

**Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2022
for
Intercountry Adoption Centre**

Haines Watts
Chartered Accountants and Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Intercountry Adoption Centre
Contents of the Financial Statements
for the year ended 31 March 2022

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 9
Statement of Trustees' Responsibilities	10
Report of the Independent Auditors	11 to 13
Statement of Financial Activities	14
Balance Sheet	15
Cash Flow Statement	16
Notes to the Cash Flow Statement	17
Notes to the Financial Statements	18 to 25

Intercountry Adoption Centre
Reference and Administrative Details
for the year ended 31 March 2022

Trustees	A K Ansell D H Gray B J Hudson K L Samwell-Smith (resigned 27/4/2021) G A Shaw J A P Mcdougall N D Sieve
Registered office	120 Cockfosters Road Barnet EN4 0DZ
Registered company number	03344762 (England and Wales)
Registered charity number	1067313
Auditors	Haines Watts Chartered Accountants and Statutory Auditor New Derwent House 69-73 Theobalds Road London WC1X 8TA
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Bankers	Metro Bank Borehamwood Shopping Park Unit 3E Borehamwood Hertfordshire WD6 4PR Tsesnabank Karagandinskiy Branch 7/4 Chkalova St. Karaganda Kazakhstan

**Report of the Trustees
for the year ended 31 March 2022**

The Trustees of the charitable company are pleased to present their report together with the audited financial statements for the year ended 31 March 2022. For the purpose of these financial statements, the directors have been referred to as Trustees of the charitable company.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 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 (FRS 102) (effective 1 January 2015)".

**Report of the Trustees
for the year ended 31 March 2022**

Objectives and activities

Objectives and activities

The Intercountry Adoption Centre (IAC), hereafter referred to as 'the charity', is a Voluntary Adoption Agency (VAA) specialising in international adoption. It also provides UK adoption services; adoption support services and advises local authorities on outbound permanence case work. The charity is unique across the UK in its focus.

The charity is registered with Ofsted, the regulatory body in England, to provide intercountry, domestic and adoption support services.

IAC provides information, advice, preparation, assessment, and support for the general public through subscription and service level agreements with their home local authorities. Prospective adopters deemed suitable to adopt are supported through the matching and placement process with specific children from across the world, including the UK. The charity is accredited as an Adoption Agency by the central adoption authorities of India, the Philippines, China and Kazakhstan, and has working agreements with Bulgaria and South Africa. It functions as a foreign adoption partner agency in respect of these six countries. Applicants are free to adopt from whichever country they choose, so long as: i) they meet the eligibility criteria of that country; ii) they meet the eligibility criteria of England, iii) they are approved as suitable to adopt in this country and iv) the country is not closed to the UK.

IAC is a unique VAA in the UK, as it is the only one with a specialist and primary focus on the provision of intercountry adoption services, and it is the only one to have been accredited by authorities in States of origin from which children are placed. Over 90% (Department for Education data) of all overseas adoptions in England are now conducted through IAC. Whilst the charity is situated in England and works closely with the government of England, it has good working relationships with the governments of Scotland, Wales and Northern Ireland.

The charity has provided a UK (domestic) adoption special programme since varying the terms of its registration with Ofsted in 2012. It aims to provide well prepared, thoroughly assessed and appropriately supported adopters for children who cannot be cared for in their family of origin, from anywhere in the UK.

IAC was adjudged by Ofsted to be an 'outstanding' adoption agency following inspections in 2014 and 2017 and again in 2020 following the change of CEO.

IAC is the lead agency in the Intercountry Regional Adoption Agency (ICRAA) for England which launched in November 2017. IAC works collaboratively under bilateral agreements with other VAAs including Adoption Matters, ARC Adoption North East and Nugent Adoption, to deliver intercountry adoption services across England.

IAC continues to offer services to regional adoption agencies (RAAs) in England through service level agreements, which continue to grow, and local authorities in Wales through subscription services. The charity provides adoption support services to adoptive parents and their children directly, and through arrangements with other adoption agencies and adoption support agencies. It aims to deliver excellence across all services and during the financial year has raised funds to expand these support services. This work backs the agency's ethos, adoption is for life, and so is IAC's support.

IAC networks with and lobbies relevant government departments in furtherance of its objects and in pursuit of improved services for those affected by adoption and permanence, particularly internationally. As members of CVAA UK, the consortium of voluntary adoption agencies, IAC's position is strengthened through collaboration and collective voices. IAC's CEO has sat on CVAA's Board of Trustees since July 2019 and now is Vice Chair, and as a member of the government's Adoption & Special Guardianship Leadership Board since May 2021. He is also a member of CFAB's UK branch of International Social Services) Cross Border Child Safeguarding Working Group, a member of the National Adoption Recruitment Steering Group and CoramBAAF's Adoption Practice Committee.

IAC has also forged links abroad, as described at the end of the report, which inform and enhance the intercountry adoption work of the Agency. IAC aims to achieve the best outcomes for all children who are placed for adoption. IAC is member of the EurAdopt Council.

IAC's unique information and advice line service for adoptive families, adopted people and adoption and permanence professionals is supported by a sound information database and appropriately qualified and experienced advisors and facilitators, some of whom have personal experience of adoption. The Outbound Permanence Service also produces guidance and literature to better inform care planning, assessments, and the preparation of children and prospective carers.

IAC's service level agreements offer the following for local authorities and regional adoption agencies:

**Report of the Trustees
for the year ended 31 March 2022**

- Access to advice lines for prospective adopters, social workers and other professionals seeking information, advice and consultation. The services are supported by a database of relevant background information on sending and receiving States and the legal routes to permanence for children looked after by local authorities in England
- Information packs and service charges
- Country fact sheets and guides
- Procedural guides of different legal pathways to permanence in and out of the UK
- Leaflets for the preparation of the relatives or "connected people" with whom a child is to be placed
- Books written for children to prepare them for moving
- Network meetings for practitioners
- Specialist preparation course of prospective intercountry adopters and adoption support workshops
- Bulletins, country fact sheets and other materials, including intercountry adoption child medical & development forms
- Practitioners' network to provide a forum for discussion, debate and peer support
- Intercountry adoption consultation and training for their adoption professionals and adoption panel members (including legal and medical advisors).

IAC's services aim to ensure that the potential life-long needs of all children placed for adoption and permanence are understood, and that the ethnic, cultural, religious and linguistic heritage of the children is fully recognised and positively valued. The services are also informed by the outcomes of research, by practice wisdom, by the perspectives of all parties to the adoption circle and by training which the agency provides for its workforce. With almost all children being placed by IAC being of Black, Asian or Minority Ethnic backgrounds, the need to deliver services that are non-discriminatory and anti-racist is a high priority. Particular regard is given to IAC's workforce being representative of the children and families the charity seeks to serve.

IAC prides itself in having a diverse workforce, to reflect the backgrounds of many of the children and families we work with. Applications for employment by people with disability are always fully considered, bearing in mind the aptitudes of the applicant concerned. It is the policy of the charity that the training, career development and promotion of people with disability should, as far as possible, be identical to that of other employees.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and began a formal governance review during this financial year focussing on equity, diversity and inclusion. Work has been undertaken by Trustees and wider workforce to review the governance and operations of the charity to further our work on diversity, equity and inclusion, (DEI) and this shall inform a refresh of the charity's mission, vision and values.

Information or matters of concern to employees is communicated in a range of ways both in person and in reports which seek to achieve a common awareness on the part of all employees of the financial and demographic factors affecting the charity's performance.

Continuing impact of Covid 19

This period began with the UK still in lockdown and the IAC workforce working remotely. As restrictions eased the number of applicants formally applying to adopt began to increase, as did the numbers of matches abroad and children being placed.

Throughout the period, the Leadership Team at the charity has continued to communicate with the workforce on a regular basis to ensure they were kept abreast of any changes, which included becoming a hybrid workforce and change of office location. The Trustees have continued to work closely with the charity during this period offering additional support as required.

As England lifted restrictions in 2021, some services at IAC were able to resume in person though the offices remained closed until the autumn. To manage hybrid working, each operational team at IAC takes a lead on each weekday in the office to ensure that a physical presence is in place Monday to Friday's.

**Report of the Trustees
for the year ended 31 March 2022**

The return to 'normal' and lifting of all restrictions has seen enquiry and application levels for international adoptions rise to close to pre pandemic levels sooner than expected in this period which is encouraging. The charity has continued to focus on adoption support services which are primarily being delivered through fundraising, as it is recognised that the needs of children and young people, as well as adopters, have grown during Covid. We remain grateful to our funders during this period: John Lyons Charity; The National Lottery Community Fund; The Hadley Trust and our supporters and London Marathon runners.

In contrast to international adoption, across England, the numbers of children being placed for adoption have continued to fall. This has affected the UK adoption programme at IAC and in this period only a quarter of expected placements were realised, which created a deficit in the end of year income. This issue is affected all adoption agencies in the country so is not specific to IAC but does cause the charity to reflect upon the most cost-effective way in which to deliver domestic adoption programmes.

**Report of the Trustees
for the year ended 31 March 2022**

Strategic report

Achievement and performance

2022 has seen the continuation of the work begun in the last period and the bedding in of new roles and services. The charity has continued to be active across the sector with the CEO as Vice Chair of the Board of the CVAA (Consortium of Voluntary Adoption Agencies) and a member of the government's Adoption & Special Guardianship Leadership Board (ASGLB) and National Adopter Recruitment Steering Group (NARSG). To augment this position the charity has begun a new relationship with a PR consultancy, On the Box Talent, which has led to significant increased media exposure.

The charity turned 25 during this period so to commemorate this milestone an international virtual conference was planned for June 2022 and a new programme, The Adoption Reconstruction, was launched. This programme is a modernising adoption initiative specifically through the experience of IAC having worked with Children of Colour for 25 years.

Between 1 April 2021 and 31 March 2022:

- 2191 new enquiries were processed from prospective adopters
- 1063 follow on enquiries were received
- 1697 information packs were sent out
- 185 people attended Information Sessions
- 77 households attended an Initial Interview
- 58 Registrations of Interest were accepted for application
- 70 prospective adopters attended preparation groups
- 32 prospective kinship adopters attended preparation groups
- 16 prospective adopters attended conversion to UK groups
- 50 households were approved as suitable to adopt
- 4 households changed country to the UK (converted to domestic)
- 42 annual reviews were undertaken
- 42 children arrived in the UK after placement with their families
- 4 children were placed with their families via the UK (domestic) Special Programme
- 67 post placement visits were conducted, and reports provided to States of origin
- 209 enquiries were processed by the Outbound Permanence advice line
- 112 follow on enquiries were received
- 112 local authorities had service level agreements with us to run their full intercountry service
- 27 local authorities subscribed with us to run their enquiry and information service
- 34 local authorities subscribed to the Outbound Permanence advice service

The Board of Trustees wishes to express its continuing thanks and admiration to the entire workforce, employed, sessional and volunteers, for their continued outstanding achievements.

The Leadership Team (executive team) wishes to express its thanks to the Board of Trustees for their stewardship and support, to the employees and contractors who work for the charity, including our Chairs of Adoption Panel, Fundraiser, Research Consultant, Medical & Legal Advisors, PR Consultant, HR Consultant and Safeguarding Advisor. Without this inspiring and dedicated workforce, the charity would not be as strong and impactful on turning 25 as it is.

The Board of Trustees and Leadership Team also wishes to express their special thanks to CVAA for their support during this challenging period and to our RAA partners who trust the charity to deliver international adoption and permanence services on their behalf.

Plans for the future

As the charity moves into its 25th anniversary year, a planned full review of the organisational mission, vision, values and strategy will take place. The charity is strongly focused on consolidating its learning from the 25 years of experience it now has and continue to be involved in the global agenda to modernise adoption. It shall do this through its own services and through its key stakeholder networks both in the UK and internationally. The voices of adopted adults are being heard across the world, and the messaging being conveyed make it imperative that adoption, as we know and understand it, evolves.

Whilst adoption in the UK is likely to remain challenging, partly due to the self-sufficiency of Regional Adoption Agencies, the service shall remain an offer to IAC's approved adopters, albeit in a reduced capacity to reflect the decreasing numbers of children being placed and decreasing income.

**Report of the Trustees
for the year ended 31 March 2022**

The implementation of the Children's Social Care Review in England will further impact the number of children on adoption plans, as investments are rightly made into ensuring that children can be placed in kinship arrangements where possible. These changes may allow adoption agencies to diversify as well as work more closely with local authorities to deliver more services associated with permanence planning for looked after children, such as IAC's Outbound Permanence service.

The charity expects that numbers of applicants applying to adopt internationally shall remain steady, and possibly continue to increase steadily, due to there being fewer options for adoption in the UK. Exploration of new international partnerships with countries such as Ghana and Colombia remain part of the charity's strategic plans, as well as ensuring that existing programmes recover to pre pandemic levels.

A strong component of this work will be around sustainability to ensure that the charity continues to remain vibrant and active for the next 25 years. For this purpose, the charity shall continue to explore plans to determine the right strategies and plans to achieve this.

Financial review

Income for the year decreased to £1,808,189 from £2,717,580 in 2021, giving a net loss of £207,418 (2021: net gain of £692,189). Expenditure levels were similar to the previous year.

Principal Funding Sources

Following a strong year in 2021, IAC experienced a reduction of 80% in income from UK (domestic) Special Programme to £105,890 (2021: £535,294).

However, income from Service Charges for core services delivered to intercountry adopters increased by 2.35% to £1,021,102 (2021: £997,616) in the period. This accounts for 56% of total income.

The other major income stream from subscribing agencies and other local authorities, which accounts for approximately a third of income, increased in the period by 2.4%.

There was no income from the central government in 2022 (2021: £515,610).

Income from other fundraising activities was £36,888 (2021: £37,033). A majority of this income was from non-government grants. The Trustees express their gratitude to all donors.

In April 2020, IAC secured a new facility of £100,000 from CAF Venturesome, split between a 5 year repayment facility (Facility A), and a second £50,000 standby facility (Facility B), available to be drawn until 30 April 2021 subject to meeting certain criteria relating to fundraising and marketing plans as well as performing in line with projections. This was added to an existing remaining facility of £109,335. To date both Facility A and B have been drawn down.

As at 31st March 2022 the total loan balance was £111,617 (see notes 12 to 14), this includes Facility B (£50,000), which was drawn down in July 2021. The 2018 loan balance was repaid by June 2022 and Facilities A and B will both be repaid by March 2025.

To lessen the impact from overall reduced income, IAC has introduced a recruitment freeze and moved to smaller serviced offices, which should result in savings of approximately £50,000 per year.

Reserves

At 31 March 2022, unrestricted reserves showed a surplus of £35,212 (2021: £251,360), following the net loss in the period. Restricted reserves were £9,000 and relate to the grant from the John Lyons Foundation (2021: Nil).

The Trustees have determined that the reserves target should be at the level of three months' committed expenditure. This was not achieved during the last financial year due to the challenging conditions caused by the reduction in domestic adoptions, which is sector wide and not specific to IAC. At present the reserves policy is focussed on access to operating income in the event of a closure rather than a reserve of funds for specific reinvestment into services. This position remains continually under review.

Risk Management

Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the organisation. The charity has the appropriate level of insurance to meet its obligations in respect of employees, contractors and members of the public and otherwise has a business continuity plan to cover extreme eventualities.

**Report of the Trustees
for the year ended 31 March 2022**

The Trustees have assessed major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to such major risks.

Legal and administrative information

Intercountry Adoption Centre (IAC) was incorporated under its original name Overseas Adoption Helpline on 26 March 1997 as a private company limited by guarantee with the company number 3344762. It has no share capital, but each member (that is, the directors of the company, also known as trustees) undertakes, in the event of winding up, to contribute up to £10 towards the cost and expenses of winding up. The company was registered as a charity, number 1067313, with the Charity Commissioners on 9 January 1998.

The company was established under a Memorandum of Association which determines the objects and powers of the charitable company and is governed under its Articles of Association. The governing documents were last amended on 9 January 2014 to reflect borrowing powers. A further review is planned.

The charitable company was registered with the Commission for Social Care Inspection (CSCI) as an Adoption Support Agency (ASA) on 23 March 2006.

On 7 November 2008 the charitable company was registered as a Voluntary Adoption Agency (VAA) with the Office for Standards in Education, Children's Services and Skills (Ofsted), and simultaneously relinquished its ASA registration. The VAA Registration Number is SC386048. In April 2012, the terms of the Agency's registration were extended to include domestic adoption. Satwinder Sandhu is registered with Ofsted as the Responsible Individual for the VAA and Irene Levine is registered as the Manager.

Intercountry Adoption Centre amended its trading name to 'IAC - The Centre for Adoption' from spring 2015 to better reflect the diversification of its activities.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Barbara Hudson (Chair)
David Gray (Treasurer)
Katherine Samwell Smith (resigned 27.4.21)
Anastasia Ansell
Gabrielle Shaw
James McDougall
Nick Sieve

Organisational Structure

The Board of Trustees meets quarterly and is responsible for the strategic direction and policy of the charity and for monitoring the management and outcomes of services. During the Covid-19 pandemic meetings have been held virtually and this will continue with at least one meeting being in person annually. Board members are drawn from a variety of professional backgrounds relevant to the work of the charity and the charity has a plan to recruit at least two new Trustees who are younger, adopted and People of Colour to enhance representation of diversity at Board level. The Chief Executive (who is also the Responsible Individual of the VAA registered with Ofsted), Operations Director, Assistant Director and the Finance Director also sit on the Board but have no voting rights. The function of the Board is supported by the Executive Assistant, who also provides secretarial support.

Structure, governance and management

A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the Chief Executive, who is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. He is assisted by the Finance Director and Operations Director and a team of operational managers who report to the Operations Director. The operational managers meet, at least annually, with the Trustees.

IAC operates from Barnet, north London and during this period relocated to new, serviced premises. However, services are commissioned by local authorities and other organisations throughout the UK. Services are, therefore, on occasion, delivered offsite. IAC also has programmes in the six States of origin where it is accredited or has working agreement. In respect of Kazakhstan, this necessitates having an adoption representative office in that country.

The Agency is assisted by a multidisciplinary Advisory Panel, whose members are consulted when required. The panel currently comprises legal advisors, medical advisors, notary public, research and literature and human resources advisors.

INTERCOUNTRY ADOPTION CENTRE

Report of the Trustees for the year ended 31 March 2022

Structure, governance and management

A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the Chief Executive, who is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. He is assisted by the Finance Director and Operations Director and a team of operational managers who report to the Operations Director. The operational managers meet, at least annually, with the Trustees.

IAC operates from Barnet, north London and during this period relocated to new, serviced premises. However, services are commissioned by local authorities and other organisations throughout the UK. Services are, therefore, on occasion, delivered offsite. IAC also has programmes in the six States of origin where it is accredited or has working agreement. In respect of Kazakhstan, this necessitates having an adoption representative office in that country.

The Agency is assisted by a multidisciplinary Advisory Panel, whose members are consulted when required. The panel currently comprises legal advisors, medical advisors, notary public, research and literature and human resources advisors.

IAC's 'central list' from which its Adoption Panel is drawn has 16 members of diverse heritage, of whom many have personal experience of adoption, in addition to the Panel's legal, medical and Agency Panel Advisors.

IAC's social workers are experienced in both domestic and intercountry adoption. Some are also adoptive parents and a significant number were raised overseas and have direct experience of migration.

Relationships with other organisations and related parties

IAC works in collaboration with a range of organisations and bodies both in the UK and in States of origin overseas. It does this through accreditation, through working agreements, service level agreements and subscription services. The ICRAA for England provides its services through collaboration underpinned by bilateral agreements with other voluntary adoption agencies.

IAC is a member of a number of umbrella organisations. These include the Consortium of Voluntary Adoption Agencies, the Consortium of Adoption Support Agencies, CoramBAAF and the South East Post Adoption Network. IAC is also a member of EurAdopt, the association of European accredited adoption agencies. IAC's Founder is a member of the Executive Board of EurAdopt and the Chief Executive is the UK representative on the Council of EurAdopt. The Chief Executive is a member of Acevo.

Auditors

In accordance with the company's articles, a resolution proposing that auditors, Haines Watts, be reappointed as auditors of the company will be put at a General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on
.....Oct 5, 2022..... and signed on the board's behalf by:

Barbara J Hudson

Barbara J Hudson (Oct 5, 2022 08:00 GMT+1)

B J Hudson - Trustee

Intercountry Adoption Centre

Statement of Trustees' Responsibilities for the year ended 31 March 2022

The Trustees, who are also the directors of Intercountry Adoption Centre for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the Independent Auditors to the Members of Intercountry Adoption Centre

Opinion

We have audited the financial statements of Intercountry Adoption Centre (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Intercountry Adoption Centre

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We discussed with the directors the policies and procedures in place regarding compliance with laws and regulations. We discussed amongst the audit team the identified laws and regulations, and remained alert to any indications of non-compliance.

During the audit we focussed on laws and regulations which could reasonably be expected to give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the Charities Act 2011 and UK tax legislation. The charity is regularly inspected by Ofsted. The latest full inspection was carried out in January 2020 and the overall judgement by Ofsted was outstanding.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

Our procedures in relation to fraud included but were not limited to: inquires of management whether they have any knowledge of any actual, suspected or alleged fraud, and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
Intercountry Adoption Centre**

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Haines Watts

[Haines Watts \(Oct 5, 2022 09:06 GMT+1\)](#)

Mrs Jane Wills (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Date: **Oct 5, 2022**
.....

Intercountry Adoption Centre
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 March 2022

		Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
	Notes				
Income from					
Donations and legacies	3	16,783	66,730	83,513	37,033
Charitable activities					
Services to adopters		986,108	-	986,108	904,753
Fees and services to professionals		736,905	-	736,905	1,179,091
Charitable activities		2,555	-	2,555	-
Other income	5	45,734	-	45,734	596,703
Total		<u>1,788,085</u>	<u>66,730</u>	<u>1,854,815</u>	<u>2,717,580</u>
Expenditure on					
Raising funds					
Raising donations and legacies		15,276	-	15,276	8,519
Other trading activities		(54)	-	(54)	-
		<u>15,222</u>	<u>-</u>	<u>15,222</u>	<u>8,519</u>
Charitable activities	6				
Charitable activities		1,990,741	11,000	2,001,741	2,016,872
Total		<u>2,005,963</u>	<u>11,000</u>	<u>2,016,963</u>	<u>2,025,391</u>
NET INCOME/(EXPENDITURE)		(217,878)	55,730	(162,148)	692,189
Reconciliation of funds					
Total funds brought forward		251,360	-	251,360	(440,829)
Total funds carried forward		<u>33,482</u>	<u>55,730</u>	<u>89,212</u>	<u>251,360</u>

The notes form part of these financial statements

INTERCOUNTRY ADOPTION CENTRE

**Balance Sheet
31 March 2022**

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	11	9,304	9,014
Current assets			
Debtors	12	103,756	352,795
Cash at bank		<u>743,459</u>	<u>788,444</u>
		847,215	1,141,239
Creditors			
Amounts falling due within one year	13	(692,837)	(823,598)
		<u>154,378</u>	<u>317,641</u>
Net current assets			
		163,682	326,655
Total assets less current liabilities			
Creditors			
Amounts falling due after more than one year	14	(74,470)	(75,295)
		<u>89,212</u>	<u>251,360</u>
NET ASSETS/(LIABILITIES)			
Funds	18		
Unrestricted funds:			
General fund		33,482	251,360
Restricted funds		<u>55,730</u>	<u>-</u>
Total funds		<u>89,212</u>	<u>251,360</u>

The financial statements were approved by the Board of Trustees and authorised for issue on**Oct 5, 2022**..... and were signed on its behalf by:

Barbara J Hudson
[Barbara J Hudson \(Oct 5, 2022 08:00 GMT+1\)](#)
 B J Hudson - Trustee

The notes form part of these financial statements

Intercountry Adoption Centre
Cash Flow Statement
for the year ended 31 March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(53,370)	714,050
Net cash (used in)/provided by operating activities		<u>(53,370)</u>	<u>714,050</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,922)	(8,540)
Net cash used in investing activities		<u>(5,922)</u>	<u>(8,540)</u>
Cash flows from financing activities			
New loans in year		140,129	50,000
Loan repayments in year		(125,822)	(10,152)
Net cash provided by financing activities		<u>14,307</u>	<u>39,848</u>
Change in cash and cash equivalents in the reporting period		<u>(44,985)</u>	<u>745,358</u>
Cash and cash equivalents at the beginning of the reporting period		<u>788,444</u>	<u>43,086</u>
Cash and cash equivalents at the end of the reporting period		<u><u>743,459</u></u>	<u><u>788,444</u></u>

The notes form part of these financial statements

Intercountry Adoption Centre

Notes to the Cash Flow Statement
for the year ended 31 March 2022

1. Reconciliation of net (expenditure)/income to net cash flow from operating activities			
	2022	2021	
	£	£	
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(162,148)	692,189	
Adjustments for:			
Depreciation charges	5,632	5,567	
Decrease in debtors	249,039	53,570	
Decrease in creditors	(145,893)	(37,276)	
Net cash (used in)/provided by operations	<u>(53,370)</u>	<u>714,050</u>	
2. Analysis of changes in net funds			
	At 1/4/21	Cash flow	At 31/3/22
	£	£	£
Net cash			
Cash at bank	788,444	(44,985)	743,459
	<u>788,444</u>	<u>(44,985)</u>	<u>743,459</u>
Debt			
Debts falling due within 1 year	(22,015)	(15,132)	(37,147)
Debts falling due after 1 year	(75,295)	825	(74,470)
	<u>(97,310)</u>	<u>(14,307)</u>	<u>(111,617)</u>
Total	<u>691,134</u>	<u>(59,292)</u>	<u>631,842</u>

The notes form part of these financial statements

Intercountry Adoption Centre

Notes to the Financial Statements for the year ended 31 March 2022

1. Charity information

Intercountry Adoption Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is 120 Cockfosters Road, EN4 0DZ.

2. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going Concern

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, the Trustees have taken into account the ongoing impact on their business of the impact of COVID-19 on both domestic and international adoptions, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate risks, and the current resources available, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Government grants

Government grants are not recognised until there is reasonable assurance that the entity will (a) comply with the conditions attached to them and (b) the grants will be received. The company chooses to recognise grants based on the accrual model. Grants related to income are presented as part of profit or loss, under a general heading of 'other operating income'.

Key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates in determining the carrying amounts of accruals and deferred income. Management makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The management's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. This disclosure excludes uncertainty over future events and judgement in respect of measuring financial instruments.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and the receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from 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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

2. Accounting policies - continued

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 33% on cost

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice regarding governance or constitutional matters.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the charity becomes a party to the contractual provisions of the instrument.

Other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the charity will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the charity's cash management.

Financial liabilities and equity instruments issued by the charity are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities. Equity instruments issued by the charity are recorded at the proceeds received, net of direct issue costs.

Intercountry Adoption Centre

**Notes to the Financial Statements - continued
for the year ended 31 March 2022**

3. Donations and legacies

	Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
	£	£	£	£
Gifts and donations	16,783	66,730	83,513	37,033

4. Income from charitable activities

	Activity	2022 £	2021 £
Services to adopters	Services to adopters	986,108	904,753
Fees and services to professionals	Fees and services to professionals	736,905	1,179,091
Services to adopters	Charitable activities	2,555	-
		<u>1,725,568</u>	<u>2,083,844</u>

5. Other income

	Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
	£	£	£	£
Interest received	129	-	129	141
Other Income	45,605	-	45,605	80,952
Government grants	-	-	-	515,610
	<u>45,734</u>	<u>-</u>	<u>45,734</u>	<u>596,703</u>

6. Charitable activities costs

	Direct Costs
	£
Charitable activities	<u>2,001,741</u>

7. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Depreciation - owned assets	5,632	5,567
Share of support costs	<u>51,107</u>	<u>182,705</u>

Intercountry Adoption Centre

**Notes to the Financial Statements - continued
for the year ended 31 March 2022**

8. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

During the year, there were no Trustee expenses (2021: Nil).

9. Staff costs

	2022	2021
	£	£
Wages and salaries	1,594,504	1,530,291
Social security costs	112,058	94,562
Other pension costs	50,851	42,782
	<u>1,757,413</u>	<u>1,667,635</u>

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

	2022	2021
	37	35
Total	<u>37</u>	<u>35</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
	<u>3</u>	<u>3</u>

10. Comparatives for the statement of financial activities

	Unrestricted fund £	Restricted fund £	Total funds £
Income from			
Donations and legacies	37,033	-	37,033
Charitable activities			
Services to adopters	904,753	-	904,753
Fees and services to professionals	1,179,091	-	1,179,091
Other income	596,703	-	596,703
Total	<u>2,717,580</u>	<u>-</u>	<u>2,717,580</u>
Expenditure on			
Raising funds			
Raising donations and legacies	8,519	-	8,519
	<u>8,519</u>	<u>-</u>	<u>8,519</u>
Charitable activities			
Charitable activities	2,016,872	-	2,016,872
Total	<u>2,025,391</u>	<u>-</u>	<u>2,025,391</u>

Intercountry Adoption Centre

Notes to the Financial Statements - continued
for the year ended 31 March 2022

10. Comparatives for the statement of financial activities - continued

	Unrestricted fund £	Restricted fund £	Total funds £
NET INCOME	692,189	-	692,189
Reconciliation of funds			
Total funds brought forward	(440,829)	-	(440,829)
Total funds carried forward	251,360	-	251,360

11. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2021	26,625
Additions	5,922
At 31 March 2022	32,547
Depreciation	
At 1 April 2021	17,611
Charge for year	5,632
At 31 March 2022	23,243
Net book value	
At 31 March 2022	9,304
At 31 March 2021	9,014

12. Debtors: amounts falling due within one year

	2022 £	2021 £
Trade debtors	49,821	142,378
Other debtors	12,441	188,394
Prepayments and accrued income	41,494	22,023
	103,756	352,795

Intercountry Adoption Centre

**Notes to the Financial Statements - continued
for the year ended 31 March 2022**

13. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts (see note 15)	37,147	22,015
Trade creditors	86,949	158,518
VAT	20,114	29,992
Other creditors	65,862	136,416
Accruals and deferred income	482,765	476,657
	<u>692,837</u>	<u>823,598</u>

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

	2022	2021
	£	£
Bank loans (see note 15)	74,470	75,295
	<u>74,470</u>	<u>75,295</u>

15. Loans

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank loans	37,147	22,015
	<u>37,147</u>	<u>22,015</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	36,029	23,490
	<u>36,029</u>	<u>23,490</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	38,441	51,805
	<u>38,441</u>	<u>51,805</u>

All loans are fixed interest loans at 6.5%. Bank loans are secured against the assets of the charity.

16. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	37,269	36,702
Between one and five years	111,807	-
	<u>149,076</u>	<u>36,702</u>

Intercountry Adoption Centre

**Notes to the Financial Statements - continued
for the year ended 31 March 2022**

17. Analysis of net assets between funds

	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
Fixed assets	9,304	-	9,304	9,014
Current assets	791,485	55,730	847,215	1,141,239
Current liabilities	(692,837)	-	(692,837)	(823,598)
Long term liabilities	(74,470)	-	(74,470)	(75,295)
	<u>33,482</u>	<u>55,730</u>	<u>89,212</u>	<u>251,360</u>

18. Movement in funds

	At 1/4/21 £	Net movement in funds £	At 31/3/22 £
Unrestricted funds			
General fund	251,360	(217,878)	33,482
Restricted funds			
Restricted fund	-	55,730	55,730
TOTAL FUNDS	<u>251,360</u>	<u>(162,148)</u>	<u>89,212</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,788,085	(2,005,963)	(217,878)
Restricted funds			
Restricted fund	66,730	(11,000)	55,730
TOTAL FUNDS	<u>1,854,815</u>	<u>(2,016,963)</u>	<u>(162,148)</u>

Comparatives for movement in funds

	At 1/4/20 £	Net movement in funds £	At 31/3/21 £
Unrestricted funds			
General fund	(440,829)	692,189	251,360
TOTAL FUNDS	<u>(440,829)</u>	<u>692,189</u>	<u>251,360</u>

Intercountry Adoption Centre

Notes to the Financial Statements - continued
for the year ended 31 March 2022

18. Movement in funds - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,717,580	(2,025,391)	692,189
TOTAL FUNDS	<u>2,717,580</u>	<u>(2,025,391)</u>	<u>692,189</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/20 £	Net movement in funds £	At 31/3/22 £
Unrestricted funds			
General fund	(440,829)	474,311	33,482
Restricted funds			
Restricted fund	-	55,730	55,730
TOTAL FUNDS	<u>(440,829)</u>	<u>530,041</u>	<u>89,212</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,505,665	(4,031,354)	474,311
Restricted funds			
Restricted fund	66,730	(11,000)	55,730
TOTAL FUNDS	<u>4,572,395</u>	<u>(4,042,354)</u>	<u>530,041</u>

19. Related party disclosures

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>255,151</u>	<u>249,665</u>