (current year)

| | Balance as at 1 April 2021 £'000 | Transfers between Funds £000's | Income and gains £'000 | Expenditure and losses £'000 | Balance as at 31 March 2022 £'000 |
|---------------------------------------|-------------------------------------|-----------------------------------|---------------------------|---------------------------------|--------------------------------------|
| Restricted income funds | | | | | |
| Donations for children's activities | 67 | - | 7 | - | 74 |
| Children in Need grant | - | - | 8 | (8) | - |
| Confidence in Care grant | - | - | 4 | (4) | - |
| Skills to Care | - | - | 9 | (9) | - |
| Big Lottery Fund | - | - | 73 | (73) | - |
| Lord Laming | - | - | 4 | (4) | - |
| Covid Grant | - | - | 18 | (18) | - |
| Murgatroyd Foundation | - | - | 13 | (13) | - |
| Total restricted income funds | 67 | - | 136 | (129) | 74 |
| Unrestricted funds | | | | | |
| - General funds | 3,574 | - | 25,303 | (24,108) | 4,769 |
| - Designated funds | | | | | |
| o Capital Fund | 1,200 | - | - | - | 1,200 |
| o Adoption Fund | 28 | - | - | - | 28 |
| Total unrestricted funds | 4,802 | - | 25,303 | (24,108) | 5,997 |
| Total funds | 4,869 | - | 25,439 | (24,237) | 6,071 |
| Movement in funds (prior year) | | | | | |
| | Balance as at 1 April 2020 £'000 | Transfers between Funds £000's | Income and gains £'000 | Expenditure and losses £'000 | Balance as at 31 March 2021 £'000 |
| Restricted income funds | | | | | |
| Donations for children's activities | 63 | - | 4 | - | 67 |
| Children in Need grant | - | - | 22 | (22) | - |
| Confidence in Care grant | - | - | 43 | (43) | - |
| Skills to Care | - | - | 6 | (6) | - |
| Big Lottery Fund | - | - | 47 | (47) | - |
| Total restricted income funds | 63 | - | 122 | (118) | 67 |
| Unrestricted funds | | | | | |
| - General funds | 1,891 | - | 25,475 | (23,792) | 3,574 |
| - Designated funds | | | | | |
| o Capital Fund | 1,200 | - | - | - | 1,200 |
| o Adoption Fund | 28 | - | - | - | 28 |
| Total unrestricted funds | 3,119 | - | 25,475 | (23,792) | 4,802 |
| Total funds | 3,182 | - | 25,597 | (23,910) | 4,869 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

Purposes of restricted funds

The donations for children's activities fund relate to amounts received to be spent for the benefit of children in care.

Children in Need grant – this supports the appointment of a play therapist within our South London Team.

Confidence in Care grant – The Fostering Network has been awarded a five-year grant by the Big Lottery Fund as the lead organisation in delivering the In Good Hands 'Confidence in Care' Programme. The Fostering Network has engaged with TACT along with three other charity partners to assist with the delivery of this programme. TACT delivers training to foster carers in Wales via its Skills to Foster course.

Skills to care fund provides funding for training staff on specialist equipment.

Big Lottery Fund is provided to support our TACT Connect offering for care leavers.

Covid grant was from the Government to support the furloughing of a small number of staff during Covid.

The Murgatroyd Foundation provided funding for an advisory Teacher for Scotland

Purposes of designated funds

Adoption Fund. TACT established a designated fund in 2016/17 following the receipt of a legacy donation from an ex-adopter. The Trustees have decided that this fund will be spent on positive activities for adopted children and support for adopter families.

Capital Fund. Following a review of the Charity's property portfolio the Trustees made a decision during 2018/19 to divest itself of its estate which was deemed no longer fit for purpose and to use the monies raised to reinvest back into property assets or such other capital purposes in the future which would support the ongoing operations of the charity. A programme of disposals commenced in March 2019 and cash receipts were designated.

15. Analysis of net assets between funds

Fund balances at 31 March 2022 are represented by:

| | Unrestricted funds 2022 £'000 | Restricted funds 2022 £'000 | Total Funds 2022 £'000 |
|---------------------------------|--|--------------------------------------|---------------------------------|
| Tangible fixed assets | 511 | | 511 |
| Current assets | 9,222 | 74 | 9,296 |
| Creditors of less than one year | (3,736) | - | (3,736) |
| | 5,997 | 74 | 6,071 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

Fund balances at 31 March 2021 were represented by:

| | Unrestricted funds 2021 £'000 | Restricted funds 2021 £'000 | Total Funds 2021 £'000 |
|---------------------------------|--|--------------------------------------|---------------------------------|
| Tangible fixed assets | 525 | | 525 |
| Current assets | 7,915 | 67 | 7,982 |
| Creditors of less than one year | (3,638) | - | (3,638) |
| | 4,802 | 67 | 4,869 |

16. Commitments under operating leases

The Charity had future minimum lease payments under non-cancellable operating leases for each of the following periods:

| | Property | | Equipment | |
|----------------------------|---------------|---------------|---------------|---------------|
| | 2022 £'000 | 2021 £'000 | 2022 £'000 | 2021 £'000 |
| Expiry date: | | | | |
| Within one year | 14 | 102 | 14 | 73 |
| Between two and five years | - | 15 | - | 20 |
| | 14 | 117 | 14 | 93 |

The following lease payments were recognised as an expense during the year:

| | 2022 £'000 | 2021 £'000 |
|--------------------|---------------|---------------|
| Land and buildings | 66 | 344 |
| Equipment | 33 | 76 |
| | 99 | 420 |

17. Reconciliation of cashflows from operating activities

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Net (expenditure) / income for the reporting period | 1,202 | 1,687 |
| Depreciation charges | 14 | 15 |
| Loss / (profit) on sale of fixed assets | - | (4) |
| (Increase) / decrease in debtors | (355) | 1,344 |
| Increase / (decrease) in creditors | 98 | -39 |
| Net cash provided by / (used in) operating activities | 959 | 3,003 |

THE ADOLESCENT AND CHILDREN'S TRUST

England & Wales - Charity number 1018963

Accounts

Charity Registration No. 1018963
Charity Registration No. SC039052 (Scotland)
Company Registration No. 2779751 (England and Wales)

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--|--|
| Trustees | Mr M. R. Doyle Mr P. B. Woodman Ms L. Waterman-Glasgow Mrs M. Griffith-Jones Mr O. Evans Mr D. Rankin (appointed 23/09/2020) Mr M. Scott (appointed 23/09/2020) Mr P. Anderson (appointed 26/01/2021) Mrs J O'Connell (appointed 21/09/2021) Mr T, Bingham (appointed 30/11/2021) |
| Chief Executive | Mr A. Elvin |
| Secretary | Mr P. Oldfield |
| Charity number (England and Wales) | 1018963 |
| Charity number (Scotland) | SC039052 |
| Company number | 02779751 |
| Principal address and registered office | The Courtyard 303 Hither Green Lane London SE13 6TJ |
| Auditors | HW Fisher LLP Acre House 11-15 William Road London NW1 3ER |
| Bankers | HSBC Plc Level 3 8 Canada Square London E14 5HQ |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

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THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

When the 2020/21 financial year started, we had just commenced the first lockdown, and I for one thought we would be through it in a few weeks, and that it would be nothing more than a foot note in history. How wrong was I. For my generation and for others, we will in years to come be using the COVID-19 pandemic as the reference point in our lives.

While this has been uprooting for all of us and traumatic on levels none of us has ever experienced, after joining a recent team meeting with our Scottish colleagues, I was left reflecting that this level of trauma, of uprooting and uncertainty, is something that children in the care system go through every day.

The pandemic has forever changed the way that TACT operates. When we started the year, TACT had 12 offices across Wales, Scotland and England and our office working set up was well established. As we end the year, we have closed our offices and moved to a 100% home working environment. I doubt very much we would have ever embarked on such an ambitious transition should we have not been forced into it by the pandemic.

Which leads me to wonder, what other ambitious challenges are out there, that we as an organisation, as a community or as a society, are not tackling because we just aren't thinking big enough?

During the year we welcomed three new board members - Paul Anderson, Michael Scott and David Rankin. Paul, Michael and David have strengthened the team, challenging and supporting not just the management, but the rest of the board to be better. Their positive impact, while at times a little uncomfortable, is making us a better organisation.

Recently the board had the opportunity to talk with two foster families about their experiences, in particular looking after children with highly complex needs. What will stay with me for a long time, was seeing the love that these families had for those children, how they had taken a stranger into their homes and families and given that child the love that only parents can. It was very humbling.

I mentioned earlier TACT's move to organisation wide home working and more flexible working patterns. There have been a number of positive outcomes from this, including improving work life balance, reducing our environmental footprint and reducing our cost base. The last of these is allowing us to use the freed-up resources to invest more in our children, our carers and our people.

Two areas in particular that we as an organisation are proud of, and which we are extending our funding for through the money saved by moving to home workings are:

a. our education service headed by Amanda Savage which in 2020/21:

- Worked on 222 referrals from carers and staff to support the education of young people, ranging from expert advice to securing funding and places at specialist schools.
- Ensured that young people successfully adapted to the biggest disruption to education in living memory, by either guaranteeing them a place in school during the pandemic as a vulnerable child or by ensuring that they are fully supported and equipped to effectively learn from home.
- When schools re-opened - ensured that every TACT child received an appropriate school place or alternative provision suitable for their age, ability and specific needs
- Helped our children have a bumper year in terms of exam results, with over 60% of TACT young people achieving a pass grade in both English and Maths GCSE's.
- Successfully challenged and overturned all permanent exclusions, and in doing so ensured that no vulnerable young person is denied the opportunity to learn
- Reduced fixed-term exclusions through early intervention and engagement with virtual schools

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

CHAIRMAN'S STATEMENT

- b. In 21/22 TACT will invest in a new health service, which will work to improve outcomes in children's health in the way we have successfully achieved with the education service above

As you will see from our annual accounts, our financial position has improved on last year, this has allowed us to invest in the initiatives I have already noted and others that provide better outcomes for the children in our care.

However, the macro-economic outlook is uncertain, we are in times of unprecedented government debt, with the likelihood of high inflation, an economy impacted not just by COVID but also by Brexit, and our civil society is divided. All this means that while TACT continues to go from strength to strength, the environment in which we operate will continue to be difficult, and we will need the support of all our stakeholders to continue to support our amazing staff, who support our incredible carers, to give our children the best possible childhood.

Matthew Doyle
Chair

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board presents its report with the accounts and the auditor's report for the financial year ending 31 March 2021. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (FRS102) (effective 1st January 2019)

LEGAL STATUS

The Adolescent and Children's Trust (TACT) was incorporated as a company limited by guarantee, on the 14 January 1993, under the Companies Act 1985 and 1989. On the 19 March 1993, TACT sought and obtained charitable status.

TACT is described as an 'incorporated' charity with company registration number of 277951 and charity registration number 1018963. On the 8 April 2008, TACT was formally registered as a charity in Scotland (Reg No: SC039052).

THE ORGANISATIONAL AND DECISION-MAKING STRUCTURE

The Board of Trustees

The Trustees who served during the year were:

| Name | Occupation | Appointed | Resigned |
|-----------------------|--|------------|------------|
| Matthew Robert Doyle | Company Director | 04/08/2016 | |
| Philip B. Woodman | Accountant | 26/09/2012 | |
| Lisa Waterman-Glasgow | Communications Director | 30/06/2015 | |
| Mary Griffith-Jones | Retired Social Worker | 27/09/2017 | |
| Owen Evans | Charity CEO | 27/03/2019 | |
| David Rankin | Accountant | 23/09/2020 | |
| Michael Scott | Retired | 23/09/2020 | |
| Paul Anderson | Social Worker | 26/01/2021 | |
| Jennifer O'Connell | Lawyer | 21/09/2021 | |
| Tom Bingham | Marketing and Communications Director. | 30/11/2021 | |
| Leanne Ellis | Artist | 28/06/2017 | 26/08/2020 |
| Matthew Horton | Social Work Manager | 30/01/2019 | 26/01/2021 |
| Martine Bond | Banker | 27/09/2017 | 30/04/2021 |
| Andrew White | Company Director | 27/03/2019 | 23/09/2021 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Structure

At the 31 March 2021, the Board of Trustees' comprised ten members. During the year we were pleased to welcome to the Board Michael Scott, David Rankin and Paul Anderson. Since the year end the Board has been further strengthened with the additions of Jennifer O'Connell and Tom Bingham. They bring fresh thinking and insight to the Board and we welcome their experience and contribution across a range of issues. We wish Matthew Horton, Leanne Ellis and Martine Bond, Andrew White well in their future endeavours and thank them for their valued contribution to the Board during their tenure.

Throughout the last year, the Board of Trustees governed the Charity and managed its resources so that it could meet its charitable objectives. They review the mission, vision and values regularly and have concluded that they are still relevant.

To effectively undertake its governance responsibility, the Board delegates detailed scrutiny to: (i) the Finance, Audit and Risk Committee; (ii) the Safeguarding and Children's Services Committee. The membership of each Committee is as follows:

| Finance, Audit and Risk (FARC) Committee | Safeguarding and Children's Services Committee |
|---|---|
| P. B. Woodman (Chair) M. Bond (resigned 30 th April 2021) M Scott (from 23 rd September 2020) O Evans D Rankin (from 19 th October 2021) | M. Griffith-Jones (Chair) L. Ellis (resigned 26 th August 2020) D Rankin (from 23 rd September 2020) P Andersen (from 26 th January 2021) |

The Chair of each Committee reports to the Board and this informs the decision making at that level. All **new** Trustees undergo an induction process, which includes TACT's governance arrangements, and clarifies the Trustees duties and responsibilities and sets out its key organisational policies.

The Board of Trustees is always keen to evaluate its effectiveness and to find varying ways to add value to the Charity. Every year, the Trustees undertake an 'Away Day'. The intent is to enable them to consider their inter-relationships at Board level, the degree of cohesiveness and how these factors influence 'decision making', especially on matters of critical strategic significance.

SENIOR MANAGEMENT STRUCTURE

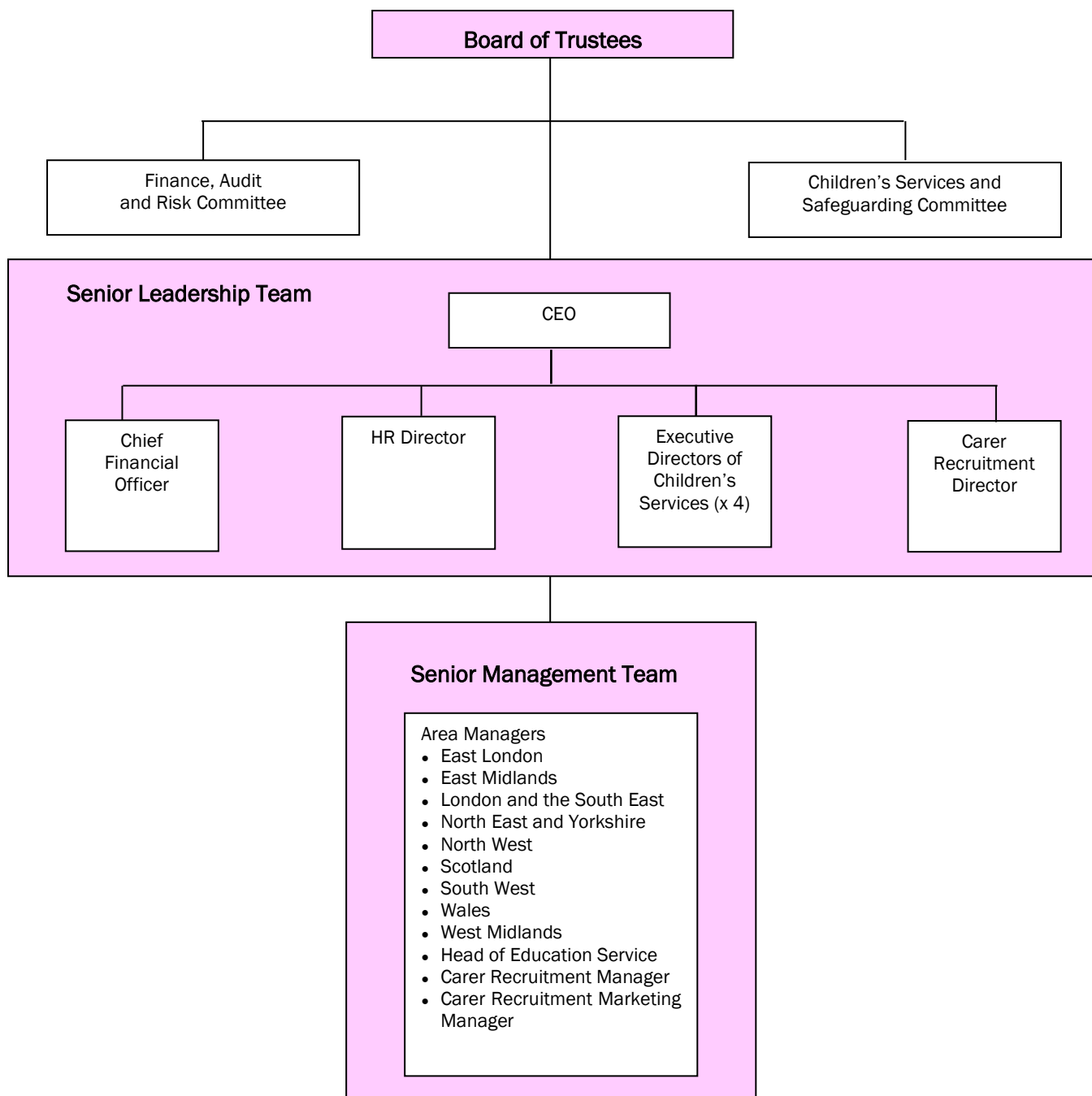
The Senior Leadership Team (SLT) led by Mr Andy Elvin since September 2014, is responsible for driving the strategy delineated in the strategic plan, agreed by the Board. The Senior Management Team (SMT), comprising Area Managers and led by the Executive Directors, manage the processes which underpin the strategy and monitor the outcomes.

Senior Leadership Team pay is predicated on the latest job description and person specification, which is used as a basis for an evaluation by, Reward Connected, an independent agency. Each job is ranked using a matrix which utilises a set of factors including but not exclusively, skills, intellectual demands, judgement and use of resources set against the scope and difficulty of the work involved. The evaluation score emerging from this exercise is set against an agreed 'TACT Pay and Remuneration Table', from which the salary and/or salary range is determined.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

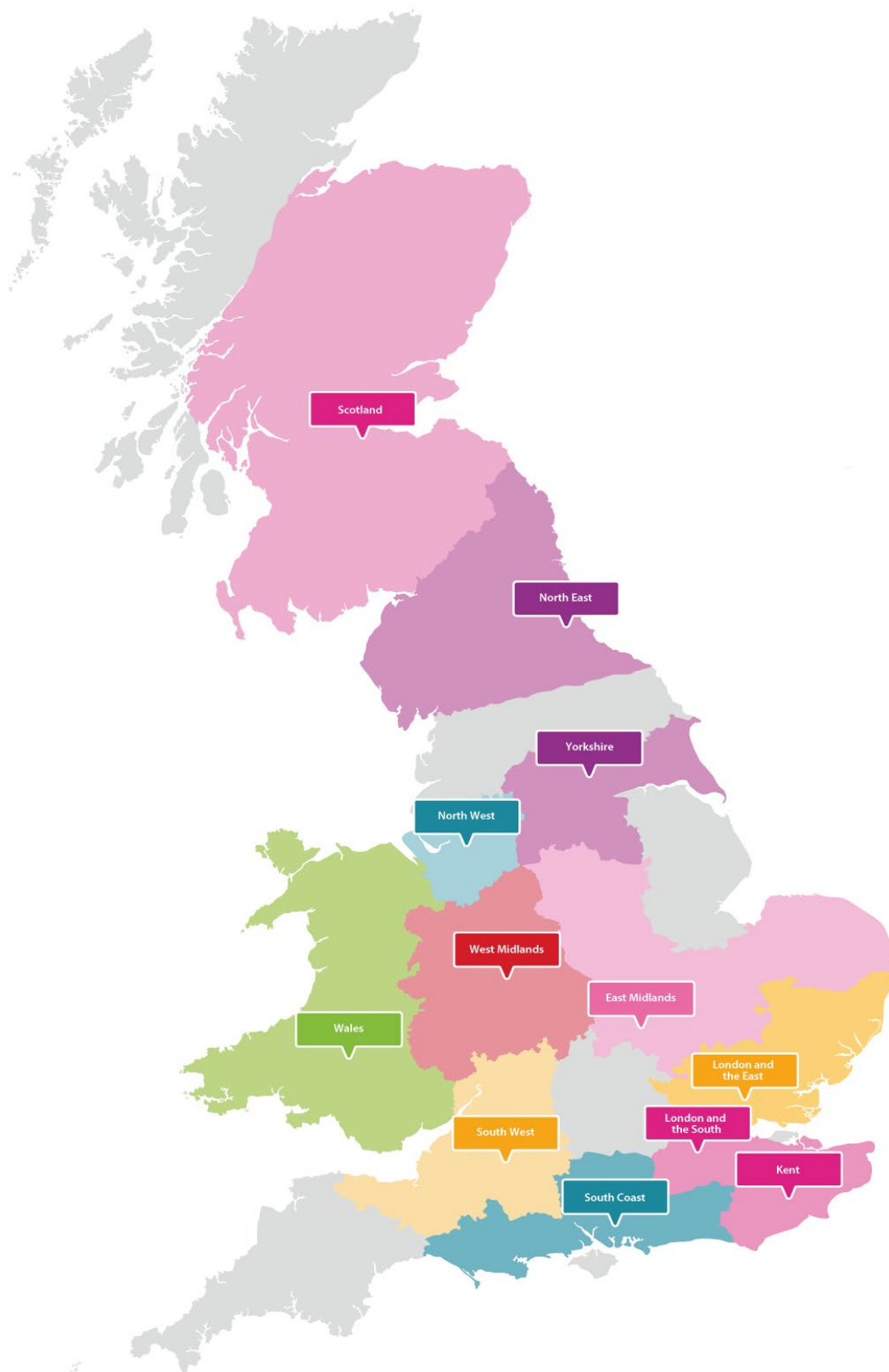


THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

GEOGRAPHICAL COVERAGE OF TACT OPERATIONS



THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

REGISTERED OFFICE

Head Office, The Courtyard, 303 Hither Green Lane, Hither Green, London SE13 6TJ

ADVISORS

| | |
|---------------------------------|---|
| Solicitors – Corporate | Lee Bolton Monier-Williams, 1 The Sanctuary, London, SW1 3JT |
| Solicitors – Social Care | S. Carr & Co, 416 Mare Street, Hackney, London E8 1HP |
| Solicitors – Property | Meade King LLP, Springfield House, 45 Welsh Back, Bristol, BS1 4AG |
| Solicitors – Contracts | DAC Beachcroft LLP, Portwall Place, Portwall Lane, Bristol, BS1 9HS |

VISION AND VALUES

Vision

Better lives for our children and young people

Values

ASPIRATIONAL

By helping others to grow, we grow ourselves.

PASSIONATE

We are determined to keep improving what we do. We will ambitiously pursue the best outcomes for everyone we work with and strive for excellence in all we do.

CUSTOMER FOCUSED

We shall listen and respond to the people we work with, children and young people, their birth families, carers, our staff, our supporters and local authorities.

FAIR AND EQUITABLE

We will be open and transparent, communicating what we do and why we do it, based on equality and respect for all.

BEYOND PROFIT

We reinvest our resources into services for our carers and improving outcomes for children and young people.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

STRATEGIC REPORT

ORGANISATIONAL AND ACTIVITY REVIEW

The Year in Perspective

Covid 19 in many ways has dominated the year offering both challenges and also the impetus for change. We come out of the year a much stronger organisation with an increased determination to provide great quality care to the young people placed within our foster families and to provide opportunities to improve life outcomes. The response of our colleagues and foster carers has been amazing. Our young people have been incredible in dealing with such drastic changes to the world around them. Together the experience of the last year has brought to the fore the incredible work everyone involved does in supporting our young people to adapt and to achieve stability. It is important however that we do not also forget that the year has had a significant impact on young peoples lives and there is much to do to catch up after this interruption in their lives.

In late March 2020 when the pandemic was in its early days and lockdown of the country was announced we took the decision to assure colleagues of both job security and also set expectations about any quick return to office working. We adapted working patterns to offer flexible working to staff to take account of the changed situations colleagues found themselves in and at the same time we increased our wellbeing support. Our foster carer family also responded magnificently to the challenges of both lock down and a new model of remote support dependent on technology. Whilst there have been challenges along the way we have learnt a lot together about our resilience, adaptability and depth of commitment to our shared values of improving outcomes and lives for those in our family.

We noted increased stability in our foster homes during lockdowns and a reduction in children moving which was very welcome. We undertook some research with Research in Practice during the summer of 2020 which reflected carers and young people's views that relationships within foster homes had mostly deepened and improved. We have shared the study with the recently launched Independent Review of Children's Social Care in England so that positive lessons of the pandemic might be learned.

In January 2021 after home working for nine months colleagues overwhelmingly agreed to making the situation permanent and become a virtual organisation. This decision was supported by our foster carers and offers the opportunity to free ourselves of relatively expensive fixed office accommodation and allowing us to become more local and flexible whilst releasing funds we can invest back into supporting care. We continue to offer face to face services in carers homes, at rented community space close to where carers live and our teams regularly hire venues to meet up for work & wellbeing purposes.

The changes that we have made in the year have also highlighted the need to address some of our traditional ways of working and identified opportunities to work smarter, freeing up valuable time and resource that can be re-invested back in supporting carers and young people. In April 2021 we launched a new carer recruitment service which brought together all the strands of work undertaken across the organisation in recruiting new carers into one central function. Process benefits are already being realised through reduction in time taken moving between stages in the application process which is encouraging.

We come out of the year both stronger financially and also organisationally. Having progressed significantly we are in a better place in the coming year to face the challenges with confidence.

TACTs main revenue base relates to the provision of foster care services. However, to enhance our ability to support carers and young people we are actively seeking new opportunities to secure sources of additional funding through grants and donations. We are grateful to the following organisations for their generous support this year:

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

- The National Lottery Foundation for an award of £475,000 over 4 years to fund our innovative TACT Connect service;
- The David and Ruth Lewis Family charitable Trust for grants worth £22,500 to enable access to educational equipment for our young people during the pandemic; and
- The JRSK Inc for a donation of £150,000 of Away luggage to support our young people.
- State Street Corporation who donated £18,000.

PUBLIC BENEFIT

The Trustees have complied with their duty under Section 4 of the Charities Act 2016 to have due regard to the guidance published by the Charity Commission. The benefit to the public is demonstrated by the achievements under the strategic objectives below, most of which speak to, or enable, excellent outcomes for the children in TACT's care.

ACHIEVEMENTS FOR THE YEAR 2020-21

Our strategy is governed by four aims. They are:

1. To enhance the life chances for all of our children, improving their attainment and achievement.
2. To be an excellent organisation and the agency of choice for our foster carers and the employer of choice for our people.
3. To be a sector leader through investment in innovation and service improvement.
4. To be financially strong, stable and sustainable through generating a healthy surplus.

| | |
|-------------------------------------|--|
| <p>Strategic Objective 1</p> | <p>Childrens Outcomes. TACT seek to improve educational, health and wellbeing outcomes for all our children and young people to enhance their life chances and benefit from families where they feel safe, valued and enjoy the stability that enables them to achieve and best prepare them to be resilient adults.</p> |
| <p>Achievement</p> | <ul style="list-style-type: none"> ▪ Quarterly Business Meetings now include the monitoring of children's outcomes on the balanced scorecard. 93% of children living with TACT carers for over 3 months have an Outcomes Tracker completed against a target of 100%. ▪ 100% of Children report feeling safe and listened to in their families and 82% provide feedback on a regular basis. ▪ All teams now have access to Psychology services and/or PACE therapy support which has supported stability in our foster homes. 7% of young people leave their foster carers homes in an unplanned way, which is below the national benchmarks we operate within. ▪ The Education Service is embedded in teams and in 2021 country specific education workers have been appointed to Wales and Scotland. We are aware of four children who were not in full time education or training appropriate to their needs. Referral rates have remained at around 7% across the board, but with variation across TACT. ▪ TACT Connect Advisors and members have been offered the opportunity to partake in the full development of TACT Connect, and involved in the design of the new logo, development of the Hub and content, workshop and group offers. Developments have been based on members interests and involvement so needs of as many individuals and groups can be met. Group work has involved self-development workshops, focusing on meditation, employability, self-care, and confidence building. One to one conversations have taken place around relationships, self-care, the care experience, financial support, and employment. |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

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| Strategic Objective 2 | Fundraising. To increase levels of fundraised income to provide additional resources for investment and innovation and cover the costs of services we provide that are not within our core contractual fees. |
| Achievement | <ul style="list-style-type: none"> ▪ In year we received notifications of £0.655M of fundraised income and grant funding. This has helped secure 4 years funding for our innovative post 18 service (TACT Connect) which aims to provide to our care leavers a community of support and advice in future years. ▪ Additionally we have started to develop our fundraising capacity and contacts and are especially thankful to both JRSK Inc and the David and Ruth Lewis Family Charitable Trust for their donations of luggage and funding to support accessing educational equipment during the pandemic. ▪ As our grant and fundraised income covers multi years and both restricted and unrestricted income the amounts recognised in this year's accounts is £161K comprised donations (£4k), restricted income (£118K) and other income (£39K). |
| Strategic Objective 3 | Carer Recruitment and Retention. To be the agency of choice for foster carers by providing them with highly skilled social work support, training and competitive fee levels that recognise carers contributions in supporting young people. |
| Achievement | <ul style="list-style-type: none"> ▪ An increase of 6% in levels of enquiries received in the year ▪ 21% increase in newly approved foster carer households in the year ▪ 6% reduction in levels of deregistered carer households in year ▪ Restructured the carer recruitment function ready to launch in April 2021 ▪ Implemented a number of one off foster carer payments in year to recognise impact of Covid lockdown on costs incurred by carers in looking after young people in their care ▪ Reviewed foster care payments in year uplifting all fees from 1st April 2021 and increasing foster carers fees for enhanced placements to increase competitiveness for provision of these places. |
| Strategic Objective 4 | Our People. To invest in our people through training, well being, career development, reward and systems and processes to support them in delivering excellent levels of support to our foster carers and young people. |
| Achievement | <ul style="list-style-type: none"> ▪ A well established and embedded Wellbeing Programme for all Staff and some elements extended to Foster Carers. ▪ Achieved The Times 100 Small Companies Accreditation 2020 – One star company ▪ Record levels of low sickness absence (5% lost time rate) and TOIL balances. ▪ 21% of job vacancies were filled internally (2019/20) ▪ Covid 19 Pulse Survey – High Levels of engagement – 96% of staff feel very well supported by the Company, 94% feel well supported by their Manager, 88% feel they have the right tools and equipment to do their job, 93% trust the Senior Leadership Team, 96% feel their wellbeing is being prioritised. ▪ Staff Turnover at a record low - under 11% ▪ Compliance training – 98% completion in 2020 and heading for the same or better in 2021 ▪ FASD training offered to all staff ▪ New online training provider partnership affording vastly improved access to training for foster carers |

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TRUSTEES' REPORT

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| Strategic Objective 5 | Finance and Business Development. To achieve a surplus year on year that can be re-invested in the charity |
| Achievement | <ul style="list-style-type: none"> ▪ The charity returned to surplus in the year and ended the year with a reported surplus of £1.687M and a balance sheet total funds position of £4.869M. ▪ Average weekly fee for our services increased by 9.3% in the year as a consequence of renegotiation of some historical placements and introduction of new pricing on retendered frameworks. ▪ The Trustees designated £1.228M of reserves for the reprovisioning of property or such other capital purpose. ▪ Levels of Free Reserves are at 61% of the targets set by Trustees (see reserves policy on page 12 for detailed explanation of reserves). It is forecast that target levels of free reserves will be achieved within the next 18-24 months. |

| | |
|------------------------------|--|
| Strategic Objective 6 | Innovation. To be innovative in our approaches and act as a driver for change in the sector. |
| Achievement | <ul style="list-style-type: none"> ▪ During the lockdown we moved all of our support to a virtual model and in January 2021 took the decision to formalise this arrangement and become a wholly virtual organisation. This has allowed us to free up resources to invest back into the organisation, improved work life balance of our staff and allowed us to provide support closer to our carers ▪ We launched our TACT Connect service for care leavers which offers invaluable support to this cohort. We will continue in conjunction with our care leavers to develop this service over the coming years. ▪ Our education service has been embedded within the organisation and its success is being backed with further investment to support carers and young people access the support they are entitled to. ▪ We undertook some research with Research in Practice during the summer of 2020 which reflected carers and young people's views that relationships within foster homes had mostly deepened and improved. We have shared the study with the recently launched Independent Review of Children's Social Care in England so that positive lessons of the pandemic might be learned |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

REVIEW OF THE FINANCIAL RESULTS

Financial Results

After several years of significant losses it is pleasing to see that the finances have returned to surplus position. In the short term this will enable us to rebuild our reserves and invest back into the services we provide and improve our reward packages to carers and staff. Our carers and staff are critical to the care and support we can provide to the young people placed in our care. Strong finances enable us to plan with certainty and focus on improving children's outcomes without relying on the goodwill of carers and staff.

Our activity levels fell by 7.2% from the previous year as a number of carers shielded due to concerns about contracting Covid and also lower level of referrals from local authorities as they adjusted to the new challenges of working in lockdown. As the year progressed through the various local and national lockdowns activity stabilised. With local authorities pre-occupied with managing the pandemic the ability to progress further work on historical pricing was slow. Despite this fee levels increased by 5.1% compared to the prior year bringing much needed relief to our finances.

In the year turnover was down £4.79M at £25.5M on 2019/20 due to the full year impact of the termination of the permanency services with PCC in November 2019 (4.4M), reduction in grant income (£0.1M) and a 7.2% reduction in foster carer activity (£1.9M pre impact of price increases). Activity and referrals in year were impacted by both carers shielding and hence not been able to offer placements, and reduced referrals from local authorities in the early months of the year as lockdown restrictions came into force.

TACT receive 99.5% of its income from the services commissioned from Local authorities for the provision of foster care placements. It is therefore critical that placements we offer cover the full costs of service provision and that we do not subsidise Local authorities. We recognised in 2019/20 that our fee levels were significantly below both the market and also critically below the costs of delivering the services. We instigated a programme of fee negotiations which started to flow through into our trading performance in the current year and which delivered an annualised £1.2M increase in the average weekly fee which offset the reductions in activity noted.

We continued to control costs in the year in the key areas of foster care pay and staffing costs. During the year we also benefitted from home working as we responded to the challenges of providing services in a virtual and home working context. Reductions in staff travel and move to more virtual training events benefitted the organisation by circa £0.5M in the year. These benefits are anticipated to be mainly of a one off nature and the expectation is that as activities start to normalise following the pandemic that these costs will reappear in 2021/22.

We have in recent years embarked on a programme of property disposal to both raise cash and improve our office space by leasing property rather than own. As at the year end we retain two properties with the remainder of our office estate being short leasehold. Throughout the whole of 2020/21 the organisation transformed from an office based workforce to a truly virtual organisation. This was not without its challenges in the early days but after nine months of working remotely we took the decision to move to a permanent virtual organisation. As a result of this decision we have provided a sum of £0.429M for onerous lease commitments on property and office related contractual commitments.

The combination of exiting the loss making PCC contract, one off benefits from covid related changes to working practices and improvements in the average weekly fee levels combined with continued tight cost control delivered a reported surplus of £1.687M for the year.

THE ADOLESCENT AND CHILDREN'S TRUST

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TRUSTEES' REPORT

Balance Sheet

We ended the year with £3.05M (2020 £1.39M), of free reserves which is around 61%,(2020: 26%)of the targeted level of reserves the Trustees believe is necessary to maintain the financial sustainability of the charity

RESERVES POLICY

TACT is committed to ensuring appropriate reserve levels, sufficient to enable the organisation to maintain capacity and significantly, to enable TACT to accommodate planned growth.

The primary aim of TACT's reserves policy is to preserve a level of 'free' reserves – the unrestricted funds not committed, or invested in fixed assets [net of any associated liabilities]. The approach in TACT is to maintain free reserves equivalent to fifty percent of overhead expenditure £5.01M. This leaves a shortfall of £1.96m.

The reserves policy also states that TACT should hold cash levels equivalent to two months of operating expenditure or £3.99M. As at 31 March 2021, this requirement was fully satisfied as cash levels were at £5.001M.

Having made progress in the year in reducing losses it is critical that the financial turnaround continues. Returning to surplus will allow **free reserves** level to be progressively increased in future years to achieve the target cover of six months of budgeted expenditure.

Currently the reserves policies are not being achieved. The Trustees, having reviewed the market, associated risks, the improving financial position in year and the basis for projected future improvements, remain confident that over a three year time frame reserves can be rebuilt.

FUTURE

The care system across England, Scotland and Wales is undergoing several government appointed reviews currently as to how best to provide care to young people coming into the care system. There is a lack of suitable provision across the sectors and increasing numbers of young people coming into care each year. The lifetime chances of these young people are less than those who stay outside the care system. At the same time the growth of private equity backed commercial Independents Fostering Agencies ("IFA's") are seen to be diverting much needed funding to investors that could be channelled back into providing care. We are engaged in the reviews offering our experience both as a provider and as a non profit organisation to how the future of fostering services can be developed to better provide positive outcomes and life chances.

We continue to develop and evolve our services in response to the needs of the young people. Our education service is now well established offering invaluable support for carers and young people. The service is being expanded to provide specialist support for Scotland and Wales. In 2021/22 we are looking to establish a health service to again provide support to carers in navigating the various health bodies and to be able to advocate for the young people in our care. We are continuing to develop our post 18 support for care leavers through TACT Connect.

THE ADOLESCENT AND CHILDREN'S TRUST

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TRUSTEES' REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees regularly, and at least, annually, review the risks to which the Charity is exposed. The risks are classified for review purposes, as follows:

Strategic and Governance

- Risks associated with a strategy or organisational structure e.g. over-expansion, competitive threats, poor contractual arrangements.

Financial

- Risks arising from the financial structure, insufficient funding, weak asset base, systems and transactions of the business – e.g., failure to win tender applications.

Operational

- Risks emerging from operational, administrative, processes and procedures – e.g., substantial technological disruption.

Regulatory and Political

- Risks posed by potential or actual changes in the regulatory and political environment – e.g., failure to comply with minimum standards, serious case review.

Reputational

- Risks to the perceived quality or brand of TACT – e.g., failing Ofsted inspection.

Information Security

- Risks associated with the breach or loss of restricted or personal sensitive data, or infringement of privacy – e.g., the loss of a child's historic file, cyber-attack.

Contingent

- Risks that will arise only if certain events take place – e.g., providing contractual guarantees to a third party

RISK ASSESSMENT

TACT views risk in the context of the **likelihood** of an adverse outcome that is worse than expected and where the potential **impact** of such an outcome is very significant. Known or identified risks are colour-coded in terms of severity – Red - Amber - Green (otherwise known as a RAG rating). This will be used to reflect the combination of likelihood and impact of the severity of each risk. Risk is also viewed as a missed opportunity to add value to the organisation. The risk framework sets out the controls in place to avert the will be pursued by officers with the relevant assigned responsibilities.

RISK CONTROLS

The Trustees ensure that a robust risk management policy is in place as well as associated policies and procedures e.g., business continuity, information security, health and safety. Performance indicators and the associated reporting processes are in place to manage and mitigate identified and potential risks. The Trustees regularly approve a delegation of authority process which enables Executive action to be undertaken on their behalf, should any material risks arise and require action.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

RISK MINIMISATION

The Trustees annually review, in detail, TACT's risk management framework and focus on those risks to which the Charity is pre-eminently exposed. The risks are classified for review purposes. The reputational and political risks are minimised through the frequent validation and quality inspections undertaken by our regulators – e.g., Ofsted. Also, quality tests such as Customer Service Excellence, Investors in People and the Sunday Times Best 100 companies, in which TACT participates and succeeds, will help to reduce the likelihood of these risks.

Internal scrutiny though external audits (financial) foster carer reviews, supervision, appraisals and training, all assist with risk minimisation. Finally, the Trustees through its sub-committees, 'finance, audit and risk' and 'safeguarding and children's services' ensure that relevant operational matters are regularly scrutinised to provide comfort to the main board that attendant risks are identified and addressed.

KEY RISKS

The Trustees have identified the principal risks as:

Cyber and technological Risk. The increasing reliance on technology, move to home working and the increase in cyber attacks worldwide presents additional challenges in protecting our data and systems from attack. We continue to proactively monitor our systems and strengthen our controls in this area.

Workforce development. Local Authority funding pre covid 19 has remained challenging and the financial consequences of Covid 19 on Local and national funding is still to be understood. Demand for services we provide continues to be strong and the impact of extended lockdown restrictions and financial pressures on families is yet to be understood, with potentially increasing demand for more complex placements than previously. It is important we need to continue to invest in developing, supporting and training our staff and carers to be able to support these young people in the future.

Foster Carer Recruitment. The key to our business model is having a pool of foster carers with the requisite training and skills to be able to provide good quality placement opportunities to local authorities. Attracting and retaining these highly skilled and committed carers is critical.

Competition risk. The fostering market place is still fragmented but recent years have seen the emergence of large private equity backed operators who have been driving consolidation in the independent providers market. Local authorities both act as commissioners and providers of foster care placements. Differentiation in a crowded market becomes increasingly difficult. We continue to differentiate our offer in terms of the quality of services, stability of placements, and our commitment to helping young people achieve their aspirations through support pre and post 18 within the TACT family. Placing young people's outcomes at the heart of everything we do and continuing to invest in services that contribute to support these through our fundraised initiatives give TACT a unique opportunity to develop our brand and offering.

Liquidity risk. Cash flow and financial projections with associated risks are routinely scrutinised by the Finance Committee. In 19/20 the Board instigated a turnaround plan to address its financial performance and progress against this is monitored.

Market risk. Covid has placed a significant financial burden on the economy and both the disruption from Covid and Brexit are beginning to filter through into inflationary pressures. At the same time anticipated public sector funding squeezes are likely to put pressures on our ability to pass on cost increases. Importantly the impact on foster carers of both the experiences of the last two years and a period of high inflation and pay restraint presents potential challenges for the sector.

THE ADOLESCENT AND CHILDREN'S TRUST

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TRUSTEES' REPORT

ASSET COVER FOR FUNDS

Note 15 sets out analysis of the assets attributable to the various funds and a description of the funds. These assets are sufficient to meet the Charity's obligations on a fund by fund basis.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

AUDITORS

HW Fisher LLP were appointed auditors to the company and in accordance with Section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

The Report of the Board of Trustees and the Strategic Report are approved on behalf of the Board of Trustees.



Signed:

M. Doyle (Chair)
Trustee

14 Dec 2021

Date:

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charity's Trustees (who are also the directors of The Adolescent and Children's Trust for the purposes of company law) are responsible for preparing a Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the Charity Trustees to prepare Financial Statements for each 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 the 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 (Statement of Recommended Practice);
- 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 Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the Charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in the other jurisdictions.

THE ADOLESCENT AND CHILDREN'S TRUST

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE ADOLESCENT AND CHILDREN'S TRUST

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of the Adolescent and Children's Trust (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 as amended).

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE ADOLESCENT AND CHILDREN'S TRUST

Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- The information given in the Trustees' Report, which includes the Directors' Report and Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

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 Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate and proper 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees, who are also the Directors of the Charity for the purpose of company law, 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 the directors 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 company or to cease operations, or have no realistic alternative but to do so.

THE ADOLESCENT AND CHILDREN'S TRUST

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE ADOLESCENT AND CHILDREN'S TRUST

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006, the Charities and Trustees (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted, designated and restricted funds.
- Documenting and verifying all significant related party balances and transactions.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

THE ADOLESCENT AND CHILDREN'S TRUST

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE ADOLESCENT AND CHILDREN'S TRUST

A further description of our responsibilities is available on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 and with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sailesh Mehta (Senior Statutory Auditor)
for and on behalf of HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
United Kingdom
NW1 3ER

15 Dec 2021

Date:

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDING 31 MARCH 2021

| | Note | Unrestricted funds £'000 | Restricted funds £'000 | Total funds 2021 £'000 | Total funds 2020 £'000 |
|---|------|--------------------------------|------------------------------|---------------------------------|---------------------------------|
| Income from: | | | | | |
| Donations | | - | 4 | 4 | 24 |
| Charitable activities | 2 | 25,407 | 118 | 25,525 | 30,220 |
| Other income | | 39 | - | 39 | 144 |
| Furlough Income | 2 | 29 | - | 29 | - |
| Investments | | - | - | - | - |
| Total income | | 25,475 | 122 | 25,597 | 30,388 |
| Expenditure on: | | | | | |
| 3 | | | | | |
| <i>Raising funds:</i> | | | | | |
| Costs of generating voluntary income | | 91 | - | 91 | 81 |
| <i>Charitable activities:</i> | | | | | |
| Foster care | | 23,671 | 118 | 23,789 | 29,712 |
| Adoption | | - | - | - | 333 |
| Campaigning, policy and research | | 30 | - | 30 | 31 |
| Total expenditure | | 23,792 | 118 | 23,910 | 30,157 |
| Net Income/(expenditure) and net movement in funds | | 1,683 | 4 | 1,687 | 231 |
| Net Income/(expenditure) and net movement in funds | | 1,683 | 4 | 1,687 | 231 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 14 | 3,119 | 63 | 3,182 | 2,951 |
| Total funds carried forward | | 4,802 | 67 | 4,869 | 3,182 |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2021

Prior year comparatives

| | Note | Unrestricted funds £'000 | Restricted funds £'000 | Total funds 2020 £'000 |
|---|------|--------------------------------|------------------------------|---------------------------------|
| Income from: | | | | |
| Donations | | - | 24 | 24 |
| Charitable activities | 2 | 29,950 | 270 | 30,220 |
| Other income | | 144 | - | 144 |
| Investments | | - | - | - |
| Total income | | 30,094 | 294 | 30,388 |
| Expenditure on: | | | | |
| <i>Raising funds:</i> | | | | |
| Costs of generating voluntary income | 3 | 81 | - | 81 |
| <i>Charitable activities:</i> | | | | |
| Foster care | | 29,442 | 270 | 29,712 |
| Adoption | | 333 | - | 333 |
| Campaigning, policy and research | | 31 | - | 31 |
| Total expenditure | | 29,887 | 270 | 30,157 |
| Net (expenditure) / income and net movement in funds | | 207 | 24 | 231 |
| Reconciliation of funds: | | | | |
| Total funds brought forward | 14 | 2,912 | 39 | 2,951 |
| Total funds carried forward | | 3,119 | 63 | 3,182 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

Company registration number: 02779751

BALANCE SHEET AS AT 31 MARCH 2021

| | Note | 2021 £'000 | 2020 £'000 |
|--|------|---------------|---------------|
| Fixed assets: | | | |
| Tangible assets | 10 | 525 | 559 |
| Current assets: | | | |
| Debtors | 11 | 2,981 | 4,326 |
| Cash at bank and in hand | | 5,001 | 1,974 |
| <i>Total current assets</i> | | <u>7,982</u> | <u>6,300</u> |
| Liabilities: | | | |
| Creditors: Amounts falling due within one year | 12 | (3,638) | (3,677) |
| <i>Net current assets</i> | | <u>4,344</u> | <u>2,623</u> |
| <i>Total assets less current liabilities</i> | | <u>4,869</u> | <u>3,182</u> |
| Creditors: amounts falling due after one year | | - | - |
| Total net assets | | <u>4,869</u> | <u>3,182</u> |
| The funds of the Charity: | | | |
| Restricted funds | 15 | 67 | 63 |
| Unrestricted funds | | | |
| - General funds | | 3,574 | 1,891 |
| - Designated funds | | 1,228 | 1,228 |
| Total funds | | <u>4,869</u> | <u>3,182</u> |

The notes at pages 25 to 38 form of these accounts.



14 Dec 2021

M. Doyle (Chair)
Trustee



14 Dec 2021

P. B. Woodman
Trustee

Approved by the Trustees on

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

| | Note | 2021 £'000 | 2020 £'000 |
|--|------|---------------------|---------------------|
| Cash flows from operating activities | 19 | 3,003 | (545) |
| Cash flows from investing activities: | | | |
| Proceeds from the sale of property | | 24 | 143 |
| Cash flows from financing activities: | | | |
| Repayment of borrowing | | - | (315) |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | | <u>3,027</u> | <u>(717)</u> |
| Cash and cash equivalents at the beginning of the year | | <u>1,974</u> | <u>2,691</u> |
| Cash and cash equivalents at the end of the year | | <u><u>5,001</u></u> | <u><u>1,974</u></u> |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies

TACT is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is Head Office, The Courtyard, 303 Hither Green Lane, Hither Green, London SE13 6TJ.

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

1.1 Basis of preparation

The financial statements have been prepared in accordance with the company's Memorandum & Articles of Association, the Companies Act 2006, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and "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 (FRS102) (effective 1st January 2019)

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

1.2 Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

1.3 Preparation of the accounts on a going concern basis

The Trustees receive regular updates on current and forecast trading taking into account risks within the overall market and anticipated costs pressures and investment funds. These projections are scrutinised by FARC and consider sensitivities to the projections and the impact on cash reserves. Based on these forecasts and the reserves maintained the Trustees are confident that the Charity can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.4 Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. Income from foster carer fees is accounted for on a receivable basis.

Income from government or other grants, whether 'capital' grants or 'revenue' grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Investment income is recognised on a receivable basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

Government grants are recognised at the fair value of the amount received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. The charity has received grants under the Coronavirus Job Retention Scheme. The scheme is designed to compensate for staff costs, so amounts received or receivable are recognised in the income statement as part of other operating income over the same period as the costs to which they relate. Government grants are accounted for under the accrual model.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

1.5 Expenditure

Expenditure including redundancy and termination payments 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. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise those costs associated with attracting voluntary income, in particular grant funding.
- Expenditure relating to Foster care, Adoption and Campaigning, Policy and Research are those elements of expenditure directly incurred in performing these activities. It also includes allocated support costs relating to this activity.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

1.6 Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned in the same proportion as direct costs.

1.7 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities not readily apparent from other sources.

Following the termination of the contract with PCC on 25 October 2019, the parties agreed on mediation. The process of resolving outstanding financial issues is not complete and due to the nature of claims by both parties it is not possible to estimate any settlement at this time.

In response to the COVID pandemic the charity operated wholly as a virtual organisation throughout the year. After consultation with staff and our foster carers in January 2021 the charity took the decision to vacate all properties and continue to operate as a virtual organisation. An amount of £429k has been included at the year end as a provision for the termination costs of existing contractual relationships for property and office costs.

The Trustees are satisfied that there are no significant estimates or assumptions in the financial statements.

1.8 Tangible fixed assets and depreciation

Items of equipment are capitalised where the purchase price exceeds £5,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

| | |
|----------------------------------|-------------------------|
| Freehold land is not depreciated | |
| Freehold buildings | 2% straight line |
| Leasehold property | 2% straight line |
| Computer equipment | 33.33% straight line |
| Fixtures, fittings and equipment | 25-33.33% straight line |
| Caravans | 10% straight line |

1.9 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered and provision for bad and doubtful debts. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 Financial instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Pensions

For defined-contribution schemes, the amount charged to the SoFA in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Any difference between the charge to the SoFA and the contributions payable to the scheme is shown as an asset or a liability in the balance sheet.

1.14 Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.15 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds are earmarked by the Trustees for a specific purpose.

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 31 MARCH 2021

2. Income from charitable activities

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|---------------|-----------------------|---------------------|----------------------|-----------------------|---------------------|---------------|
| | 2021 | 2021 | 2021 | 2020 | 2020 | 2020 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Fees Received | | | | | | |
| Fostering | 25,390 | - | 25,390 | 29,900 | - | 29,900 |
| Grants | 17 | 118 | 135 | 50 | 270 | 320 |
| | <u>25,407</u> | <u>118</u> | <u>25,525</u> | <u>29,950</u> | <u>270</u> | <u>30,220</u> |

Other Income

| | 2021 | 2020 |
|---------------------------------------|-----------|------------|
| | £'000 | £'000 |
| Net gain on disposals of fixed assets | 4 | 96 |
| Furlough Income | 29 | - |
| Other income | 35 | 47 |
| | <u>68</u> | <u>144</u> |

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 31 MARCH 2021

3. Analysis of expenditure

| | Raising Funds | Foster Care | Adoption | Campaigning, Policy and Research | Governance Costs | Support Costs | Total 2021 | Total 2020 |
|--|------------------|---------------|----------|--|---------------------|------------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff Costs (Note 6) | 72 | 3,948 | - | 24 | - | 2,761 | 6,805 | 7,941 |
| Fees and reimbursements paid to foster carers | - | 14,389 | - | - | - | - | 14,389 | 18,140 |
| Training costs | - | 120 | - | - | - | 42 | 162 | 327 |
| Legal and professional fees | - | - | - | - | 135 | - | 135 | 256 |
| Audit and accountancy fees | - | - | - | - | 22 | - | 22 | 31 |
| Trustee meeting expenses | - | - | - | - | - | 2 | 2 | 6 |
| Depreciation | - | - | - | - | - | 29 | 29 | 29 |
| Impairment of fixed assets | - | - | - | - | - | - | - | - |
| Other costs | - | 530 | - | - | - | 1,836 | 2,366 | 3,427 |
| | 72 | 18,987 | - | 24 | 157 | 4,670 | 23,910 | 30,157 |
| Governance costs | 1 | 156 | - | - | (157) | - | - | - |
| Support costs | 18 | 4,646 | - | 6 | - | (4,670) | - | - |
| | 91 | 23,789 | - | 30 | - | - | 23,910 | 30,157 |

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 31 MARCH 2021

3. Prior year comparatives

| | Raising Funds | Foster Care | Adoption | Campaigning, Policy and Research | Governance Costs | Support Costs | Total 2020 | Total 2019 |
|--|------------------|---------------|------------|--|---------------------|------------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Staff Costs (Note 6) | 65 | 4,715 | 151 | 25 | - | 2,985 | 7,941 | 8,715 |
| Fees and reimbursements paid to foster carers | - | 18,134 | 6 | - | - | - | 18,140 | 25,143 |
| Training costs | - | 263 | 4 | - | - | 60 | 327 | 471 |
| Legal and professional fees | - | - | - | - | 256 | - | 256 | 153 |
| Audit and accountancy fees | - | - | - | - | 31 | - | 31 | 33 |
| Trustee meeting expenses | - | - | - | - | - | 6 | 6 | 9 |
| Depreciation | - | - | - | - | - | 29 | 29 | 43 |
| Impairment of fixed assets | - | - | - | - | - | - | - | - |
| Other costs | - | 691 | 106 | - | - | 2,630 | 3,427 | 3,142 |
| | 65 | 23,803 | 267 | 25 | 287 | 5,710 | 30,157 | 37,709 |
| Governance costs | 1 | 283 | 3 | - | (287) | - | - | - |
| Support costs | 15 | 5,626 | 63 | 6 | - | (5,710) | - | - |
| | 81 | 29,712 | 333 | 31 | - | - | 30,157 | 37,709 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

4. Net (expenditure) / income for the year

This is stated after charging:

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Depreciation | 15 | 29 |
| Auditor's remuneration – audit services | 26 | 28 |
| Auditor's remuneration – other services | - | - |
| Operating lease charges | 420 | 353 |
| Interest payable | - | 5 |

5. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

| | 2021 £'000 | 2020 £'000 |
|----------------------------------|---------------|---------------|
| Wages and salaries | 5,929 | 6,871 |
| Social security costs | 578 | 697 |
| Pension | 226 | 321 |
| Redundancy and termination costs | 72 | 52 |
| | 6,805 | 7,941 |

Included within staff costs are £85K (2020: £124K) of costs relating to agency staff.

The number of employees whose annual emoluments were £60,000 or more were:

| | 2021 Number | 2020 Number |
|-------------------|----------------|----------------|
| £60,000- £69,999 | 4 | - |
| £70,000- £79,999 | 4 | 3 |
| £80,000- £89,999 | 3 | 3 |
| £90,000- £99,999 | - | - |
| £100,000-£109,999 | - | 1 |
| £110,000-£119,999 | 1 | - |
| £120,000-£130,000 | 1 | 1 |

The key management personnel of the Charity comprise the Trustees and Senior Leadership Team, as detailed on pages 2-4 of the Trustees' report. The total employee benefits of the key management personnel of the Charity were £751K (2020- £841K). Pension contributions in respect of higher paid employees was £33K (2020 - £32K).

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

6. Trustees

None of the Trustees (or any person connected with them) received any remuneration during the year in their capacity as Trustees. In accordance with the powers contained with the Charity's memorandum and articles, the following trustees received remuneration for the provision of the described services to TACT.

| Name | Service | 2021 £'000 | 2020 £'000 |
|----------|-------------------|---------------|---------------|
| L. Ellis | Painting Workshop | - | 0.2 |

No Trustees (2020 - 10) were either reimbursed for, or had expenses relating to travel and accommodation paid on their behalf by the Charity, (2020 - £6K). There were no other related party transactions during the year.

7. Staff Numbers

The average monthly head count of employees during the year was as follows:

| | 2021 Number | 2020 Number |
|----------------------------------|----------------|----------------|
| Fundraising | 2 | 2 |
| Fostering | 100 | 123 |
| Adoption | - | 3 |
| Campaigning, policy and research | 1 | 1 |
| Support | 81 | 89 |
| | 184 | 218 |

8. Pension and other post-retirement benefit commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund.

The Charity also contributes to the Cambridgeshire Local Government Pension Scheme in respect of staff who transferred to TACT in the prior year. The pension cost charge represents contributions payable by the Charity to the fund. TACT has no additional liability to the scheme beyond the contributions payable for the year.

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Contributions payable by the company for the year | 226 | 321 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

9. Corporation tax

As a charity, The Adolescent and Children's Trust is exempt from UK tax on income and gains to the extent that these are applied to its charitable objects. No UK tax charges have arisen in the Charity, during the year or the previous year.

10. Tangible fixed assets

| | Freehold land and buildings £'000 | Leasehold land and buildings £'000 | Computer equipment £'000 | Fixtures, fittings and equipment £'000 | Caravan £'000 | Total £'000 |
|----------------------------|--|---|--------------------------------|---|------------------|----------------|
| Cost: | | | | | | |
| As at 1 April 2020 | 461 | 342 | - | 11 | 69 | 883 |
| Impairment of fixed assets | | | - | - | - | |
| Disposals | - | - | - | - | (69) | (69) |
| As at 31 March 2021 | 461 | 342 | - | 11 | - | 814 |
| Depreciation: | | | | | | |
| As at 1 April 2020 | 152 | 112 | - | 11 | 49 | 324 |
| On disposals | - | - | - | - | (50) | (50) |
| Charge for year | 9 | 5 | - | - | 1 | 15 |
| As at 31 March 2021 | 161 | 117 | - | 11 | - | 289 |
| Net book value | | | | | | |
| As at 31 March 2021 | 300 | 225 | - | - | - | 525 |
| As at 31 March 2020 | 309 | 230 | - | - | 20 | 559 |

All assets were used for charitable purposes.

THE ADOLESCENT AND CHILDREN'S TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 31 MARCH 2021

11. Debtors

| | 2021 | 2020 |
|--------------------------------|--------------------|-------------|
| | £'000 | £'000 |
| Trade debtors | 2,677 | 3,310 |
| Other debtors | 124 | 724 |
| Prepayments and accrued income | 180 | 292 |
| | <hr/> 2,981 | <hr/> 4,326 |
| | <hr/> 2,981 | <hr/> 4,326 |

12. Creditors: amounts falling due within one year

| | 2021 | 2020 |
|------------------------------------|--------------------|-------------|
| | £'000 | £'000 |
| Bank and other loans | - | - |
| Trade creditors | 147 | 226 |
| Taxation and social security costs | 153 | 178 |
| Other creditors | 160 | 149 |
| Accruals and deferred income | 2,749 | 3,124 |
| Provision for termination costs | 429 | - |
| | <hr/> 3,638 | <hr/> 3,677 |
| | <hr/> 3,638 | <hr/> 3,677 |

13. Deferred income

| | 2021 | 2020 |
|----------------------|------------------|----------|
| | £'000 | £'000 |
| Brought forward | 90 | 56 |
| Released in the year | (67) | (56) |
| Recognised in year | <hr/> 149 | <hr/> 90 |
| Carried forward | <hr/> 171 | <hr/> 90 |

Deferred income represents funds received in 2020-21 for delivery of services in 2021-22.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

14. Movements in funds (current year)

| | Balance as at 1 April 2020 £'000 | Transfers between Funds £000's | Income and gains £'000 | Expenditure and losses £'000 | Balance as at 31 March 2021 £'000 |
|--------------------------------------|-------------------------------------|-----------------------------------|---------------------------|---------------------------------|--------------------------------------|
| Restricted income funds | | | | | |
| Donations for children's activities | 63 | - | 4 | - | 67 |
| Innovation Fund | - | - | - | - | - |
| Children in Need grant | - | - | 22 | (22) | - |
| Confidence in Care grant | - | - | 43 | (43) | - |
| Skills to Care | - | - | 6 | (6) | - |
| Big Lottery Fund | - | - | 47 | (47) | - |
| Total restricted income funds | 63 | - | 122 | (118) | 67 |
| Unrestricted funds | | | | | |
| - General funds | 1,891 | - | 25,457 | (23,792) | 3,574 |
| - Designated funds | | | | | |
| o Capital Fund | 1,200 | - | - | - | 1,200 |
| o Adoption Fund | 28 | - | - | - | 28 |
| Total unrestricted funds | 3,119 | - | 25,475 | (23,792) | 4,802 |
| Total funds | 3,182 | - | 25,597 | (23,910) | 4,869 |

Movement in funds (prior year)

| | Balance as at 1 April 2019 £'000 | Transfers between Funds £000's | Income and gains £'000 | Expenditure and losses £'000 | Balance as at 31 March 2020 £'000 |
|--------------------------------------|-------------------------------------|-----------------------------------|---------------------------|---------------------------------|--------------------------------------|
| Restricted income funds | | | | | |
| Donations for children's activities | 39 | - | 24 | - | 63 |
| Innovation Fund | - | - | 121 | (121) | - |
| Children in Need grant | - | - | 41 | (41) | - |
| Confidence in Care grant | - | - | 108 | (108) | - |
| Total restricted income funds | 39 | - | 24 | - | 63 |
| Unrestricted funds | | | | | |
| - General funds | 1,684 | - | 30,094 | (29,887) | 1,891 |
| - Designated funds | | | | | |
| o Capital Fund | 1,200 | - | - | - | 1,200 |
| o Adoption Fund | 28 | - | - | - | 28 |
| Total unrestricted funds | 2,912 | - | 30,094 | (29,887) | 3,119 |
| Total funds | 2,951 | - | 30,388 | (30,157) | 3,182 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

Purposes of restricted funds

The donations for children's activities fund relate to amounts received to be spent for the benefit of children in care.

The Innovation Fund is funded by the Department for Education to support TACT's work with Peterborough City Council in relation to its Children's Social Care Innovation Programme.

Children in Need grant – this supports the appointment of a play therapist within the adoption department.

Confidence in Care grant – The Fostering Network has been awarded a five-year grant by the Big Lottery Fund as the lead organisation in delivering the In Good Hands 'Confidence in Care' Programme. The Fostering Network has engaged with TACT along with three other charity partners to assist with the delivery of this programme. TACT delivers training to foster carers in Wales via its Skills to Foster course.

The Rank Foundation grant – The objective of this grant, to be used in evaluation and reporting, is to support the current social, emotional and academic needs of children in TACT's care currently and into adulthood through mentoring provided by care-experienced mentors.

Purposes of designated funds

Adoption Fund. TACT established a designated fund in 2016/17 following the receipt of a legacy donation from an ex-adopter. The Trustees have decided that this fund will be spent on positive activities for adopted children and support for adopter families.

Capital Fund. Following a review of the Charity's property portfolio the Trustees made a decision during 2018/19 to divest itself of its estate which was deemed no longer fit for purpose and to use the monies raised to reinvest back into property assets or such other capital purposes in the future which would support the ongoing operations of the charity. A programme of disposals commenced in March 2019 and cash receipts were designated. Prior year comparisons have been corrected to reflect the timing of the decision.

15. Analysis of net assets between funds

Fund balances at 31 March 2021 are represented by:

| | Unrestricted funds 2021 £'000 | Restricted funds 2021 £'000 | Total Funds 2021 £'000 |
|---------------------------------|--|--------------------------------------|---------------------------------|
| Tangible fixed assets | 525 | | 525 |
| Current assets | 7,915 | 67 | 7,982 |
| Creditors of less than one year | (3,638) | - | (3,638) |
| Creditors of more than one year | - | - | - |
| | 4,802 | 67 | 4,869 |

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

Fund balances at 31 March 2020 were represented by:

| | Unrestricted funds 2020 £'000 | Restricted funds 2020 £'000 | Total Funds 2020 £'000 |
|---------------------------------|--|--------------------------------------|---------------------------------|
| Tangible fixed assets | 559 | | 559 |
| Current assets | 6,237 | 63 | 6,300 |
| Creditors of less than one year | (3,677) | - | (3,677) |
| Creditors of more than one year | - | - | - |
| | 3,119 | 63 | 3,182 |

16. Commitments under operating leases

The Charity had future minimum lease payments under non-cancellable operating leases for each of the following periods:

| | Property | | Equipment | |
|----------------------------|---------------|---------------|---------------|---------------|
| Expiry date: | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 |
| Within one year | 102 | 217 | 73 | 40 |
| Between two and five years | 15 | 32 | 20 | 67 |
| | 117 | 249 | 93 | 107 |

The following lease payments were recognised as an expense during the year:

| | 2021 £'000 | 2020 £'000 |
|--------------------|---------------|---------------|
| Land and buildings | 344 | 313 |
| Equipment | 76 | 40 |
| | 420 | 353 |

17. Contingent liability

On 25 October 2019, TACT and PCC terminated the contract for the provision of permanency services, resulting from ongoing financial issues between the parties. Legal advice has been taken and the parties are in correspondence to try to reach a resolution on outstanding matters.

THE ADOLESCENT AND CHILDREN'S TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

18. Analysis of changes in net debt

| | Balance as at 1st April 2019 £000's | Cash flows In year £000's | Balance as at 31st March 2020 £000's | Cash Flows In year £000's | Balance as at 31st March 2021 £000's |
|---|---|---------------------------------|--|---------------------------------|--|
| Cash | 2,691 | (717) | 1,974 | 3,027 | 5,001 |
| Loans falling due within one year | - | - | - | - | - |
| Loans falling due after more than one year | (315) | 315 | - | - | - |
| TOTAL | (315) | 315 | - | - | - |

19. Reconciliation of cash flows from operating activities

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Net (expenditure) / income for the reporting period | 1,687 | 231 |
| Impairment of fixed assets | - | - |
| Depreciation charges | 15 | 29 |
| Loss / (profit) on sale of fixed assets | (4) | (97) |
| (Increase) / decrease in debtors | 1,344 | (1,136) |
| Increase / (decrease) in creditors | -39 | 428 |
| Net cash provided by / (used in) operating activities | 3,003 | (545) |