

COMMUNITY FOSTER CARE

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

COMMUNITY FOSTER CARE
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021

Trustees

E Haines (resigned 1 January 2021)
M Straton
J Jansen
C Wade, Chair
J Dwight
D Conaty
S Malone (appointed 6 June 2020)
M Cox (appointed 4 March 2021)

Company registered number

03719101

Charity registered number

1084124

Registered office and principal address

Unit A, 76 Kingsholm Road, Gloucester, Gloucestershire, GL1 3BD

Company secretary

J Dwight

Chief executive officer

M Kingston

Senior management team

M Kingston
E Weaver
S Hart
D Whitson-Jones

Independent auditor

Crowe U.K. LLP, 4th Floor, St James House, St James Square, Cheltenham, GL50 3PR

Bankers

NatWest, 2nd Floor, The Quadrangle, The Promenade, Cheltenham, Gloucestershire, GL50 1PX

Solicitors

BPE, St James' House, St James' Square, Cheltenham, Gloucestershire, GL50 3PR

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

I am very pleased to be able to present a positive statement this year, as part of the annual report. Last year's statement was somewhat dominated by the arrival of the COVID-19 pandemic, which at that time created a good deal of anxiety and uncertainty, not only for Community Foster Care (CFC). Yet again, much resilience has been demonstrated by foster carers and our hard working staff. The restrictions imposed upon us all in our nation have involved significant changes in working practices, but it has been very encouraging to see how this has not prevented the charity operating well and in the best interests of the children and young people in our care. Whilst we all hope that we shall see the end of the pandemic soon, the benefits of remote working and meeting on zoom, and other innovative ways of working may well continue into the future. Yet again this year the Board of Trustees thanks the CEO, Mark Kingston, the Senior Leadership Team, and all our dedicated carers for their contributions to the success of CFC during this challenging period of time.

In recent years, whilst our financial position has been satisfactory, our capital reserves have been relatively modest, and significant investment has not been a realistic possibility. However, largely as a result of greater efficiency in our operations, and savings in costs brought about by changes in working practices resulting from the pandemic, the financial position of the charity is improved, with significantly increased reserves, and we move forward into the next year with some confidence. In more normal times it might be considered that investment in new areas of operation, both in fostering and family services would be justified. As a not for profit organisation, the ethos of CFC has never been to accumulate reserves of capital without a strategy for developing the services we offer by appropriate utilisation of reserves. Last year I said that the Board considered it necessary to take a cautious approach in uncertain times. The current view of the Board has been that it is not yet time to engage in such investment, but that we should continue to be cautious until current COVID related difficulties are behind us. However, when the time is right, this will be reviewed.

CFC has undertaken much in the way of strategic development over the past two years, with much achievement, and this continues to be implemented. Examples of this are attitude to risk, and effective delegation of authority through out the organisation. There is still work to be done in a number of areas.

CFC also has a new look! We have been fortunate in engaging a website developer which has enabled us to create a brand identity and website which it is hoped will act as a magnet for all those with whom we engage, whether as, for example, prospective foster carers, children and young people, local authorities, and those looking for the services offered by Family Care. We hope that this will prove to be an effective means of promoting our charity to a wide audience.

Name Charles Wade
 Chair of the Board of Directors and Trustees

Date 8 July 2021

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and audited financial statements for the year ended 31 March 2021.

The Board of Trustees

Jennie Dwight (Company Secretary)
Joanna Jansen (Trustee)
Mariana Straton (Trustee)
Charles Wade (Chair)
Derek Conaty (Vice Chair)
Stephanie Malone (Trustee)
Elaine Haines (Trustee) (Resigned 1 January 2021)
Mary Cox (Trustee) (Appointed 4 March 2021)

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 24 February, 1999 (registration number 03719101) and registered as a Charity on 15 December, 2000 (Charity number 1084124). The Charity was established under a Memorandum of Association, as amended by Special Resolutions dated 25 November 2009, 1 February 2012, and 30 May 2012, which established the objectives and powers of the charitable company and is governed under its Articles of Association. On the 30 July 2018 these articles were extended to incorporate the work undertaken by Community Family Care and to enable this work to be continued by Community Foster Care.

Recruitment and Appointment of Trustees

The Directors of the Charity are also Trustees for the purposes of Charity law. During the year one new Trustee has been appointed and one has resigned, so the board continues to consist of seven Trustees. In addition to the Trustees there are two foster carers (non-voting) who regularly attend the Board meetings. One from the service in the North and one from the service in the South. Their role is primarily to represent the views of the foster carers.

All of the Charity's work focuses upon children and young people and the Board of Trustees has sought to ensure that the needs of this group are appropriately reflected on the Board.

For example, we have Trustees with professional backgrounds in health, family law, education, fostering and employment law. The Board is always seeking to ensure it has the appropriate skill sets required to further develop the Charity.

Community Foster Care ensures that any new Trustee is selected and recruited safely in line with expected practice and regulations.

Trustee Training

All Trustees are required to undertake an induction, along with prospective Trustees, to familiarise themselves with all aspects of the Charity and the context within which it operates.

We ensure Trustees are provided with information regarding:

- The obligations of Trustees (rules of engagement)
- The main documents which set out the operational framework for the Charity including the Memorandum and Articles and the Fostering Service (England) Regulations 2011
- The Charity's business strategy.

Recently Trustees have looked regularly at aspects of the "Good Governance Code". It was agreed to look at a

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TRUSTEES' REPORT (continued)
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different section within the code at each Trustees meeting to consider current practice and what relevant steps we would take to improve practice. This practice continued in the year with the June meeting considering Diversity. Whilst the organisation recognises the importance and reward of diversity it was acknowledged that there is more to do to. Following this, in the December's meeting, the Trustees considered Decision Making, Risks and Controls.

During the year the Trustees developed and agreed a revised Scheme of Delegation. This Scheme of Delegation set out Terms of Reference for three sub groups who rep, each of which report in to the Trustees. Each of these groups has responsibility and consideration for two areas of the organisations Strategy. The three Sub-Groups are:

- The Fostering Quality Assurance Group
- Promoting Good Outcomes, People & Safeguarding Group
- Finance and Resources Group.

Each of these groups and the board of Trustees meet three times a year. Therefore, there is formal board involvement with the charity on a monthly basis. There is also provision for an extraordinary Trustee's meeting to be called if it is required. This happened in the year to oversee the organisations response to the Covid Pandemic.

Risk Management

The organisations Risk Register was reviewed in the year with oversight from Guy Biggin. This was presented to and adopted by the board in June 2020. Review of the Risk Register has been embedded in the organisations governance structure and is a standing item on the Agenda of each sub group with each sub group taking ownership of appropriate identified risks.

The Charity's policies are regularly reviewed in light of new guidance and/or legislation received from the Government. The Agency strives for excellence in all its work and is committed to ensuring the appropriate Regulations are adhered to which protect the child in placement, the foster carers, the staff team and the Board of Trustees. Furthermore the organisation works with Tri.X to ensure Policies are reviewed externally to ensure they are held to the highest standard and in line with changes in legislation or recommended best practice.

A key risk area was the reduction of income from our foster placements. Significant work has been taking place to mitigate this risk, including enhanced financial procedures, preparing a recruitment strategy (including recruiting a Marketing and Recruitment Manager), ensuring purchasers meet additional ongoing costs identified within placements and routine robust financial monitoring.

Community Foster Care continues to comply with GDPR and engages with the ICO regularly to ensure its guidance is up to date, all staff are appropriately trained and any data breaches or near misses are reported appropriately.

The health and safety of employees is constantly under review and procedures are in place to ensure compliance with the health and safety of staff, volunteers, carers and visitors. The health and safety of children and foster carers is given the highest priority and the governance for this is dictated under the Fostering Service (England) Regulations 2011.

Covid-19

As with all organisations Covid-19 has had a considerable impact on how Community Foster Care has operated.

The organisation had systems in place that allowed it to move to remote working within 2 hours. This allowed the organisation to focus on support of the young people in its care, as well as our foster carers and staff. The organisation moved quickly to develop a robust Risk Assessment and mitigations that considered:

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- Staff/Carer Shortages
- IT Systems
- Remote Working
- CYP not complying with Social Distancing
- Staff/Carer/CYP illness
- Regulatory Compliance
- Social & emotional impacts
- Implementation of Business Plan
- Drop in Placement numbers (therefore income)
- Cashflow

The organisation implemented a host of provisions to mitigate the above risks which have, prevented substantial impact on the organisation. There has been a small reduction in income and the risk of this continuing persists. The Trustees and management team monitor this closely and have reviewed contingency processes should they be required.

Community Foster Care has been investing in its digital infrastructure over the recent years to strengthen its Business Continuity provision. This paid dividends in lock down and the organisation was able to move seamlessly into remote working. The organisation also acted quickly to expand its digital communication resources by training all staff in using additional video and telephone conferencing tools to enable multiple communication routes.

By far the biggest challenge of Covid-19 has been the social and emotional impact on CYP, foster carers and staff. The Management team has invested a lot of time and energy in offering layered ongoing support to the wider team.

The Trustees have considered the above steps and believe that the Charity can continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Organisational Structure

Community Foster Care has a Board of Trustees which is responsible for the strategic direction of the Charity and meets as a full Board three times a year. Recruitment of new Trustees is ongoing and continually kept under review by the Board. The Board are currently reviewing the tenure of its members.

A Safeguarding Sub-Committee, chaired by a Trustee and attended by two others, meets each quarter to monitor the safeguarding of children, review policies and monitor the schedules required by Foster Care Regulations.

A Finance Sub Committee meets four times a year to examine in full detail the budget planning and accounting practices of the Charity. On an annual basis this group reviews the Charity's reserves policy.

The day-to-day responsibility for the provision of the service rests with the Chief Executive, who is responsible for ensuring that the Charity delivers the services specified and that key performances are met.

The Chief Executive is supported by a Senior Leadership Team of Registered Managers, a Family Care Service Manager and a Business Development Manager.

In line with the business plan for the Fostering Services to align its practices, the organisation, with the support of Ofsted, moved from holding two Ofsted registrations to one. This means the organisation operates with one Registered Manager who is overseeing the whole of Community Foster Care's Fostering Services, supported by two Operational Leads.

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The Business Support Team has continued to grow in line with the organisation's business plan. Most significantly recruiting a Finance Manager and Finance Business Support Officer. This is to replace the existing accounting and bookkeeping services provided by Bookcheck Ltd. This will significantly increase the financial reporting and analysis capability. In addition the organisation continues to invest in Marketing & Recruitment by recruiting a Business Support Officer to support this function.

In April 2019 the organisation undertook a pay scale review. This was conducted by an independent consultant and sought to bring salaries, including those of the senior leadership team and the wider organisation in line with each other and those of the market. This also included a clear, consistent, incremental pay scale across the organisation. This process paid particular attention to the salaries of the Senior Leadership Team. An independent consultant considered historical information and benchmarked salaries. SLT salary scales were presented to the Finance Sub-Committee for scrutiny and ultimately approved by the Board of Trustees.

This was completed and implemented successfully. This will be reviewed in 2022 with the trustees considering a Cost Of Living pay rise within the context of the charities financial position and that of the market annually.

Public Benefit and Social Impact

A significant public benefit of Community Foster Care is providing opportunities for members of the local community to foster. Community Foster Care believes that good foster carers come from all communities and backgrounds. We actively seek carers from all communities to strengthen our ability to meet the diverse needs of the children in the care population. The work Community Foster Care undertakes is in line with its Memorandum and Articles of Association, the geographical restriction was amended in 2004. The Trustees amended the Memorandum and Articles of Association in May 2017 to bring them in line with recent guidance. The Trustees also noted in early 2018, that the revised Memorandum and Articles of Association should be widened to allow for the wider activities of our parent Charity Community Family Care to be undertaken with Community Foster Care. These revisions were rectified in the special resolution on the 30 July 2018 by the Trustees. This enabled the Trustees to dissolve the parent charity, Community Family Care on [7th May 2019], but the important work of this Charity continues within Community Foster Care.

The Board of Trustees confirms that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales.

The social impact of the work of the Charity is deemed significant. Community Foster Care looks after some of the most disadvantaged children and young people in society. The majority will have experienced some form of abuse and neglect, experienced difficulties with educational attainment and are commonly isolated from their peer groups. Through our work, we provide security of family life, encouragement and guidance in education and develop self-esteem to play a more active and constructive role in society.

At the end of March 2021, we cared for 43 (2020: 51) children and young people on behalf of Local Authorities and, during the year 2020-2021, over 74 (2019-2020; 61) children and young people benefitted from our care. Although the number of young people in our care was reduced at the end of March, this is a snap shot in time. Perhaps a better comparison is in income from fostering placements. The was down just 0.3% on the previous year. A positive position considering the challenges of Covid on Local Authorities, Foster Families and young people.

Fundraising

The charity has no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

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Objectives and Activities

The objects of the charity as amended on 30 July 2018 are:

1. OBJECTS

1.1 The Charity's objects, restricted specifically for the public benefit, are:

- (a) To operate a foster care agency in the United Kingdom regarding training and approving foster carers in particular but not exclusively from social and economically deprived areas.
- (b) To provide relief to children and young people in need and in particular those in the care of, or accommodated by, a local authority by:
 - (i) providing them with, or otherwise assisting in the provision of, a placement or placements in suitable accommodation and providing them with, or assisting in the provision of, appropriate carers with the aim of providing them with a stable family life; and
 - (ii) providing for their education and establishment in life.
- (c) To promote and protect the good health of children, young people, adults and their families who are in need or who are socially and economically disadvantaged in any way and in particular those who have been in the care of, or accommodated by, a Local Authority by:
 - (i) providing training, support and guidance;
 - (ii) providing them with, or otherwise assisting in the provision of, a placement or placements in suitable accommodation and providing them with, or assisting in the provision of, appropriate carers with the aim of improving family life; and
 - (iii) providing for their education and establishment in life.
- (d) The relief of poverty and in particular the assistance of children and adults who have as children been in Local Authority care and their families.

A key strand of the Community Foster Care approach is to develop longstanding relationships with communities – often disadvantaged communities. Potential foster carers are targeted from all areas of the community including socially and economically disadvantaged areas. Community Foster Care's approach has been to develop the skills and social capital within these specific neighbourhoods, with a view to enabling families within these communities to provide warm stable homes to children in need of them. This approach sees our interventions building the knowledge and resources within these communities. We have introduced an innovative approach to the recruitment of foster carers.

Community Foster Care aims to provide:

- A commitment to a child centred approach
- High quality foster care in a family setting for children and young people
- Respect for racial, cultural and religious backgrounds of all the children and young people
- Care for the disability, gender and sexuality of foster children during the matching process
- 24-hour support for foster carers
- Carers who will respect the children's rights in their homes under the UN Convention on Children's Rights and not administer corporal punishment to any child
- A commitment to the on-going learning and training of foster carers
- A commitment to the on-going learning and training of all Placement Support Workers and Social Workers employed by Community Foster Care and all other support staff.

Business Planning

The strategy was reviewed in 2019 to cover the years to 2022. It set out to consider who we are; where we've come from; where we are now; key influences and move on to look to the future

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through the articulation of a vision through strategic priorities. The strategic priorities were split into six areas, each with one strategic priority, each with three key heads. The six areas are:

- Talented Inspired People
- Empowering Efficient Systems
- Fostering Better Outcomes
- Connecting More Children with Families
- Effective Use of Resource
- Charity Viability.

Senior Managers have worked closely with the Trustees to develop this ambitious plan for this period. This strategy has built a firm foundation based on our values and purpose, which were reviewed with staff, foster carers and children in 2018. Based on a deep understanding of these we have created, a plan that further develops our ability to achieve our purpose.

In Spring/Summer 2020 the wider management team reflected on achievements and areas that still need work. The findings of this process will form part of business planning and budget setting whilst the Management Team and Trustees develop an evolved strategy for the period from 2022.

Achievements and Performance during 2020-21

The table below details the number of children placed with our carers at the end of each fiscal year. Planned breaks and staying put arrangements are not included.

Numbers of Children living with CFC carers								
	2014	2015	2016	2017	2018	2019	2020	2021
North	14	10	13	13	17	10	20	19
South	30	34	31	35	33	31	31	24
Total	44	44	44	48	50	41	51	51

Similarly, the table below illustrates the number of approved fostering households at the end of each year.

Numbers of Fostering Households								
	2014	2015	2016	2017	2018	2019	2020	2021
North	9	15	13	11	13	14	15	14
South	28	30	35	36	34	37	31	28
Total	37	45	48	47	47	51	46	42

The recruitment of carers remains a key issue for Community Foster Care, as it does for all agencies across the country. In the year the investment in a marketing a recruitment officer has started to show dividends. The pipeline of carers in assessment is stronger than it has been in many year.

Financial performance as detailed in this report shows the Charity making a surplus of £187,338 for the year. This performance is an improvement on the budget agreed by the board pre year. The main reasons for this increase are:

- Improved income on forecast
- Some significant staff vacancies, meaning the staff bill was lower than budgeted
- Underspend in areas restricted by Lockdown e.g. mileage, training & children's activities
- The agreed budget included a contingency sum to mitigate the unpredictable nature of the fostering market. This wasn't utilised.

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During 2020/2021 the Charity continued to make use of Social Media and is continuing to develop its strategy of online recruitment. Our 'organic' following has grown over the year. However, as part of our recruitment strategy we are focusing more heavily on reaching more people who may not be aware of Community Foster Care through 'Paid for' Advertising on Facebook and Google Adwords.

Approximate growth of social media presence		
	Facebook likes	Twitter followers
2013		120
2014		320
2015	150	500
2016	260	800
2018	1200	1200
2019	1347	1386
2020	1595	1515
2021	1914	1618

We have reported on page likes and followers in previous annual reports, however as our understanding and use of online marketing tools becomes more sophisticated we are focusing more on our 'reach' to people who don't organically follow us. A combination of our paid and organic posts reached an estimated 2 million people in the reporting period. As we learn more, refine our approach and launch our new branding and website we hope to see further benefit.

We have offices in Royal Wootton Bassett, Lancaster and Workington which meet the needs of our carers in these localities. A Social Worker and a Placement Support Worker operate from these offices, which is also a base for training. As we continue to adopt an 'one organisation' other key roles are based in these offices. Although these offices have not been accessed regularly over lockdown we are still committed to having office bases in the communities we work in.

Our registered office is in Gloucester. Although this office provides for of the organisations core functionality we are increasingly distributing functionality across our footprint and using technology to enable succinct working. More recently, however, these offices have been in minimal use through out lockdown but the organisation's core functionality has remained strong and robust. It is still a vital part of Community Foster Care's approach to be embedded in our community and as such there are no plans to reduce our office provision.

As lockdown lifts we are reviewing our working practices and staff working patterns. We are keen to learn from what has worked well and how we can support staff to be happier and healthier with an empowering work-life balance. Whilst also understanding the benefits of social contact and interaction with colleagues. This is a work in progress and is a priority for the Senior Leadership Team to review and explore in 21-22 year.

Community Foster Care is committed to providing a range of activities and support to our children and young people. Although numerous outings and one to one support activities were planned in both our regions during the year many have had to be cancelled or rearranged. The team has been really creative in using technology to continue to support young people during lockdown but this does mean there has been an underspend on activities in the year. To reflect this the Trustees have signed of an increased budget for children's activities in 21-22 financial year.

Unfortunately the annual Carer Award events in both regions were unable to go ahead this year. These are usually held in recognition of the work our carers undertake and to reward their commitment to the children and young people in their care. Instead the organisation has held several online social events. The trustees have also budgeted for the organisation to hold a celebration event for the whole organisation once it is safe to do so.

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Community Family Care

During 2018/19, Community Family Care successfully transferred all its work to Community Foster Care and has continued its work in the following areas:

Family/Placement Support Work

Support Workers support families through family support work at an 'early help' level. Main support themes are supporting with morning/evening routines, managing challenging behaviour in the home, and improving parental confidence in implementing parenting strategies.

Support Workers are also providing regular support to look after young people living in our foster families in order to support placement stability.

This has continued through out Covid-19 with most interventions being conducted digitally. However, where a face to face contact has been deemed critical to a CYPs safety and/or placement stability a risk assessment has been conducted.

Art Journal Project

Support Workers are currently supporting young people on a 1:1 or group basis through the Art Journal project. The sessions are either being completed at school or a confidential space within the community.

This work continued at a similar rate to 19/20, however it has slowed down whilst schools are closed.

Community Family Care continues to deliver on the three block contracts awarded in 18/19:

1. Bradford on Avon Youth Services.

A three year contract to deliver a youth service for Bradford on Avon and surrounding villages consisting of

Centre Based Provision
Detached work
1:1 work
Participation

This continued remotely and digitally though out lockdown.

2. Family Group Conferences – North Somerset

Family Group Conference (FGC) service covering North Somerset. The service launched on 1st January 2019 and CFC is commissioned to provide a minimum of 24 completed FGC's per year.

FGCs are an effective tool for supporting families to problem solve for themselves. Referrals are received from Social Workers who have identified families:

- On the verge of family breakdown.
- With a Child who is at risk of becoming Looked After.
- With a Child needing a Child Protection Plan.
- With a Child in Pre-Proceedings.
- With a Child subject to Care Proceedings.

The family must be in agreement with being put forward for an FGC and must consent to a referral. A Co-ordinator is allocated to the family and arranges the FGC, which is a meeting. The meeting is split into different parts. Professionals are present for the initial information giving part, the family are then given time alone to talk and come up with a plan for addressing the issues raised by professionals in the first part of the meeting. The plan needs to be agreed by professionals and is then reviewed after 3 months.

This service was referred to favourably in the North Somerset Council's Ofsted report.

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This service continued throughout lock down using video conferencing tools, leading the way amongst its counterparts across the South West.

This contract ends in December 2021. We are currently in discussions with the Local Authority to enact the extension clause in the contract. The contract can be extended for 24 months until December 2023.

Financial Review 2020-2021

The continued programme of austerity being placed on Local Authorities is having a major impact upon the Independent Fostering Sector. The level of turnover in many of the larger foster care agencies is declining. Despite this Community Foster Care has made a healthy surplus in 2020-2021.

There was a Surplus of £187,338 in 2020/21 (7.6% of turnover).

Turnover for the year was £2,458,176 a 0.5% decrease from the previous year. Community Foster Care's principle funding source is the income from Local Authority contracts. This has increased from c.£2.34M in 2019 - 20 to c.£2.33M in 2020 - 21.

The funds available as at 31st March 2021 are £709,243 of which £0 is restricted.

It is vital that the Charity increases the number of foster carers to offer more choice to authorities when making placements and to ensure that Community Foster Care maintains its strong ethical matching of children policy, whilst increasing its turnover. The Charity would not be fulfilling its purpose, if pursuing increased turnover compromised the needs of children.

Investment Policy

The organisation doesn't currently have reserves capital to invest for the purposes of capital gain. The Trustees' position is that if there is an excess of reserves this will be invested in the ongoing development of the organisation and its service.

The investment policy will be considered as part of the 2022-2025 organisation strategy in conjunction with the organisations reserves position.

Reserves Policy

In March 2018, the Trustees examined the Charity's requirements for reserves in light of the main risks to the Charity. Work was undertaken in light of the reserves policy to ensure operation in adverse circumstances for six months, to play through a range of potentially negative events and how these would impact on the Charity. As a result, it has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the Charity should be sufficient to manage a close down over a six month period. These reserves are needed to meet the working capital requirements of the Charity and the Trustees are confident that at this level they would be able to continue the current activities of the Charity in the event of a significant drop in funding. Additionally, in the event that Community Foster Care ceases to operate, the additional reserves will ensure that children and young people enjoy a lengthy transition period into their new placements. This position is currently reviewed annually and was last reviewed in July 2021.

At the end of the year, the reserves available to the Charity were c.£709k which is 36.5% higher than the funds required by the reserves policy. Ordinarily the Trustees and Senior Management Team would be exploring the best ways to invest these additional funds to benefit CYP and families. However, in light of the significant uncertainty and unprecedented circumstances it is felt prudent to hold an enhanced level of reserves for at least the short term.

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Plans for the Future Periods

The Charity has been operating with in its strategic plan to drive the Charity forward over the last two years. Underpinned by a renewed belief in the Charity's purpose and values this strategy will guide the Charity into a period of measured growth. Over the coming three years the Charity will prioritise:

- Carer recruitment
- Developing the placement offer
- Ensuring the website, marketing and communication strategies remain live and active
- Securing block purchase contracts where available

Responsibilities of the Trustees

The Trustees (who are also directors of Community Foster Care for purposes of Company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to;

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

The Trustees are responsible for ensuring that adequate accounting records are maintained that are sufficient to show and explain the Charity's transactions and disclose, with reasonable accuracy at any time, the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Board of Trustees

Members of the Board of Trustees, who are Directors for the purposes of company law and Trustees for the purposes of charity law, who served during the year and up to the date of this report are set out on page 1 of this report.

In accordance with company law, as the Company's Directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- As the Directors of the Company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Charity's auditors are aware of this information.

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Auditor

Crowe U.K. LLP have expressed their willingness to continue in office as auditor.

This report has been prepared in accordance with the Statement of Recommended Practice; Accounting and Reporting by Charities and in accordance with the special provisions of Section 415A of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on

and signed on its behalf by:

Charles Wade
Chair

COMMUNITY FOSTER CARE
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY FOSTER CARE

Opinion

We have audited the financial statements of Community Foster Care (the 'Charity') for the year ended 31 March 2021 set out on pages 18 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In the 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, 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.

Basis for opinion

We conducted the 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 the report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to the audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled the 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 the 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 the Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

COMMUNITY FOSTER CARE
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY FOSTER CARE

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the Directors' 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.
- 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

In 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 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 requires us to report to you if, in the opinion:

- adequate and proper accounting records have not been kept; 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 the audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report..

Responsibilities of Trustees

As explained more fully in the Trustee's responsibilities statement set out on pages 10-11, the Trustees (who are also the directors of the Charity 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.

COMMUNITY FOSTER CARE
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY FOSTER CARE

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of the 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 the Auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 and Charities SORP (FRS 102).

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence including that with the Charity Commission, reading minutes of meetings of those charged with governance and perform testing of income transactions to ensure recognition is correct.

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. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions,

COMMUNITY FOSTER CARE
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY FOSTER CARE

collusion or the provision of intentional misrepresentations.

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for the audit work, for this report, or for the opinions we have formed.

Guy Biggin (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

4th Floor
St James House
St James Square
Cheltenham
GL50 3PR
Date:

COMMUNITY FOSTER CARE
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations		70	70	(10,127)
Charitable activities:				
Placement income		2,334,783	2,334,783	2,342,060
Early Intervention Services		115,371	115,371	132,840
Fundraising events		-	-	991
Investments	2	12	12	1,304
Other income	3	7,940	7,940	4,000
Total income		<u>2,458,176</u>	<u>2,458,176</u>	<u>2,471,068</u>
Expenditure on:				
Charitable activities		2,270,838	2,270,838	2,319,829
Total expenditure	6	<u>2,270,838</u>	<u>2,270,838</u>	<u>2,319,829</u>
Net income before other recognised gains and losses		187,338	187,338	151,239
Net movement in funds		187,338	187,338	151,239
Reconciliation of funds:				
Total funds brought forward		521,905	521,905	370,666
Total funds carried forward		<u><u>709,243</u></u>	<u><u>709,243</u></u>	<u><u>521,905</u></u>

The notes on pages 21 to 34 form part of these financial statements.

COMMUNITY FOSTER CARE
(A company limited by guarantee)
REGISTERED NUMBER: 03719101

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	10		20,881		25,333
Investments	11		5,000		10,000
			25,881		35,333
Current assets					
Debtors	12	240,562		276,503	
Cash at bank and in hand		599,283		348,251	
		839,845		624,754	
Creditors: amounts falling due within one year	13	(156,483)		(138,182)	
Net current assets			683,362		486,572
Net assets			709,243		521,905
Charity Funds	15				
Unrestricted funds	14		709,243		521,905
Total funds	15		709,243		521,905

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on _____ and signed on their behalf, by:

Charles Wade
Chair of the Board of Directors and Trustees

The notes on pages 21 to 34 form part of these financial statements.

COMMUNITY FOSTER CARE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	16	258,940	79,548
Cash flows from investing activities:			
Dividends and interest from investments		-	1,102
Purchase of tangible fixed assets		(7,908)	(25,204)
Net cash used in investing activities		(7,908)	(24,102)
Change in cash and cash equivalents in the year		251,032	55,446
Cash and cash equivalents brought forward		348,251	292,805
Cash and cash equivalents carried forward	17	599,283	348,251

The notes on pages 21 to 34 form part of these financial statements.

COMMUNITY FOSTER CARE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies

Community Foster Care is registered with the Charity Commission for England and Wales (registered number 1084124). The Charity is also a company limited by guarantee (registered number 03719101). Its registered and principal office is Unit A, 76 Kingsholm Road, Gloucester, GL1 3BD.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Community Foster Care meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going concern

The Charity has cash resources and no requirement for external funding. The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

The Trustees have assessed the impact of Covid-19 on the Charity's operations and have implemented measures to mitigate the risk to the Charity. The Trustees continue to monitor the impact of Covid-19 on a regular basis and they continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

1.3 Income

Income from donations and fundraising are accounted for on a receipts basis unless the income will be received and its value can be measured with sufficient reliability. Those funds provided for specific purposes are taken to the relevant restricted fund.

Investment income is recognised on a receivable basis. Charitable activities and other income such as grants is accounted for when the Charity is entitled to the income, it is probable the income will be received and the amount can be quantified with reasonable accuracy.

COMMUNITY FOSTER CARE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.4 Expenditure

Expenditure on charitable activities comprises those costs incurred by the Charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Charitable activities expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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 the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity.

Governance costs are those incurred in connection with the compliance of constitutional and statutory requirements and are included within support costs.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost over their expected useful economic lives as follows:

Office equipment	- 25% - 33% on cost
------------------	---------------------

1.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

1.7 Debtors

Trade debtors, other debtors and accrued income are recognised at the settlement amount after impairments. Prepayments are valued at the amount prepaid.

1.8 Cash at Bank and in hand

Cash at Bank and in hand is represented by cash in hand and deposits with financial institutions.

1.9 Creditors

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

COMMUNITY FOSTER CARE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.10 Financial instruments

Community Foster Care only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, these being investments, debtors, creditors and cash at bank. Basic financial instruments are initially recognised at transaction value and subsequently measured at settlement value.

1.11 Taxation

As a registered Charity, Community Foster Care is generally exempt from Income Tax and Capital Gains Tax so far as it relates to its main charitable objective but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

1.12 Pensions

The Charity operates a defined contribution pension scheme and makes regular contributions to the individual pension plans on behalf of certain staff. These are a direct charge in the Statement of Financial Activities in the year that the contributions are due.

1.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

COMMUNITY FOSTER CARE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.14 Critical accounting estimates and areas of judgment

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Useful economic lives of tangible fixed assets

The annual depreciation charge for the tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates, economic utilisation and the physical condition of the assets.

See Note 11 for the carrying amount of tangible assets and Note 1.5 for the useful lives for each class of asset.

Rebate accruals

The Charity has arrangements with local authorities whereby rebates are awarded based on turnover exceeding certain thresholds.

The accrual for these rebates are calculated based on turnover using rebate percentages outlined within the contract.

2. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Bank interest	12	12	202
Sky Rocket income (see note 12)	-	-	1,102
	12	12	1,304
<i>Total 2020</i>	1,304	1,304	

COMMUNITY FOSTER CARE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other income	7,940	7,940	4,000
	<u>7,940</u>	<u>7,940</u>	<u>4,000</u>
<i>Total 2020</i>	<u>4,000</u>	<u>4,000</u>	

4. Direct costs

	Provision of foster care £	Early Intervention Services £	Total 2021 £	Total 2020 £
Foster carers' costs	1,046,059	155,385	1,201,444	1,228,741
Insurance	11,686	-	11,686	10,597
Children's care & activities	5,817	1,747	7,564	9,962
Travel and subsistence	1,548	591	2,139	16,143
Staff training	18,754	3,292	22,046	14,658
Cleaning	1,634	-	1,634	1,296
Premises expenses	24,670	-	24,670	24,409
Printing, postage and stationery	4,743	111	4,854	6,913
Telephone	7,536	200	7,736	7,632
Legal, professional and accountancy	22,526	-	22,526	23,872
Miscellaneous	5,834	128	5,962	4,996
Subscriptions	4,046	-	4,046	4,201
Equipment maintenance	15,095	-	15,095	17,524
Recruitment	4,637	-	4,637	13,807
Advertising & promotion	28,098	-	28,098	11,325
Wages and salaries	310,815	-	310,815	315,674
National insurance	27,047	-	27,047	25,957
Pension cost	13,487	-	13,487	12,337
Depreciation	5,582	-	5,582	4,091
	<u>1,559,614</u>	<u>161,454</u>	<u>1,721,068</u>	<u>1,754,135</u>
<i>Total 2020</i>	<u>1,548,839</u>	<u>205,296</u>	<u>1,754,135</u>	

COMMUNITY FOSTER CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Support costs

	Provision of foster care £	Total 2021 £	Total 2020 £
Travel and subsistence	2,596	2,596	19,600
Cleaning	1,983	1,983	1,573
Premises expenses	29,958	29,958	29,637
Printing, postage and stationery	159	159	998
Telephone	9,392	9,392	9,266
Legal, professional and accountancy	20,231	20,231	22,602
Accountancy & audit	10,226	10,226	12,703
Miscellaneous	13,633	13,633	8,217
Subscriptions	4,912	4,912	5,100
Equipment maintenance	18,326	18,326	21,275
Impairment of Joint Venture	5,000	5,000	-
Wages and salaries	377,363	377,363	383,262
National insurance	32,839	32,839	31,515
Pension cost	16,374	16,374	14,978
Depreciation	6,778	6,778	4,968
	<u>549,770</u>	<u>549,770</u>	<u>565,694</u>
<i>Total 2020</i>	<u>565,694</u>	<u>565,694</u>	

Included within support costs above are governance costs of £16,620 (2020: £14,807), which includes £10,226 (2020: £12,703) for audit and accountancy and other support costs of £6,394 (2020: £2,104).

6. Analysis of Expenditure by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total 2021 £	Total 2020 £
Provision of foster care	777,925	12,360	1,319,099	2,109,384	2,114,533
Early Intervention Services	-	-	161,454	161,454	205,296
	<u>777,925</u>	<u>12,360</u>	<u>1,480,553</u>	<u>2,270,838</u>	<u>2,319,829</u>
<i>Total 2020</i>	<u>783,723</u>	<u>9,059</u>	<u>1,527,047</u>	<u>2,319,829</u>	

COMMUNITY FOSTER CARE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total 2021 £	Total 2020 £
Provision of foster care	1,559,614	544,770	2,104,384	2,114,533
Family Care Services	161,454	-	161,454	205,296
Total 2021	<u>1,721,068</u>	<u>544,770</u>	<u>2,265,838</u>	<u>2,319,829</u>
Total 2020	<u>1,754,135</u>	<u>565,694</u>	<u>2,319,829</u>	

8. Net expenditure

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets:		
- owned by the charity	12,360	9,059
Auditor's remuneration - audit	6,600	6,475
Auditor's remuneration - accounts preparation	1,375	1,350
Operating lease rentals	<u>15,676</u>	<u>28,997</u>

During the year, no Trustees received any reimbursement of expenses (2020: £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Staff costs

Staff costs were as follows:

	2021	<i>2020</i>
	£	£
Wages and salaries	688,178	<i>698,936</i>
Social security costs	59,886	<i>57,472</i>
Other pension costs	29,861	<i>27,315</i>
	<hr/> 777,925 <hr/>	<hr/> <i>783,723</i> <hr/>

The average number of persons employed by the Charity during the year was as follows:

	2021	<i>2020</i>
	No.	No.
Senior staff	4	<i>5</i>
Other staff members	26	<i>20</i>
	<hr/> 30 <hr/>	<hr/> <i>25</i> <hr/>

During the year the charity made payments to employees of £nil (*2020: £13,500*) in relation to redundancy and termination payments. No balances remained payable at the year end (*2020: £Nil*).

1 employee received remuneration between £70,000 - £80,000 in the year (*2020: 1 employee received remuneration between £70,000 - £80,000*).

The remuneration for the key management personnel amounted to £262,747 (*2020: £297,299*). Key management personnel are defined as the Chief Executive, Registered Manager in the South, Registered Manager in the North and Business Development Manager.

COMMUNITY FOSTER CARE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Tangible fixed assets

	Office equipment £
Cost	
At 1 April 2020	39,437
Additions	7,908
	<u>47,345</u>
At 31 March 2021	<u>47,345</u>
Depreciation	
At 1 April 2020	14,104
Charge for the year	12,360
	<u>26,464</u>
At 31 March 2021	<u>26,464</u>
Net book value	
At 31 March 2021	<u>20,881</u>
	<u>20,881</u>
<i>At 31 March 2020</i>	<u>25,333</u>
	<u>25,333</u>

11. Fixed asset investments

	Investments in participating interests £
Cost	
At 1 April 2020 and 31 March 2021	10,000
	<u>10,000</u>
Impairment	
At 1 April 2020	-
Charge for the year	5,000
	<u>5,000</u>
At 31 March 2021	<u>5,000</u>
Net book value	
At 31 March 2021	<u>5,000</u>
	<u>5,000</u>
<i>At 31 March 2020</i>	<u>10,000</u>
	<u>10,000</u>

COMMUNITY FOSTER CARE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Fixed asset investments (continued)

During 2018 the Charity invested £10,000 in Sky Rocket Partnership. This is a joint venture arrangement but equity accounting has not occurred on the basis that the Charity's share of net income is immaterial. This will be reviewed annually.

During the year an impairment loss of £5,000 was recognised in the Statement of Financial Activities. This has been recognised within support costs, see note 5.

12. Debtors

	2021 £	2020 £
Trade debtors	210,979	247,324
Other debtors	4,334	4,334
Prepayments and accrued income	25,249	24,845
	<u>240,562</u>	<u>276,503</u>

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	53,626	43,052
Other taxation and social security	16,919	15,528
Other creditors	24,426	10,166
Accruals and deferred income	61,512	69,436
	<u>156,483</u>	<u>138,182</u>

Deferred income

	£
Deferred income at 1 April 2020	3,940
Income deferred during the year	3,940
Amounts released from previous years	(3,940)
Deferred income at 31 March 2021	<u>3,940</u>

COMMUNITY FOSTER CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/(out) £	Balance at 31 March 2021 £
Designated funds					
Savings Fund	-	-	-	800	800
General funds					
General Fund	521,905	2,458,176	(2,270,838)	(800)	708,443
Total Unrestricted funds	521,905	2,458,176	(2,270,838)	-	709,243
Total of funds	521,905	2,458,176	(2,270,838)	-	709,243

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
General funds				
General Fund	370,666	2,471,068	(2,319,829)	521,905

Designated funds relates to amounts held as a savings fund for a child currently in placement.

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	20,881	20,881
Fixed asset investments	5,000	5,000
Current assets	839,845	839,845
Creditors due within one year	(156,483)	(156,483)
	709,243	709,243

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15. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	25,334	25,334
Fixed asset investments	10,000	10,000
Current assets	624,753	624,753
Creditors due within one year	(138,182)	(138,182)
	<u>521,905</u>	<u>521,905</u>

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	187,338	151,239
Adjustment for:		
Depreciation charges	12,360	9,059
Dividends and interest from investments	-	(1,102)
Decrease/(increase) in debtors	35,941	(57,381)
Increase/(decrease) in creditors	18,301	(22,267)
Impairment of Joint Venture	5,000	-
Net cash provided by operating activities	<u>258,940</u>	<u>79,548</u>

17. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	599,283	347,008
Notice deposits (less than 3 months)	-	1,243
Total	<u>599,283</u>	<u>348,251</u>

18. Pension commitments

The pension cost charge for the period represents contributions payable to the defined contribution scheme and amounted to £29,861 (2020: £27,315).

Contributions totalling £10,709 (2020: £4,571) was payable to the scheme at the year end and are included within creditors.

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19. Operating lease commitments

At 31 March 2021 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts payable:		
Within 1 year	13,137	15,676
Between 1 and 5 years	23,738	36,875
Total	<u>36,875</u>	<u>52,551</u>

20. Related party transactions

During the year, Trustee, M Straton, was paid £5,373 (2020: £3,166) in relation to her work as Agency Decision Maker, £39 remained payable at year end (2020: £574).

During the year, Trustee, J Jansen, was paid £1,050 (2020: £nil) in relation to her work as Independent Panel Member, £nil remained payable at year end (2020: £nil).

During the year, payments totalling £925 (2020: £nil) were made to L Jones, a related party via D Whitson-Jones, the Business Development Manager, in her capacity as a contractor. £Nil (2020: £Nil) remained payable at the year end.

During 2018 the Charity invested £10,000 in Sky Rocket Partnership. This is a joint venture arrangement but equity accounting has not occurred on the basis that the Charity's share of net income is immaterial. An impairment charge of £5,000 has been recognised during 2021. This will continue to be reviewed annually.

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21. Comparative Statement of financial activities for the year ended 31 March 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Income from:			
Donations	(10,127)	-	(10,127)
Charitable activities			
Placement income	2,342,060	-	2,342,060
Youth Services Bradford-on-Avon	132,840	-	132,840
Fundraising events	991	-	991
Investments	1,304	-	1,304
Other	4,000	-	4,000
Total income	2,471,068	-	2,471,068
Expenditure on:			
Charitable activities	(2,319,829)	-	(2,319,829)
Total expenditure	(2,319,829)	-	(2,319,829)
Net income and net movement in funds	151,239	-	151,239
Reconciliation of funds:			
Total funds brought forward	370,666	-	370,666
Total funds carried forward	370,666	-	521,905