

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE

England & Wales · Charity number 1114213

Details

Other names Cornerstone UK, Foundations Matter

Status Registered

Legal form Charitable company

Company number [05663749](#)

Registered 2006-05-16

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

Contact

Address First Floor
Mattersey Hall Training Centre
Retford Road
Mattersey
DN10 5HD

Phone 01915656423

Email office@cornerstoneuk.org

Website www.cornerstoneuk.org

Activities

Objects: TO PROVIDE A HIGH QUALITY ADOPTION AND FOSTERING CHILD CARE SERVICE ACCORDING TO CHRISTIAN PRINCIPLES TO ALLEVIATE THE NEEDS OF CHILDREN AND YOUNG PEOPLE WHO ARE OR MAY BE TEMPORARILY OR PERMANENTLY SEPARATE FROM THEIR FAMILIES AND TO PROMOTE THE RELIEF AND CARE OF CHILDREN WITHOUT FAMILIES OR PARENTS ABLE TO CARE FOR THEM BY THE PROVISION OF SUBSTITUTE FAMILIES ABLE TO MEET THEIR NEEDS WITH THE AIM OF IMPROVING THE CONDITIONS OF LIFE AND FUTURE OF SUCH CHILDREN AND YOUNG PEOPLE.

Activities: Providing a high quality adoption and fostering child care service according to Christian principles to alleviate the needs of children and young people who are or may be temporarily or permanently separate from their families.

Classification

- **How:** Provides Services
- **What:** The Prevention Or Relief Of Poverty
- **Who:** Children/young People

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE REGIONAL AND NATIONAL.
- Scotland
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,151,937	£1,211,003	£111,095	15
2024-03-31	£966,780	£1,071,432	£170,161	14
2023-03-31	£976,304	£1,056,972	£274,813	13
2022-03-31	£904,773	£914,607	£355,481	14
2021-03-31	£809,625	£767,759	£365,315	9

Trustees

Name	Role	Appointed
Nadine Parker	Chair	2017-05-11
Charles Fraser Thomson		2020-11-06
Elizabeth Carol McCutcheon		2026-01-30
Gillian Horner		2014-05-27
Hamish Alexander Baillie		2023-01-27
Karen Elizabeth Barrick		2024-09-05
Kenneth William De Soyza		2021-10-21
MICHAEL GEOFFREY HORNER		2014-05-27

Accounts

Year ended
31st March
2025

Trustees Report and Financial Statements


Good
Provider



Cornerstone
Adoption and Fostering Service
because foundations matter.

Cornerstone UK

First Floor, Mattersey Hall Training Centre
Retford Road, Mattersey, DN10 5HD

Registered number: 05663749

Charity numbers: 1114213 & SC050836



Contents

Reference and administrative information	2
Message from the Chair	3
Trustees Report	5-15
Audit Report	16-19
Statement of financial activities	20
Balance sheet	21
Statement of cash flows	23
Notes to the financial statements	24-41

Reference and administrative information

Trustees as at 5th April 2025

- Nadine Parker (Chair)
- Andrew Church (Treasurer, Vice Chair)
- Charles Thomson
- Hamish Baillie
- Ken de Soyza
- Gillian Horner
- Michael Horner
- Janet Lancefield
- Karen Barrick
- Philip Edgington

Chief Executive Officer: Joshua MacDonald

Independent Company Secretary: Sarah Murray

Registered office: First Floor, Mattersey Hall Training Centre, Retford Road, Mattersey, DN10 5HD

Company registered number (CRN): 05663749

Charity registered numbers: 1114213 (England) and SC050836 (Scotland)

Independent auditors: Kinnair Associates Limited (Chartered Accountants) (Aston House, Redburn Road, Newcastle upon Tyne NE5 1NB)

Bankers: Virgin Bank (York House, Thornaby, Stockton On Tees, TS17 9PL)

Message from the Chair

This has been a tremendously exciting and challenging year in the life of Cornerstone. After praying and waiting so long, we were finally granted registration as a fostering service in Scotland in November, and then in February as an adoption service in England. Both registrations came somewhat 'out of the blue' in the end, which is thrilling but also challenging in terms of taking the right next steps at the right time and the right pace without in any way under-resourcing our existing fostering service in England so that it too can grow. This has been particularly difficult because, at the very time that these wonderful opportunities for growth have opened up, carer numbers (and corresponding placement numbers) have been substantially lower than average and with that has come inevitable pressure on our resources.

In my own church fellowship, we have been studying the Book of Acts in recent months, and I have commented to many that this year in Cornerstone has felt the most like Paul's experience in Acts that I have ever encountered - wonderful opportunities and answers to prayer alongside very real and difficult obstacles to overcome and navigate. We have made great strides in the reorganisation of our social work team, increasing specialisation and delineation around key roles and orienting ourselves more firmly and carefully around the needs of carers. Change like this has not been easy but necessary; in the process, we have seen long-standing and valued members of the staff team leave, but also seen skilled and committed new recruits join us, for whom we are very grateful. Some key roles remain unfilled, and they remain a recruitment priority.

A number of carers have faced some extremely difficult challenges in terms of placements or their own personal circumstances - or sometimes both. We are full of admiration for the excellent care they provide and the remarkable faith, resilience and compassion they display. We want to support them really well and this year a Carers' Forum and a Carers' Association have been formed to facilitate better listening to their needs and concerns and also the mutual support they offer to one another. We are eager to recruit many more like them to join us in the coming year.

As we go into financial year 2025-26, we are facing continued pressures on resources and challenges around foster carer and adopter recruitment, alongside the need to raise additional funds and add people to our number so that we can develop two new services. We are doing all we can, firstly, to reduce costs and increase efficiency and secondly, to market ourselves in such a way that we are known, trusted and increasingly sought out as an agency of choice for Christian foster carers and adopters. And thirdly - and most importantly - to trust the all-knowing God who we believe has given and will 'give us all things.'



ANNUAL REPORT 2024-25

'If God is for us, who can be against us? He who did not spare his own Son, but gave him up for us all- how will he not graciously give us all things?' Romans 8v31-32

Signed by:

Nadine Parker

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Nadine Parker

Chair of Trustees

Trustees Report

The Trustees present their annual report together with the audited financial statements of the Charitable company for the year 1 April 2024 to 31 March 2025. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charitable company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Purposes and aims of the Charity and main activities undertaken in relation to those purposes

Cornerstone's overall aim is 'to improve the outcomes for children and young people in public care through the provision of a quality childcare service.' The activities of Cornerstone are carried out to further its charitable purpose for the public benefit. Cornerstone is a Christian charity. Each person within the organisation has an active Christian faith, but collectively come from a diversity of cultural and ethnic backgrounds, which Cornerstone respects and promotes.

When reviewing the aims and objectives of the charity, and in exercising their powers and duties and planning future activities, the trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission including the guidance 'Public benefit: running a charity (PB2)'.

Strategies for achieving objectives

Cornerstone specialises in providing high-quality substitute homes to children and young people in public care. Since Cornerstone's inception, many of the children fostered by Cornerstone carers go on to be adopted by those same carers, thus achieving permanence and finding their 'forever family'. In either foster or adoptive placements all children and young people are fully accepted into Cornerstone families and, whether fostered or adopted, they are cared for beyond the age of eighteen if this is their wish. Children placed through Cornerstone

are often children for whom the Local Authorities have been unable to find an adoptive family; this might be sibling groups or children with special needs. We also offer a range of short-term placements. The Fostering Statement of Purpose (SOP) is continually updated to reflect changes in the scope and range of the service.

Criteria used to assess success in the reporting period

The primary criterion used to assess success in the reporting period was the number of children that the charity has successfully placed with foster families. The charity measures twenty-four other supportive, secondary key performance indicators (KPIs).

Constitution

The charity is constituted as a company limited by guarantee and is governed by its Memorandum and Articles of Association. Trading as Cornerstone, the company was launched as an independent agency on 1st April 2006.

The Charitable company also conducts its activities in Scotland under the name Foundations Matter.

Structure

People are at the heart of our organisation ensuring our staff are supported is crucial to organisational success. To achieve this, we regularly evaluate our organisational structure to identified areas where there are pressures.

Governance

Our trustees lead on governance and, as Directors of the charity, retain ultimate accountability over the affairs of the charity. Below them sit four committees that support the Senior Management Team and take some delegated responsibility for scrutiny and collective decision-making:

- Risk and Audit
- Workforce
- Fundraising and Grants
- Service Improvement

Related parties – payments to Trustees

No payments were made this year.

Methods of appointment of Trustees

All the directors of the company are also trustees of the charity, and there are no other trustees. The directors and trustees who served during the year are set out on page 2. In accordance with the Articles of Association there is no limit on the period the trustees are allowed to serve. At every AGM one third of the trustees who are subject to retirement by rotation, shall retire from office, and being eligible, can offer themselves for re-election.

The appointment of new trustees requires the unanimous approval of all existing trustees and receipt of DBS and reference checks.

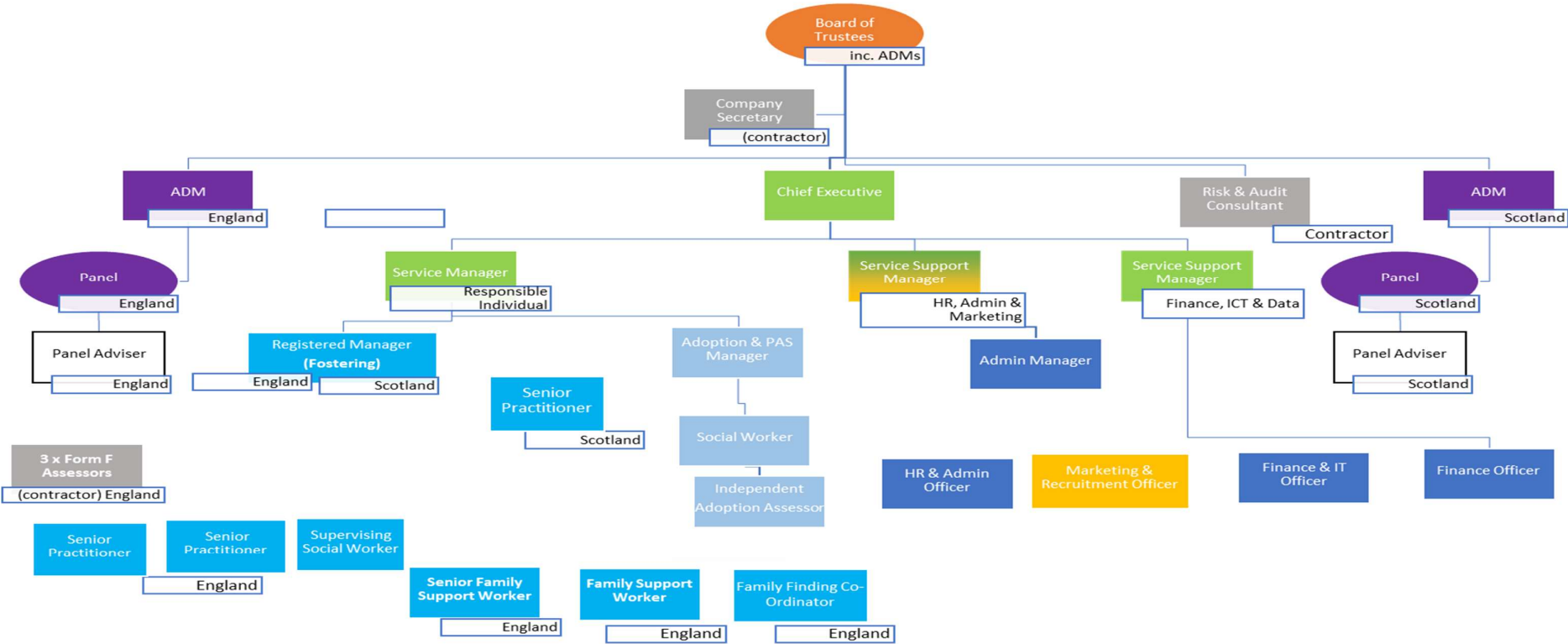
Policies adopted for the induction and training of Trustees

All new Trustees are informed of their duties and responsibilities in the Charity's 'Brochure for Trustees'. Practical training is provided as appropriate.



ANNUAL REPORT 2024-25

Structure and governance



Activities and achievements

Trustees

During the past twelve months trustees have met quarterly in a formal manner as a full Board, and have also adopted additional interim 'catch-up' meetings in-between formal Board meetings to increase the level of support to and oversight of the CEO and staff team.

The Board of Trustees work to a Development Plan that includes for training and also future recruitment based on a skills audit.

Employees

During the past twelve months we have seen a number of staff members leave the Cornerstone team, with a number of individuals joining the team in their place.

Foundations Matter

The Care Inspectorate in Scotland approved our application to become a fostering service in Scotland on 2nd November 2024. Work has begun to slowly develop a fledgling service.

Voluntary Adoption Agency

Our application to Ofsted to register as a Voluntary Adoption Agency in England and Wales, first made in 2016, was approved on 20th February 2025. Work has now begun to develop and launch a service.

Fostering

As at 31st March 2025, Cornerstone had 13 approved foster households, with 21 children in foster placements.

In the last year, we:

- have received expressions of interest from 59 potential foster households;
- approved 3 new foster households;
- began assessing another 1 foster household (pending approval);
- completed the annual review for 15 foster households;
- delivered virtual and face-to-face foster carer training sessions;
- received an average of 80 local authority placement referrals per day;

- made 13 new placements;
- seen 27 placements end;
- ran one annual holiday and family days in multiple locations.

Post-Adoption Support

At the end of the reporting period, we were formally supporting one adoptive family, and informally supporting a number of other families who have now adopted children following a period of serving as foster carers with Cornerstone.

Accommodation

We retain a Head Office at Mattersey Hall and a satellite office in Gateshead, as well as a prospective Foundations Matter office in Menstrie, Scotland.

Principal risks and uncertainties

The Charity Trustees have considered the major risks to which the Charity is exposed and have satisfied themselves that systems or procedures have been established and updated to manage those risks. We ensure that policies and procedures are reviewed regularly and updated as necessary.

The principal risks and uncertainties for the charity are:

- inability to recruit a sufficient number of suitable foster carers;
- income deficit and resultant cashflow challenges;
- inability to recruit the right employees, and in sufficient number.

The strategies for managing those risks are:

- pro-active recruitment of foster carers, combined with an effective and energetic marketing strategy;
- pro-active recruitment of high-quality employees, combined with an effective retention strategy;
- prioritise the development of an adoption service in England that will diversify our service offering and income stream, tap into a substantial domestic market, and generate income in 2025-26;
- build the foundations of a fostering service in Scotland that will allow us to diversify our service offering and income stream, tap into a substantial domestic market, and generate income in 2026-27;
- pro-active raising of start-up funds for both projects.

Financial report

From a financial point of view, the 2024/25 financial year has been exceedingly challenging. Whilst the level of income increased by £ 185k from 2023/24 ; expenditure increased by £140k. The overall deficit for the year totalled £59k resulting in a carried forward figure of £111k compared with £171k in 2023/24. This decline was due to a number of significant factors:

- changes in key personnel;
- a fall in the number of fostering/caring families within Cornerstone;
- less than anticipated numbers of placements;
- delay in the approval of Cornerstone/Foundations Matter as a fostering agency in Scotland.

Towards the end of 2024/25 and into the early months of 2025/26, the cash flow situation has been precarious. This situation has been recognised by Trustees who are closely monitoring the situation and actively participating in the control of the company.

Grants have been applied for which, it is hoped, will provide sufficient funding for the organisation to function until the Autumn. Thereafter, through to Spring 2026, it is expected that the number of placements will steadily increase, giving the financial stability which has not been seen in the latter months of the 2024/25 financial year.

Recognition should be given to the report from our Auditors who have cautioned that our status as a going concern is heavily dependent on the receipt of grant funding, some of which is still uncertain at the time of writing. Furthermore, it should be recognised that our cash flow position has been such that we have experienced a depletion in our asset base. However, it should also be noted, that the anticipated growth in placements in both England and Scotland, and the anticipated growth in our activities as an Adoption Agency, should underpin a programme of sustainable growth in 2025/26.

A. R. Church

Treasurer

Reserves policy

The policy of Cornerstone is to hold sufficient reserves to operate for three months expenditure assuming no further income comes in.

At the year end, the charity held total reserves of £111,095 of which free reserves (after adjusting for non liquid funds and funds held in designated and restricted reserves) amounted to £35,145. This would equate to

approximately 0.4 months' activity. The trustees are satisfied that the three months reserves position can be recovered.

Going concern

The Trustees recognise that 2024-25 was another challenging year in which Cornerstone made a deficit of £59,000 against a break-even budget (a change away from the previous two years of deficit budgets). It is appreciated that reserves are low, and though costs have been reduced across the agency, placement numbers are still below what is required to ensure Cornerstone's fostering service is self-sustaining. However, Trustees also recognise that successful registration of a new fostering service in Scotland and a new adoption service in England in 2024-25 now mean we are able to raise grant funding in support of the establishment of both services, and also begin to generate income in both. Cornerstone's ability to meet its 2025-26 budgeted income targets now depends on these two new elements, and Trustees are confident that sufficient grant funding and service income will be secured in order to ensure the charity's viability in the foreseeable future.

On this basis, though recognising the budget deficit of 2024-25 and the uncertainties around the security of grant income in 2025-26, the Trustees consider that Cornerstone will have sufficient resources to continue as a going concern for the foreseeable future.

Future plans

Cornerstone's over-arching charitable objective remains unchanged and is as follows:

'The Charity's objects are to provide a high quality adoption and fostering child care service according to Christian principles to alleviate the needs of children and young people who are or may be temporarily or permanently separate from their families and to promote the relief and care of children without families or parents able to care for them by the provision of substitute families able to meet their needs with the aim of improving the conditions of life and future of such children and young people.'

- pro-active recruitment of foster carers, combined with an effective and energetic marketing strategy;
- pro-active recruitment of high-quality employees, combined with an effective retention strategy;
- prioritise the development of an adoption service in England that will diversify our service offering and income stream, tap into a substantial domestic market, and generate income in 2025-26;
- build the foundations of a fostering service in Scotland that will allow us to diversify our service offering and income stream, tap into a substantial domestic market, and generate income in 2026-27;
- pro-active raising of start-up funds for both projects.

In addition to this core objective, at their meeting on 21st April 2023 trustees approved a medium-term Strategic Business Plan to commence April 2023 and conclude March 2026. It contained the following nine key objectives for the three-year period we are currently working to:

1. approve foster carers;
2. place children into foster care in England and Scotland;
3. develop an adoption service in England;
4. maintain our common-interest community ('the Cornerstone family');
5. develop and support foster carers & adoptive parents;
6. raise funds;
7. make grants;
8. recruit, develop and retain employees;
9. recruit, develop and retain trustees and panel members.

Further to these aims, the Strategic Business Plan commits Cornerstone to a more detailed set of twenty-five targets to be measured through a system of Key Performance Indicators (KPIs). We are now in the third and final year of this medium-term plan and will closely monitor performance against this index throughout the year.

Closing information

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial . 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 its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable company will continue in business.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.



ANNUAL REPORT 2024-25

Auditors

The auditors, Kinnair Associates Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 4th July 2025 and signed on their behalf by:

Signed by:

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Nadine Parker

(Chair of Trustees)

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST)
ADOPTION AND FOSTERING SERVICE

Opinion

We have audited the financial statements of Cornerstone (North East) Adoption and Fostering Service (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 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 Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 United Kingdom, including the Financial Reporting Council'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.

Emphasis of matter

We draw attention to note 2.2 in the financial statements, which indicates that the charitable company will be required to generate additional income, the source of which is currently not known, if it is to continue as a going concern. Our opinion is not modified in respect of this matter.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST)
ADOPTION AND FOSTERING SERVICE (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST)
ADOPTION AND FOSTERING SERVICE (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- the engagement partner ensured that the engagement team had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Companies Act 2006, the Charities Act 2011 and Charity Commission regulation, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, Fostering National Minimum Standards and the requirements of Ofsted under which the Charity is regulated.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured that the identified laws and regulations are communicated within the audit team regularly and the team remain alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:-

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC, relevant regulators including Ofsted and legal advisors.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
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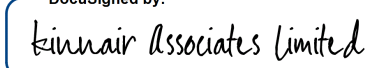
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST)
ADOPTION AND FOSTERING SERVICE (CONTINUED)

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 rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Kinnair Associates Limited
 Chartered Accountants
 Statutory Auditors
 Aston House
 Redburn Road
 Newcastle Upon Tyne
 NE51NB

7 July 2025

Kinnair Associates Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	3	6,780	13,474	20,254	70,565
Charitable activities	4	-	1,131,179	1,131,179	895,506
Investments	5	-	460	460	709
Other income	6	-	44	44	-
Total income		6,780	1,145,157	1,151,937	966,780
Expenditure on:					
Raising funds	7	-	14,384	14,384	17,459
Charitable activities	9	16,138	1,180,481	1,196,619	1,053,973
Total expenditure		16,138	1,194,865	1,211,003	1,071,432
Net expenditure		(9,358)	(49,708)	(59,066)	(104,652)
Transfers between funds	17	7,970	(7,970)	-	-
Net movement in funds		(1,388)	(57,678)	(59,066)	(104,652)
Reconciliation of funds:					
Total funds brought forward		7,749	162,412	170,161	274,813
Net movement in funds		(1,388)	(57,678)	(59,066)	(104,652)
Total funds carried forward		6,361	104,734	111,095	170,161

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 41 form part of these financial statements.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05663749

BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	14	8,364	4,189
		<u>8,364</u>	<u>4,189</u>
Current assets			
Debtors	15	103,575	112,636
Cash at bank and in hand		42,694	94,307
		<u>146,269</u>	<u>206,943</u>
Creditors: amounts falling due within one year	16	(43,538)	(40,971)
Net current assets		<u>102,731</u>	<u>165,972</u>
Total assets less current liabilities		<u>111,095</u>	<u>170,161</u>
Total net assets		<u><u>111,095</u></u>	<u><u>170,161</u></u>
Charity funds			
Restricted funds	17	6,361	7,749
Unrestricted funds			
Designated funds	17	35,145	24,891
General funds	17	69,589	137,521
Total unrestricted funds	17	<u>104,734</u>	<u>162,412</u>
Total funds		<u><u>111,095</u></u>	<u><u>170,161</u></u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05663749

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 04 July 2025 and signed on their behalf by:

Signed by:

54F011D362E5412...

Nadine Parker
Chair of Trustees

The notes on pages 24 to 41 form part of these financial statements.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	20	(52,073)	(96,773)
Dividends, interests and rents from investments		460	709
Net cash provided by investing activities		460	709
Change in cash and cash equivalents in the year		(51,613)	(96,064)
Cash and cash equivalents at the beginning of the year		94,307	190,371
Cash and cash equivalents at the end of the year	21	42,694	94,307

The notes on pages 24 to 41 form part of these financial statements

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

1. General information

Cornerstone (North East) Adoption and Fostering Service is a charitable company limited by guarantee, registered in England and Wales. The registered office is First Floor, Mattersey Hall Training Centre, Retford Road, Mattersey, DN10 5HD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cornerstone (North East) Adoption and Fostering Service 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.

Cornerstone (North East) Adoption and Fostering Service is a company limited by guarantee, registered in England and does not have a share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Going concern

The Trustees recognise that 2024-25 was another challenging year in which Cornerstone made a deficit of £59,000 against a break-even budget (a change away from the previous two years of deficit budgets). It is appreciated that reserves are low, and though costs have been reduced across the agency, placement numbers are still below what is required to ensure Cornerstone's fostering service is self-sustaining. However, Trustees also recognise that successful registration of a new fostering service in Scotland and a new adoption service in England in 2024-25 now mean we are able to raise grant funding in support of the establishment of both services, and also begin to generate income in both. Cornerstone's ability to meet its 2025-26 budgeted income targets now depends on these two new elements, and Trustees are confident that sufficient grant funding and service income will be secured in order to ensure the charity's viability in the foreseeable future.

On this basis, though recognising the budget deficit of 2024-25 and the uncertainties around the security of grant income in 2025-26, the Trustees consider that Cornerstone will have sufficient resources to continue as a going concern for the foreseeable future.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.3 Tangible fixed assets and depreciation

Fixed assets costing more than £1,000 are capitalised. Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated at the following annual rate which it is estimated will write off the original cost of the assets over their expected effective lives:

Computer and Other Equipment - over 3 years.

2.4 Income

All income is recognised once the Charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Voluntary income is received by way of donations and gifts and is included in the Statement of Financial Activities when receivable.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

The charitable company receives payroll services free of charge. A reasonable estimate of actual cost is included in the accounts as donations income and under professional fees.

Investment income is included when receivable.

2.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Included within support costs are governance costs which represent those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

2.6 Debtors

Local authority and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.7 Cash at bank and in hand

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

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.9 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.10 Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

2.11 Designated funds

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

2.12 Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs.

2.13 Pension costs

The charity makes employers' contributions to a defined contributions scheme. The cost of the contributions is charged to the Statement of Financial Activities in the period to which they relate.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

3. Income from donations and legacies

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £
Donations			
Donations - trusts, churches, individuals and donated services	1,980	12,335	14,315
Gift aid - donations including tax recoverable	300	39	339
Donations of services in kind	-	1,100	1,100
Grants received	4,500	-	4,500
	<u>6,780</u>	<u>13,474</u>	<u>20,254</u>

	<i>Restricted funds 2024 £</i>	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Donations			
Donations - trusts, churches, individuals and donated services	3,445	18,201	21,646
Gift aid - donations including tax recoverable	325	261	586
Donations of services in kind	-	43,333	43,333
Grants	-	5,000	5,000
	<u>3,770</u>	<u>66,795</u>	<u>70,565</u>

4. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Foster and respite carer fees	1,126,830	1,126,830	872,074
Post adoption fees	4,349	4,349	20,184
Other fees and income	-	-	3,248
	<u>1,131,179</u>	<u>1,131,179</u>	<u>895,506</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

5. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Bank interest receivable	460	460	709

6. Other incoming resources

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Sale of items	44	44	-

7. Expenditure on raising funds
Costs of raising voluntary income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Costs of raising voluntary income	2,356	2,356	5,317
Allocated wages costs	12,028	12,028	12,142
	14,384	14,384	17,459

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

8. Analysis of grants

	Grants to Institutions 2025 £	Grants to Individuals 2025 £	Total funds 2025 £
Total 2025	-	-	-

There were no grants made in the year ended 31 March 2025. Grant for the prior year are set out below.

	<i>Grants to Institutions 2024 £</i>	<i>Grants to Individuals 2024 £</i>	<i>Total funds 2024 £</i>
Grants to individuals made from Jubilee Fund	-	2,500	2,500
Grant to Christian Institute	5,000	-	5,000
	5,000	2,500	7,500

9. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total 2025 £
Fostering and adoption activities	16,138	1,180,481	1,196,619

	<i>Restricted funds 2024 £</i>	<i>Unrestricted funds 2024 £</i>	<i>Total 2024 £</i>
Fostering and adoption activities	4,266	1,044,707	1,048,973
Grants to institutions	-	5,000	5,000
	4,266	1,049,707	1,053,973

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

10. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £
Fostering and adoption activities	728,916	467,703	1,196,619

	<i>Activities undertaken directly 2024 £</i>	<i>Grant funding of activities 2024 £</i>	<i>Support costs 2024 £</i>	<i>Total funds 2024 £</i>
Fostering and adoption activities	589,022	2,500	457,451	1,048,973
Grants to institutions	-	5,000	-	5,000
	<u>589,022</u>	<u>7,500</u>	<u>457,451</u>	<u>1,053,973</u>

Analysis of direct costs

	Total funds 2025 £	Total funds 2024 £
Staff costs	125,284	126,690
Depreciation	3,202	3,216
Foster carer charges	515,195	408,271
Respite care	13,995	7,303
Therapy and Supportive Events	16,400	12,050
Foster care training	3,173	4,133
Other Costs	11,976	9,892
Contracted Social Work	20,928	877
Contract and other fees	18,763	16,590
	<u>728,916</u>	<u>589,022</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2025 £	<i>Total funds 2024 £</i>
Staff costs	344,457	308,558
Insurance	9,515	8,791
Office costs	3,494	1,929
Staff training	5,432	4,599
Property costs	21,567	17,648
IT and phone	19,862	18,535
Travel and subsistence	24,165	19,196
Other costs	11,216	8,586
Governance	16,312	15,230
Legal and professional fees	11,683	54,379
	467,703	457,451

11. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £6,710 (2024 - £6,380), and accountants preparation fees of £1,390 (2024 - £1,320).

12. Staff costs

	2025 £	<i>2024 £</i>
Wages and salaries	418,333	387,523
Social security costs	34,191	31,594
Contribution to defined contribution pension schemes	29,245	28,273
	481,769	447,390

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

12. Staff costs (continued)

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

	2025 No.	2024 No.
Charitable activities	5	5
Finance and administration	10	9
	<u>15</u>	<u>14</u>

The average headcount expressed as full-time equivalents was 12 (2024: 11).

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel comprise the Trustees and five (2024: three) senior employees of the charitable company. The Trustees are not remunerated. The remuneration of the other senior employees within key management amounts to £234,530 (2024: £114,822). This figure includes employers National Insurance and Employers Pension contributions.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year, no payments were made to Trustees were paid for services in respect of services (2024: one trustee paid £765 in respect of provision of agency decision maker for the charitable company).

During the year ended 31 March 2025, expenses totalling £295 were reimbursed or paid directly to two trustees (2024: £720 to 4 Trustees). These are for travel and subsistence expenses.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

14. Tangible fixed assets

	Computer equipment £
Cost	
At 1 April 2024	16,661
Additions	7,377
At 31 March 2025	<u>24,038</u>
Depreciation	
At 1 April 2024	12,472
Charge for the year	3,202
At 31 March 2025	<u>15,674</u>
Net book value	
At 31 March 2025	<u>8,364</u>
At 31 March 2024	<u>4,189</u>

15. Debtors

	2025 £	2024 £
Due within one year		
Trade debtors	94,180	104,903
Other debtors	3,841	4,434
Prepayments and accrued income	5,554	3,299
	<u>103,575</u>	<u>112,636</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

16. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	10,591	11,030
Other taxation and social security	9,876	11,898
Other creditors	12,717	3,904
Accruals and deferred income	10,354	14,139
	<u>43,538</u>	<u>40,971</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
Unrestricted funds					
Designated funds					
Legal Fund	-	5,000	-	-	5,000
Jubilee Fund	13,041	-	-	-	13,041
Tent Peg Fund	11,850	5,254	-	-	17,104
	<u>24,891</u>	<u>10,254</u>	<u>-</u>	<u>-</u>	<u>35,145</u>
General funds					
General funds	<u>137,521</u>	<u>1,134,903</u>	<u>(1,194,865)</u>	<u>(7,970)</u>	<u>69,589</u>
Total Unrestricted funds	<u>162,412</u>	<u>1,145,157</u>	<u>(1,194,865)</u>	<u>(7,970)</u>	<u>104,734</u>
Restricted funds					
Foundations Matter	6,499	780	(3,668)	-	3,611
Tent Peg Fund	1,250	1,500	-	-	2,750
Holiday Fund	-	4,500	(12,470)	7,970	-
	<u>7,749</u>	<u>6,780</u>	<u>(16,138)</u>	<u>7,970</u>	<u>6,361</u>
Total of funds	<u>170,161</u>	<u>1,151,937</u>	<u>(1,211,003)</u>	<u>-</u>	<u>111,095</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

17. Statement of funds (continued)

Designated Funds

The Legal Fund contains monies designated by the Trustees for use in legal matters.

The Jubilee Fund represents funds set aside by the Trustees in 2021 to provide support adults formerly in the care of Cornerstone who have come of age and who have one-off financial needs.

The Tent Peg Fund represents monies put aside by the trustees for buildings adaptations to increase the capacity of foster families to take on foster placements, including those with additional needs.

Restricted Funds

The Foundations Matter fund represents donations received towards the costs of the charity's branch in Scotland and rent paid for the branch premises.

The Tent Peg Fund represents donations received towards the costs of building adaptations for foster families placing children with additional needs.

The Holiday Fund represents donations received towards the costs for the annual Cornerstone holiday organised for carers and placement children.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2024 £</i>
Unrestricted funds					
Designated funds					
Legal Fund	5,000	-	(5,000)	-	-
Jubilee Fund	15,541	-	(2,500)	-	13,041
Future Losses Fund	119,332	-	-	(119,332)	-
Tent Peg Fund	-	11,850	-	-	11,850
Cornerstone Holiday Fund	-	11,294	(11,294)	-	-
	<u>139,873</u>	<u>23,144</u>	<u>(18,794)</u>	<u>(119,332)</u>	<u>24,891</u>
General funds					
General funds	<u>126,695</u>	<u>939,866</u>	<u>(1,048,372)</u>	<u>119,332</u>	<u>137,521</u>
Total Unrestricted funds	<u>266,568</u>	<u>963,010</u>	<u>(1,067,166)</u>	<u>-</u>	<u>162,412</u>
Restricted funds					
Foundations Matter	8,245	2,520	(4,266)	-	6,499
Tent Peg Fund	-	1,250	-	-	1,250
	<u>8,245</u>	<u>3,770</u>	<u>(4,266)</u>	<u>-</u>	<u>7,749</u>
Total of funds	<u>274,813</u>	<u>966,780</u>	<u>(1,071,432)</u>	<u>-</u>	<u>170,161</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
Designated funds	24,891	10,254	-	-	35,145
General funds	137,521	1,134,903	(1,194,865)	(7,970)	69,589
Restricted funds	7,749	6,780	(16,138)	7,970	6,361
	<u>170,161</u>	<u>1,151,937</u>	<u>(1,211,003)</u>	<u>-</u>	<u>111,095</u>

Summary of funds - prior year

	<i>Balance at 1 April 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2024 £</i>
Designated funds	139,873	23,144	(18,794)	(119,332)	24,891
General funds	126,695	939,866	(1,048,372)	119,332	137,521
Restricted funds	8,245	3,770	(4,266)	-	7,749
	<u>274,813</u>	<u>966,780</u>	<u>(1,071,432)</u>	<u>-</u>	<u>170,161</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	-	8,364	8,364
Current assets	6,361	139,908	146,269
Creditors due within one year	-	(43,538)	(43,538)
Total	<u>6,361</u>	<u>104,734</u>	<u>111,095</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2024 £</i>	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Tangible fixed assets	-	4,189	4,189
Current assets	7,749	199,194	206,943
Creditors due within one year	-	(40,971)	(40,971)
Total	<u>7,749</u>	<u>162,412</u>	<u>170,161</u>

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

	2025 £	2024 £
Net expenditure for the year (as per Statement of Financial Activities)	<u>(59,066)</u>	<u>(104,652)</u>
Adjustments for:		
Depreciation charges	3,202	3,216
Dividends, interests and rents from investments	(460)	(709)
Decrease in debtors	9,061	8,544
Increase in creditors	2,567	1,017
Purchase of fixed assets	(7,377)	(4,189)
Net cash used in operating activities	<u>(52,073)</u>	<u>(96,773)</u>

21. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	<u>42,694</u>	<u>94,307</u>
Total cash and cash equivalents	<u>42,694</u>	<u>94,307</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

22. Analysis of changes in net debt

	At 1 April 2024	Cash flows	At 31 March 2025
	£	£	£
Cash at bank and in hand	94,307	(51,613)	42,694
	<u>94,307</u>	<u>(51,613)</u>	<u>42,694</u>

23. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the pension fund and amounted to £29,245 (2024: £28,273). There were £12,612 (2023 - £2,711) contributions payable to the fund at the balance sheet date and are included in creditors.

24. Operating lease commitments

At 31 March 2025 the Charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	2024 £
Later than 1 year and not later than 5 years	53,262	17,932
Later than 5 years	-	51,750
	<u>53,262</u>	<u>69,682</u>

25. Related party transactions

The charity purchased no services from Trustees this year (2024: £765 from one Trustee).

No grants have been made to any dependent of a Trustee or Senior management during the year(2024: £2,500). There were no amounts are outstanding at the year end.

Ex-gratia gifts totalling £500 (2024: £80) have been made to one (2024: one) related parties comprising Trustees / senior employees / ex-Trustees in the year.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

26. Ex Gratia payments

In addition to the payments to Trustees and senior employees noted above, payments for gifts to departing members of staff, and other gratuities totalling £907 (2024: £1,368) were made in the year. These payments are in addition to contributions towards parting gifts that have been made directly by Trustees, staff, carers and friends of Cornerstone from their own funds. The Trustees believe that such payments are required to recognise the considerable efforts and achievements of longstanding members of the Trustee Board and staff. To not recognise their achievements would be contrary to the ethos of the charity.

27. Gifts / Services in Kind

During the year the charity has received pro bono payroll bureau services amounting to £800 and free room hire valued at £300. These costs have been treated as services in kind and are shown as direct costs for room hire and support costs for the bureau fees.

In the previous year the charity was in receipt of legal assistance for legal costs amounting to £43,333. These costs were treated as a service in kind and are shown as legal costs and donations in kind income in the comparative figures for these financial statements. There was no net effect on the net expenditure of the charity.

Accounts

Year ended
31st March
2024

Directors and Trustees Report



Cornerstone UK

First Floor, Mattersey Hall Training Centre
Retford Road, Mattersey, DN10 5HD

Registered number: 05663749

Charity numbers: 1114213 & SC050836



Contents

1 Reference and administrative information..... 2

 Trustees as at 5th April 2024 2

2 Message from the Chair 3

3 Structure and governance 4

4 Activities..... 7

5 Financial report..... 8

6 Future plans..... 10

7 Statement of Trustees' responsibilities 11

8 Audit report 12

9 Accounts.....16

1 Reference and administrative information

Trustees as at 5th April 2024

- Nadine Parker (Chair)
- Andrew Church (Treasurer, Vice Chair)
- Charles Thomson
- Hamish Baillie
- Ken de Soyza
- Gillian Horner
- Michael Horner
- Janet Lancefield

Chief Executive Officer: Joshua MacDonald

Independent Company Secretary: Sarah Murray

Registered office: First Floor, Mattersey Hall Training Centre, Retford Road, Mattersey, DN10 5HD

Company registered number (CRN): 05663749

Charity registered numbers: 1114213 (England) and SC050836 (Scotland)

Independent auditors: Kinnair Associates Limited (Chartered Accountants) (Aston House, Redburn Road, Newcastle upon Tyne NE5 1NB)

Bankers: Virgin Bank (York House, Thornaby, Stockton On Tees, TS17 9PL)

2 Message from the Chair

This has been another year of significant change for Cornerstone. We knew this would be the case and our Chair's closing message in last year's Annual report read, 'as Cornerstone enters the 'promised land' of new endeavours, we take our example from Joshua who called the children of Israel to commit themselves to the Lord and follow Him.' Our CEO, Joshua MacDonald, was new in post at that point and was encouraged to lead into these new endeavours by being a faithful follower of the Lord himself and encouraging all members of the Cornerstone family to keep trusting their Heavenly Father to both lead and provide.

We have seen this provision in a significant restructuring of the governance of Cornerstone and this has brought about a much clearer and robust method of decision making and accountability and strengthened the support provided for our core business of recruiting and supporting families in which children and young people can thrive. As part and parcel of this, we have been joined by a number of very high-quality members of staff, most of whom have had to 'hit the ground running' as we have also seen the departure of some major players including our excellent and longstanding Fostering Manager. Some of these departures were expected but others were not and we, as a Board of Trustees, have been greatly helped by the knowledge that our God knows the end from the beginning and, unlike us, is never taken by surprise.

So much change has been understandably unsettling for some members of staff and also some of our carers, but lines of communication have been improved and concerns listened to and addressed. There have been several very encouraging online times of prayer and sharing which have been well attended by carers and staff and have provided an extra opportunity for mutual understanding and support. Our families continue to provide amazingly secure and loving homes to the children we are privileged to care for, sometimes amidst some very significant challenges, and the feedback we receive from Local Authorities and other professionals is very positive. It is frustrating that we still have not gained permission to be registered as a Voluntary Adoption Agency or received the go ahead to extend our service into Scotland, but excellent work has continued in relationship- building and preparing the ground for this to happen and we trust the Lord's timing in all of this.

'They who wait for the Lord shall renew their strength; they shall mount up with wings like eagles; they shall run and not be weary; they shall walk and not faint.' (Isaiah 40v31)

DocuSigned by:

Nadine Parker

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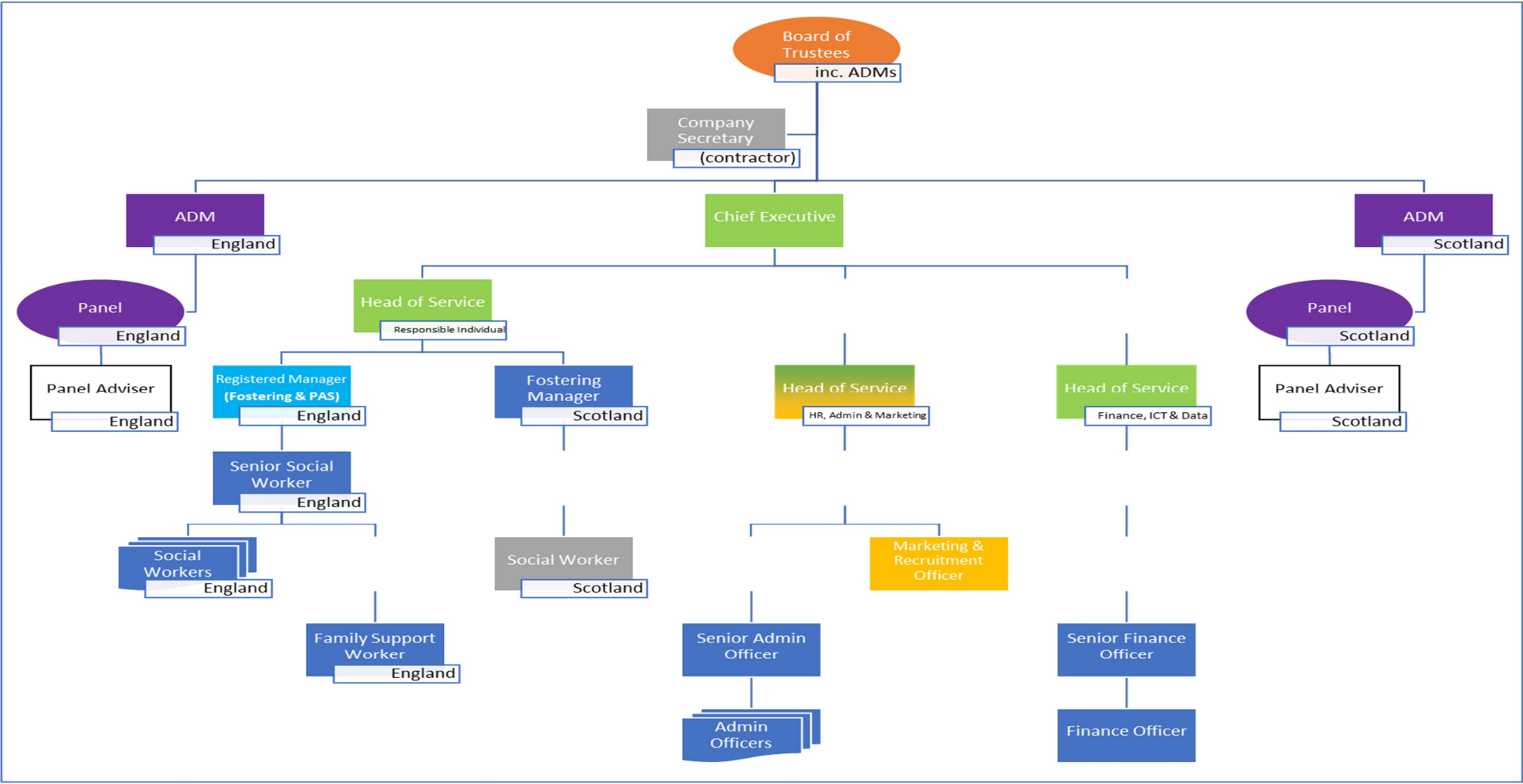
Nadine Parker

Chair of Trustees



ANNUAL REPORT 2023-24

3 Structure and governance



The Trustees present their annual report together with the audited financial statements of the Charitable company for the year 1 April 2023 to 31 March 2024. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charitable company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Purposes and aims of the Charity and main activities undertaken in relation to those purposes

Cornerstone's overall aim is 'to improve the outcomes for children and young people in public care through the provision of a quality childcare service.' The activities of Cornerstone are carried out to further its charitable purpose for the public benefit. Cornerstone is a Christian charity. Each person within the organisation has an active Christian faith, but collectively come from a diversity of cultural and ethnic backgrounds, which Cornerstone respects and promotes.

When reviewing the aims and objectives of the charity, and in exercising their powers and duties and planning future activities, the trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission including the guidance 'Public benefit: running a charity (PB2)'.

Strategies for achieving objectives

Cornerstone specialises in providing high-quality substitute homes to children and young people in public care. Since Cornerstone's inception, many of the children fostered by Cornerstone carers go on to be adopted by those same carers, thus achieving permanence and finding their 'forever family'. In either foster or adoptive placements all children and young people are fully accepted into Cornerstone families and, whether fostered or adopted, they are cared for beyond the age of eighteen if this is their wish. Children placed through Cornerstone are often children for whom the Local Authorities have been unable to find an adoptive family; this might be sibling groups or children with special needs. We also offer a range of short-term placements. The Fostering Statement of Purpose (SOP) is continually updated to reflect changes in the scope and range of the service.

Criteria used to assess success in the reporting period

The primary criterion used to assess success in the reporting period was the number of children that the charity has successfully placed with foster families. The charity measures twenty-four other supportive, secondary key performance indicators (KPIs).

Constitution

The charity is constituted as a company limited by guarantee and is governed by its Memorandum and Articles of Association. Trading as Cornerstone, the company was launched as an independent agency on 1st April 2006.

The Charitable company also conducts its activities in Scotland under the name Foundations Matter.

Structure

People are at the heart of our organisation; ensuring our staff are supported is crucial to organisational success. To achieve this, we regularly evaluate our organisational structure to identify areas where there are pressures.

Governance

Our trustees lead on governance and, as Directors of the charity, retain ultimate accountability over the affairs of the charity. Below them sit four committees that support the Senior Management Team and take some delegated responsibility for scrutiny and collective decision-making:

- Risk and Audit
- Workforce
- Fundraising and Grants
- Service Improvement

Related parties – payments to Trustees

There were no material transactions with Trustees during the year. The charity purchased £765 of services from a Trustee. A grant payment of £2,500 has been made out of the charity's Jubilee Fund to a former dependent of a Trustee during the year. Ex-gratia gifts totalling £80 have been made to one related party in the year.

Methods of appointment of Trustees

All the directors of the company are also trustees of the charity, and there are no other trustees. The directors and trustees who served during the year are set out on page 2. In accordance with the Articles of Association there is no limit on the period the trustees are allowed to serve. At every AGM one third of the trustees who are subject to retirement by rotation, shall retire from office, and being eligible, can offer themselves for re-election.

The appointment of new trustees requires the unanimous approval of all existing trustees and receipt of DBS and reference checks.

Policies adopted for the induction and training of Trustees

All new Trustees are informed of their duties and responsibilities in the Charity's 'Brochure for Trustees'. Practical training is provided as appropriate.

4 Activities and achievements

Trustees

During the past twelve months trustees have met quarterly in a formal manner as a full Board, and have also adopted additional interim 'catch-up' meetings in-between formal Board meetings to increase the level of support to and oversight of the CEO and staff team.

Dr Jennifer Simpson resigned from the Board during the reporting period.

The Board of Trustees work to a Development Plan that includes for training and also future recruitment based on a skills audit.

Employees

During the past twelve months we have seen a number of staff members leave the Cornerstone team, with a number of individuals joining the team in their place.

Foundations Matter

The Care Inspectorate in Scotland are now assessing our application to register as a fostering agency (contained within Cornerstone UK) in Scotland. We expect this to conclude in 2024 or the first half of 2025. Prospective foster carers, staff and panel members have been identified and many have been formally and safely recruited, with a view to us commencing limited operations as quickly as possible following approval of our application.

Voluntary Adoption Agency

Our application to Ofsted to register as a Voluntary Adoption Agency in England and Wales, first made in 2016, has now been accepted and is being assessed by Ofsted.

Fostering

At the time of writing, Cornerstone had 15 approved foster households, with 23 children in foster placements.

In the last year, we:

- have received expressions of interest from 68 potential foster households;
- approved 3 foster households;
- began assessing another 3 foster households (pending approval);
- completed the annual review for 12 foster households;
- delivered 13 foster carer training sessions, feedback on which has been positive;
- have seen 5 foster households resign:
 - o one obtained a Special Guardianship Order
 - o two adopted the children in their care
 - o two no longer wished to continue fostering
- received an average of 50 local authority placement referrals per day;
- made 22 new placements;

- ended 18 placements;
- ran one annual holiday and regular family days in multiple locations.

Our fostering panel met six times within this reporting period.

Post-Adoption Support

At the end of the reporting period, we were formally supporting two adoptive families, and informally supporting a number of other families who have now adopted children following a period of serving as foster carers with Cornerstone.

Accommodation

During this period we moved our North East office base from temporary shared accommodation in Newcastle to professional office space in Gateshead. We also moved our Head Office from Hill House School on the outskirts of Doncaster to Mattersey Hall, where we lease office space from national charity Green Pastures. This has proved a very positive move and has allowed the team to develop strong strategic relationships with a like-minded partner organisation, and provides the space to grow our staff team at some point in the future.

Principal risks and uncertainties

The Charity Trustees have considered the major risks to which the Charity is exposed and have satisfied themselves that systems or procedures have been established and updated to manage those risks. We ensure that policies and procedures are reviewed regularly and updated as necessary.

The principal risks and uncertainties for the charity are:

- inability to recruit a sufficient number of suitable foster carers;
- income deficit and resultant cashflow challenges;
- inability to recruit the right employees, and in sufficient number.

The strategies for managing those risks are:

- pro-active recruitment of foster carers, combined with an effective and energetic marketing strategy;
- pro-active recruitment of high-quality employees, combined with an effective retention strategy.

5 Financial report

In the 2023/24 Financial Year, Cornerstone performed, financially, better than was predicted returning an actual overspend of £105k against a budget of £166k. However, whilst performance against budget was better than expected, in 10 of the 12 months Cornerstone operated at a deficit against income, averaging £8.5k per month. Whilst the level of monthly deficit is expected to reduce in 2024/25, monthly surpluses are not expected until later in the 2024/25 financial year. Having said this, this situation can be contained within anticipated resources.

The robust control of debtors has continued during the year £113k (compared with £121k for 2022/23), the majority of which are either current or one month old. We continue to have a wide customer base and 2023/24 saw us providing services to Local Authorities who had not used us previously.

Changes in the system of payment of carers has been introduced during the year to give a more equitable basis of payment rather than one based on historic income levels which disadvantaged carers with children in longer term placements.

Changes in the management structure has seen the introduction of Sub Committees with delegated authority from the Board of Trustees. Of particular note is the establishment of a Risk and Audit Committee which has facilitated an overhaul of policies and practices. This exercise will continue into 2024/25 and beyond. Furthermore, it strengthens the organisations defence against potential causes of risk, malpractice and fraud.

As an organisation, we await our approval to work as a fostering agency in Scotland. This was anticipated in 2023/24 and the delay has impacted upon our predicted financial performance.

We are also fully aware of the need to recruit more foster families and to this end we are looking to increase our promotional activities in 2024/25.

Two applications to the Jubilee Fund were received, one was accepted and a grant made, the other rejected. The 'Tent Peg Fund' has been established, the aim being to allow grants to be made for building improvements to the homes of foster families. Some work is being done on both funds to clarify the terms in which grant claims will be likely to be accepted.

In overall terms, the year has been one of consolidation. It is felt that this puts us in a strong position to move forward and to develop our services in areas of the UK where we have not operated previously.

A.R.Church
 Treasurer

Reserves policy

The policy of Cornerstone is to hold sufficient reserves to operate for three months expenditure assuming no further income comes in.

At the year end, the charity held total reserves of £170,161 of which free reserves (after adjusting for non liquid funds and funds held in designated and restricted reserves) amounted to £137,521. This would equate to approximately 1.3 months' activity. The trustees are satisfied that the three months reserves position can be recovered.

Included within the charity's designated reserves is a Future Losses reserve which was set up by the charity in 2021/22 amounting to £200,000 to reflect anticipated future losses so that a fair view of the funds held by the charity and their future use could be made. Transfers are made from this fund to the unrestricted general fund to reflect losses made in the year over the period predicted by the forecast. The opening balance of this reserve in 2023/24 was £119,332. Following 2023/24, the Trustees anticipate that this reserve will be no longer required.

6 Future plans

Cornerstone's over-arching charitable objective remains unchanged and is as follows:

'The Charity's objects are to provide a high quality adoption and fostering child care service according to Christian principles to alleviate the needs of children and young people who are or may be temporarily or permanently separate from their families and to promote the relief and care of children without families or parents able to care for them by the provision of substitute families able to meet their needs with the aim of improving the conditions of life and future of such children and young people.'

In addition to this core objective, at their meeting on 21st April 2023 trustees approved a medium-term Strategic Business Plan to commence April 2023 and conclude March 2026. It contained the following nine key objectives for the three-year period we are currently working in:

1. Approve foster carers
2. Place children into foster care in England and Scotland
3. Become an adoption agency in England and Scotland
4. Maintain our common-interest community ('the Cornerstone family')
5. Develop and support foster carers & adoptive parents
6. Raise funds
7. Make grants
8. Recruit, develop and retain employees
9. Recruit, develop and retain trustees and panel members

Further to these aims, the Strategic Business Plan commits Cornerstone to a more detailed set of twenty-five targets to be measured through a system of Key Performance Indicators (KPIs).

Key to making good on the nine key objectives above is delivery of our marketing strategy. This can be summarised practically as follows:

1. Digital
 - a. Pay for regular targeted Facebook and Instagram adverts
 - b. Write and publish regular website blog posts
 - c. Write and publish regular email newsletters
2. In-person
 - a. Write and publish regular paper newsletters
 - b. Provide an information stand at small, medium and large Christian events.
 - c. Speak at partner churches and other venues/events
3. Strategic partnerships with similar Christian charities and organisations
4. In-house administration and management
 - a. Build an improved enquiry tracker database
 - b. Build a newsletter distribution list
 - c. Build a database of official members
 - d. Build a team of ambassadors
 - e. Build a database of partner churches

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial . 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 its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable company will continue in business.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Kinnair Associates Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 5th July 2024 and signed on their behalf by:

DocuSigned by:

Nadine Parker

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Nadine Parker

(Chair of Trustees)

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST)
ADOPTION AND FOSTERING SERVICE

Opinion

We have audited the financial statements of Cornerstone (North East) Adoption and Fostering Service (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 United Kingdom, including the Financial Reporting Council'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.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST)
ADOPTION AND FOSTERING SERVICE (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST)
ADOPTION AND FOSTERING SERVICE (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- the engagement partner ensured that the engagement team had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Companies Act 2006, the Charities Act 2011 and Charity Commission regulation, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, Fostering National Minimum Standards and the requirements of Ofsted under which the Charity is regulated.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured that the identified laws and regulations are communicated within the audit team regularly and the team remain alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:-

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC, relevant regulators including Ofsted and legal advisors.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST)
ADOPTION AND FOSTERING SERVICE (CONTINUED)

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 rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Kinnair Associates Limited

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Kinnair Associates Limited

Chartered Accountants

Statutory Auditors

Aston House

Redburn Road

Newcastle Upon Tyne

NE51NB

Date: 08-Jul-2024

Kinnair Associates Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	3	3,770	66,795	70,565	113,948
Charitable activities	4	-	895,506	895,506	962,235
Investments	5	-	709	709	121
Total income		3,770	963,010	966,780	1,076,304
Expenditure on:					
Raising funds	6	-	17,459	17,459	18,720
Charitable activities	8	4,266	1,049,707	1,053,973	1,138,252
Total expenditure		4,266	1,067,166	1,071,432	1,156,972
Net movement in funds		(496)	(104,156)	(104,652)	(80,668)
Reconciliation of funds:					
Total funds brought forward		8,245	266,568	274,813	355,481
Net movement in funds		(496)	(104,156)	(104,652)	(80,668)
Total funds carried forward		7,749	162,412	170,161	274,813

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 37 form part of these financial statements.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05663749

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	13	4,189	3,216
		<u>4,189</u>	<u>3,216</u>
Current assets			
Debtors	14	112,636	121,180
Cash at bank and in hand		94,307	190,371
		<u>206,943</u>	<u>311,551</u>
Creditors: amounts falling due within one year	15	(40,971)	(39,954)
Net current assets		<u>165,972</u>	<u>271,597</u>
Total assets less current liabilities		<u>170,161</u>	<u>274,813</u>
Total net assets		<u><u>170,161</u></u>	<u><u>274,813</u></u>
Charity funds			
Restricted funds	16	7,749	8,245
Unrestricted funds			
Designated funds	16	24,891	139,873
General funds	16	137,521	126,695
Total unrestricted funds	16	<u>162,412</u>	<u>266,568</u>
Total funds		<u><u>170,161</u></u>	<u><u>274,813</u></u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05663749

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 05 July 2024 and signed on their behalf by:

DocuSigned by:

54F011D362E5412...

Nadine Parker
(Chair of Trustees)

The notes on pages 20 to 37 form part of these financial statements.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	19	(96,773)	(52,940)
Dividends, interests and rents from investments		709	121
Net cash provided by investing activities		709	121
Change in cash and cash equivalents in the year		(96,064)	(52,819)
Cash and cash equivalents at the beginning of the year		190,371	243,190
Cash and cash equivalents at the end of the year	20	94,307	190,371

The notes on pages 20 to 37 form part of these financial statements

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

1. General information

Cornerstone (North East) Adoption and Fostering Service is a charitable company limited by guarantee, registered in England and Wales. The registered office is First Floor, Mattersey Hall Training Centre, Retford Road, Mattersey, DN10 5HD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cornerstone (North East) Adoption and Fostering Service 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.

Cornerstone (North East) Adoption and Fostering Service is a company limited by guarantee, registered in England and does not have a share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Going concern

The Trustees consider that Cornerstone has sufficient resources to continue for the foreseeable future. Free reserves currently stand at £133,332 following a better than forecast deficit in the 2023/24 year. It is anticipated that staff costs will not rise significantly, but that as new carers are approved and placement numbers reach the 25 mark, income will rise to meet expenditure costs from Autumn 2024. Continued marketing at conferences and in social media, a new push to transfer existing carers from other agencies and robust strategies for approving new families and maintaining a low debtors figure mean that the charity is confident that funds are sufficient until then.

Therefore the Trustees are happy to adopt the going concern basis of accounting in preparing the accounts.

2.3 Tangible fixed assets and depreciation

Fixed assets costing more than £1,000 are capitalised. Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated at the following annual rate which it is estimated will write off the original cost of the assets over their expected effective lives:

Computer and Other Equipment - over 3 years.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Voluntary income is received by way of donations and gifts and is included in the Statement of Financial Activities when receivable.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

The charitable company receives payroll services free of charge. A reasonable estimate of actual cost is included in the accounts as donations income and under professional fees.

Investment income is included when receivable.

2.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Included within support costs are governance costs which represent those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

2.6 Debtors

Local authority and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

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

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.9 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.10 Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

2.11 Designated funds

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

2.12 Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs.

2.13 Pension costs

The charity makes employers' contributions to a defined contributions scheme. The cost of the contributions is charged to the Statement of Financial Activities in the period to which they relate.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

3. Income from donations and legacies

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Donations			
Donations - trusts, churches, individuals and donated services	3,445	18,201	21,646
Gift aid - donations including tax recoverable	325	261	586
Donations of services in kind	-	43,333	43,333
Grants received	-	5,000	5,000
	<u>3,770</u>	<u>66,795</u>	<u>70,565</u>

	<i>Restricted funds 2023 £</i>	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Donations			
Donations - trusts, churches, individuals and donated services	8,245	3,827	12,072
Gift aid - donations including tax recoverable	-	1,876	1,876
Donations of services in kind	-	100,000	100,000
	<u>8,245</u>	<u>105,703</u>	<u>113,948</u>

4. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Foster and respite carer fees	872,074	872,074	939,051
Post adoption fees	20,184	20,184	13,320
Other fees and income	3,248	3,248	9,864
	<u>895,506</u>	<u>895,506</u>	<u>962,235</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

5. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Bank interest receivable	709	709	121

6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Costs of raising voluntary income	5,317	5,317	5,367
Allocated wages costs	12,142	12,142	13,353
	<u>17,459</u>	<u>17,459</u>	<u>18,720</u>

7. Analysis of grants

	Grants to Institutions 2024 £	Grants to Individuals 2024 £	Total funds 2024 £
Grants to individuals made from Jubilee Fund	-	2,500	2,500
Grant to Christian Institute	5,000	-	5,000
	<u>5,000</u>	<u>2,500</u>	<u>7,500</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

7. Analysis of grants (continued)

	<i>Grants to Individuals 2023 £</i>	<i>Total funds 2023 £</i>
Grants to individuals made from Jubilee Fund	8,690	8,690

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total 2024 £
Fostering and adoption activities	4,266	1,044,707	1,048,973
Grants to institutions	-	5,000	5,000
	<u>4,266</u>	<u>1,049,707</u>	<u>1,053,973</u>

	<i>Unrestricted funds 2023 £</i>	<i>Total 2023 £</i>
Fostering and adoption activities	1,138,252	1,138,252

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

9. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Grant funding of activities 2024 £	Support costs 2024 £	Total funds 2024 £
Fostering and adoption activities	589,022	2,500	457,451	1,048,973
Grants to institutions	-	5,000	-	5,000
	589,022	7,500	457,451	1,053,973

	Activities undertaken directly 2023 £	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £
Fostering and adoption activities	652,408	8,690	477,154	1,138,252

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2024 £	<i>Total funds 2023 £</i>
Staff costs	126,690	133,709
Depreciation	3,216	2,197
Foster carer charges	408,271	423,233
Respite care	7,303	9,533
Therapy and Supportive Events	12,050	10,560
Foster care training	4,133	3,388
Other Costs	9,892	10,611
Contracted Social Work	877	10,029
Contract and other fees	16,590	49,148
	589,022	<i>652,408</i>

Analysis of support costs

	Total funds 2024 £	<i>Total funds 2023 £</i>
Staff costs	308,558	277,701
Insurance	8,791	7,243
Office costs	1,929	2,311
Staff training	4,599	3,011
Property costs	17,648	10,436
IT and phone	18,535	16,777
Travel and subsistence	19,196	21,953
Other costs	8,586	14,000
Governance	15,230	12,912
Legal and professional fees	54,379	110,810
	457,451	<i>477,154</i>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

10. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £6,380 (2023 - £5,800), and accountants preparation fees of £1,320 (2023 - £1,200).

11. Staff costs

	2024	2023
	£	£
Wages and salaries	387,523	368,336
Social security costs	31,594	30,384
Contribution to defined contribution pension schemes	28,273	26,043
	447,390	424,763

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

	2024	2023
	No.	No.
Charitable activities	5	5
Finance and administration	9	8
	14	13

The average headcount expressed as full-time equivalents was 11 (2023: 10).

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel comprise the Trustees and three (2023: four) senior employees of the charitable company. The Trustees are not remunerated. The remuneration of the other senior employees within key management amounts to £114,822 (2023: £186,441). This figure includes employers National Insurance and Employers Pension contributions.

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year, one Trustee was paid for services in respect of provision of agency decision maker for the charitable company in the total sum of £765 (2023: one trustee paid £2,220 in respect of a working practice review).

During the year ended 31 March 2024, expenses totalling £720 were reimbursed or paid directly to four trustees (2023: £555 to 5 Trustees). These are for travel and subsistence expenses. Trustee meetings costs of £nil (2023: £321) were also incurred.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

13. Tangible fixed assets

	Computer equipment £
Cost	
At 1 April 2023	12,472
Additions	4,189
At 31 March 2024	<u>16,661</u>
Depreciation	
At 1 April 2023	9,256
Charge for the year	3,216
At 31 March 2024	<u>12,472</u>
Net book value	
At 31 March 2024	<u>4,189</u>
<i>At 31 March 2023</i>	<u>3,216</u>

14. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	104,903	98,499
Other debtors	4,434	2,911
Prepayments and accrued income	3,299	19,770
	<u>112,636</u>	<u>121,180</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

15. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	11,030	17,505
Other taxation and social security	11,898	6,950
Other creditors	3,904	1,058
Accruals and deferred income	14,139	14,441
	<u>40,971</u>	<u>39,954</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Unrestricted funds					
Designated funds					
Legal Fund	5,000	-	(5,000)	-	-
Jubilee Fund	15,541	-	(2,500)	-	13,041
Future Losses Fund	119,332	-	-	(119,332)	-
Tent Peg Fund	-	11,850	-	-	11,850
Cornerstone Holiday Fund	-	11,294	(11,294)	-	-
	<u>139,873</u>	<u>23,144</u>	<u>(18,794)</u>	<u>(119,332)</u>	<u>24,891</u>
General funds					
General funds	<u>126,695</u>	<u>939,866</u>	<u>(1,048,372)</u>	<u>119,332</u>	<u>137,521</u>
Total Unrestricted funds	<u>266,568</u>	<u>963,010</u>	<u>(1,067,166)</u>	<u>-</u>	<u>162,412</u>
Restricted funds					
Foundations Matter	8,245	2,520	(4,266)	-	6,499
Tent Peg Fund	-	1,250	-	-	1,250
	<u>8,245</u>	<u>3,770</u>	<u>(4,266)</u>	<u>-</u>	<u>7,749</u>
Total of funds	<u>274,813</u>	<u>966,780</u>	<u>(1,071,432)</u>	<u>-</u>	<u>170,161</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

16. Statement of funds (continued)

Designated Funds

The Legal Fund contains monies designated by the Trustees for use in a legal matter. One grant totalling £5,000 has been made from this fund during the year.

The Jubilee Fund represents funds set aside by the Trustees in 2021 to provide support adults formerly in the care of Cornerstone who have come of age and who have one-off financial needs. One grant totalling £2,500 was made during the year.

The Future Losses Fund represents monies put aside by the Trustees in 2022 to cover a forecast loss-making period as the charity re-organises and moves into new enterprises. In this 2023/24 year, a transfer equivalent to the balance brought forward on the fund has been made from this fund to the general fund.

The Cornerstone Holiday Fund represents monies put aside by the trustees in the 2023/24 year for the annual Cornerstone holiday organised for carers and placement children.

The Tent Peg Fund represents monies put aside by the trustees for buildings adaptations to increase the capacity of foster families to take on foster placements, including those with additional needs.

Restricted Funds

The Foundations Matter fund represents donations received towards the costs of setting up the charity's branch in Scotland.

The Tent Peg Fund represents donations received towards the costs of building adaptations for foster families placing children with additional needs.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2023 £</i>
Unrestricted funds					
Designated funds					
Legal Fund	5,000	-	-	-	5,000
Jubilee Fund	18,528	-	(8,690)	5,703	15,541
Future Losses Fund	200,000	-	-	(80,668)	119,332
	<u>223,528</u>	<u>-</u>	<u>(8,690)</u>	<u>(74,965)</u>	<u>139,873</u>
General funds					
General funds	<u>131,953</u>	<u>968,059</u>	<u>(1,048,282)</u>	<u>74,965</u>	<u>126,695</u>
Total Unrestricted funds	<u>355,481</u>	<u>968,059</u>	<u>(1,056,972)</u>	<u>-</u>	<u>266,568</u>
Restricted funds					
Foundations Matter	<u>-</u>	<u>8,245</u>	<u>-</u>	<u>-</u>	<u>8,245</u>
Total of funds	<u><u>355,481</u></u>	<u><u>976,304</u></u>	<u><u>(1,056,972)</u></u>	<u><u>-</u></u>	<u><u>274,813</u></u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Designated funds	139,873	23,144	(18,794)	(119,332)	24,891
General funds	126,695	939,866	(1,048,372)	119,332	137,521
Restricted funds	8,245	3,770	(4,266)	-	7,749
	<u>274,813</u>	<u>966,780</u>	<u>(1,071,432)</u>	<u>-</u>	<u>170,161</u>

Summary of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Designated funds	223,528	-	(8,690)	(74,965)	139,873
General funds	131,953	968,059	(1,048,282)	74,965	126,695
Restricted funds	-	8,245	-	-	8,245
	<u>355,481</u>	<u>976,304</u>	<u>(1,056,972)</u>	<u>-</u>	<u>274,813</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	4,189	4,189
Current assets	7,749	199,194	206,943
Creditors due within one year	-	(40,971)	(40,971)
Total	<u>7,749</u>	<u>162,412</u>	<u>170,161</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Restricted funds 2023 £</i>	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	-	3,216	3,216
Current assets	8,245	303,306	311,551
Creditors due within one year	-	(39,954)	(39,954)
Total	8,245	266,568	274,813

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

	2024 £	2023 £
Net expenditure for the period (as per Statement of Financial Activities)	(104,652)	(80,668)
Adjustments for:		
Depreciation charges	3,216	2,197
Dividends, interests and rents from investments	(709)	(121)
Decrease in debtors	8,544	18,119
Increase in creditors	1,017	10,587
Purchase of fixed assets	(4,189)	(3,054)
Net cash used in operating activities	(96,773)	(52,940)

20. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	94,307	190,371
Total cash and cash equivalents	94,307	190,371

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

21. Analysis of changes in net debt

	At 1 April 2023	Cash flows	At 31 March 2024
	£	£	£
Cash at bank and in hand	190,371	(96,064)	94,307
	<u>190,371</u>	<u>(96,064)</u>	<u>94,307</u>

22. Pension commitments

The charity operated a defined contribution pension scheme. The pension cost charge of £28,272 (2023: £26,043) represents contributions payable by the charity to a pension fund for the year.

23. Operating lease commitments

At 31 March 2024 the Charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Later than 1 year and not later than 5 years	17,932	-
Later than 5 years	51,750	-
	<u>69,682</u>	<u>-</u>

24. Related party transactions

The charity purchased £765 of services from a Trustee (2023: £2,220 from one Trustee), further details of which are provided in note 12. There are no amounts outstanding at the year end.

A grant payment of £2,500 (2023: £4,995) has been made out of the charity's Jubilee Fund to a dependent of a Trustee and Senior management during the year. No amounts are outstanding at the year end.

Ex-gratia gifts totalling £80 (2023: £600) have been made to one (2023: three) related parties comprising Trustees / senior employees / ex-Trustees in the year.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

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

25. Ex Gratia payments

In addition to the payments to Trustees and senior employees noted above, payments for gifts totalling £720 (2023: £200) were made to three (2023: four) departing members of staff, and other gratuities totalling £648 were also paid to staff (2023: £nil). These payments are in addition to contributions towards parting gifts that have been made directly by Trustees, staff, carers and friends of Cornerstone from their own funds. The Trustees have recognised that the year has been one of change for the charity and believe that such payments are required to recognise the considerable efforts and achievements of longstanding members of the Trustee Board and staff. To not recognise their achievements would be contrary to the ethos of the charity.

26. Gifts / Services in Kind

The charity has been in receipt of legal assistance during its recent partly successful case as disclosed in previous years' financial statements. The legal costs that have been met on behalf of the charity through this legal assistance during that case amount to £43,333 (2023 - £100,000 estimated). These costs are treated as a service in kind and are shown as legal costs and donations in kind income in these financial statements. There is no net effect on the net expenditure of the charity. An equivalent restatement of the comparative figures has also been made in respect of the estimated cost of the assistance received in the prior year.

Accounts



Directors' and Trustees' Report

For the Year Ended

31 March 2023

Cornerstone UK

Room 2 – Oxford House
Sixth Avenue
Doncaster
DN9 3GG



Contents

1 Reference and administrative information 2

 Trustees as at 5th April 2023 2

2 Message from the Chair 3

3 Structure and governance..... 4

 Structure 5

 Governance 6

4 Activities 7

 Trustees 7

 Employees 8

 Foundations Matter 8

 Ofsted 8

 Fostering 8

 Post-Adoption Support..... 9

5 Financial report..... 9

6 Future plans 10

7 Audit Report 13

8 Accounts..... 17

1 Reference and administrative information

Trustees as at 5th April 2023

- Dr Jenny Simpson (Chair)
- Nadine Parker (Vice Chair)
- Andrew Church (Treasurer, Vice Chair)
- Charles Thomson
- Hamish Baillie
- Ken de Soyza
- Gillian Horner
- Michael Horner
- Janet Lancefield

Chief Executive Officer: Joshua MacDonald

Independent Company Secretary: Sarah Murray

Registered office: Oxford House, Sixth Avenue, Doncaster, DN9 3GG

Company registered number (CRN): 05663749

Charity registered numbers: 1114213 (England) and SC050836 (Scotland)

Independent auditors: Kinnair Associates Limited (Chartered Accountants) (Aston House, Redburn Road, Newcastle upon Tyne NE5 1NB)

Bankers: Yorkshire Bank (York House, Thornaby, Stockton On Tees, TS17 9PL)

2 Message from the Chair

In recent years it could be said that the path travelled by Cornerstone has been akin to the children of Israel journeying to the promised land. This year, as an organisation we have seen the Lord lead us by day and by night. He has never left us and has been entirely faithful. Proof of His faithfulness is that we have continued to touch the lives of children through our wonderful foster carers. We have continued to provide our post-adoption service to families, and we have seen breakthrough for our individual foster families as they have sought to meet the needs of the children who have been placed with them. We have also had the enormous privilege of seeing children thrive and develop.

As the children of Israel prepared to enter the promised land, there was a change of leadership. We too have seen the baton passed from our Founder Pam Birtle to our new Chief Executive Officer, Joshua MacDonald. We thank Pam for her commitment and vision, and we want to encourage our new CEO to follow after the Lord in all matters concerned with Cornerstone.

This year has also seen Cornerstone achieve ratings of Good for both its Fostering and Post-Adoption services. This is an incredible achievement on the part of all the staff, foster carers, Fostering Panel members and particularly, our Fostering Manager. As a result, we find ourselves on the cusp of new endeavours that will allow us to further consolidate our position and also reach out to more families that share the Father's heart for children who need a foster home.

In closing, as Cornerstone enters the 'promised land' of new endeavours, we take our example from Joshua who called the children of Israel to commit themselves to the Lord and to follow Him. We are committed to following the Lord's leading in each of the organisation's endeavours. We are also committed to serving, supporting and enabling all members of the Cornerstone family to achieve their best as part of meeting the needs of children and young people.

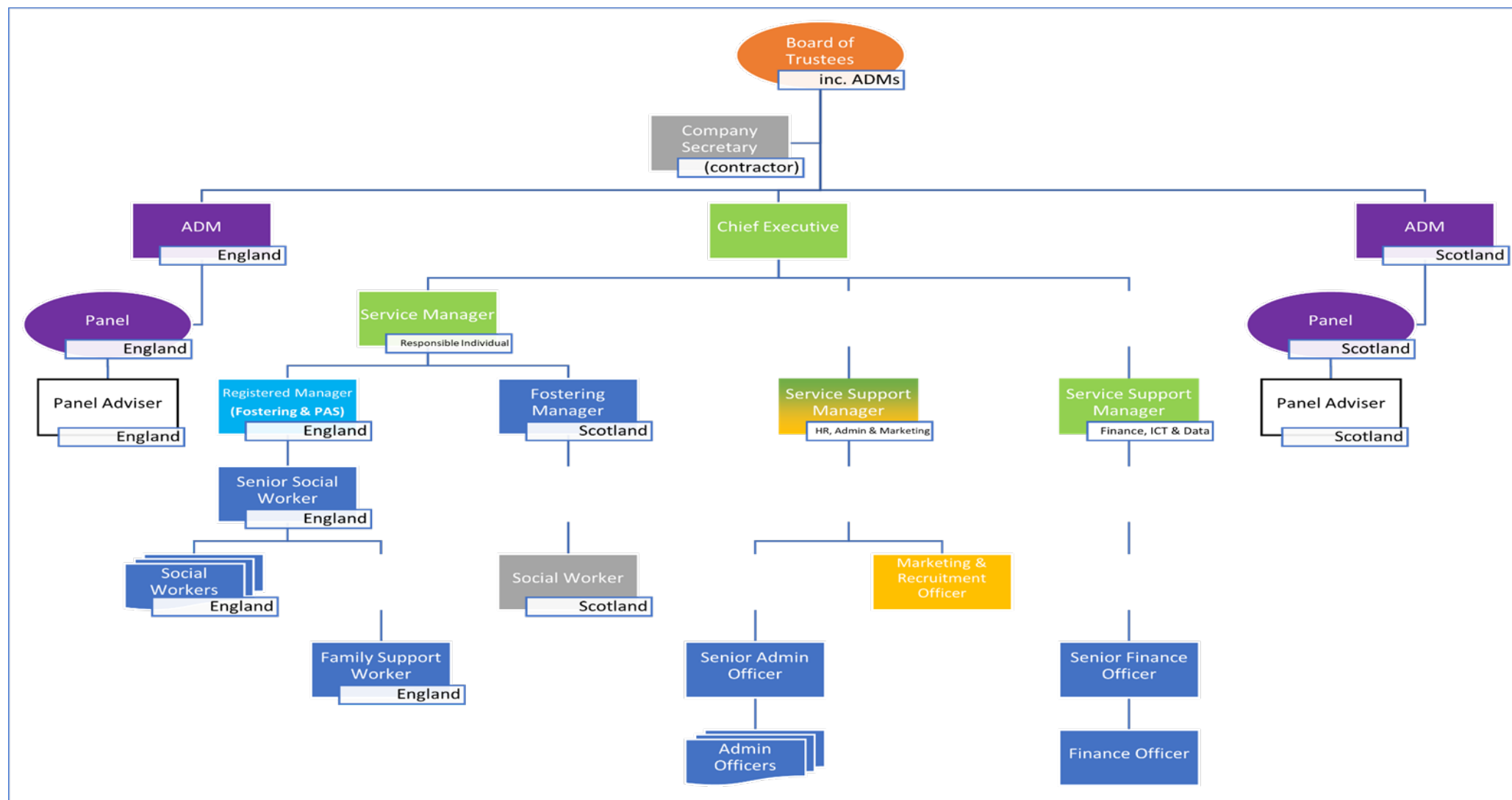
By order of the Board of Trustees



Dr Jenny Simpson
Chair of Trustees

ANNUAL REPORT 2022-23

3 Structure and governance





ANNUAL REPORT 2022-23

TRUSTEES' REPORT

The Trustees present their annual report together with the audited financial statements of the Charitable company for the year 1 April 2022 to 31 March 2023. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charitable company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Purposes and aims of the Charity and main activities undertaken in relation to those purposes

Cornerstone's overall aim is 'to improve the outcomes for children and young people in public care through the provision of a quality childcare service'. The activities of Cornerstone are carried out to further its charitable purpose for the public benefit. Cornerstone is a Christian charity. Each person within the organisation has an active Christian Faith, but collectively come from a diversity of cultural and ethnic backgrounds, which Cornerstone respects and promotes.

When reviewing the aims and objectives of the charity, and in exercising their powers and duties and planning future activities, the Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission including the guidance 'Public benefit: running a charity (PB2)'.

Strategies for achieving objectives

Cornerstone specialises in providing high quality permanent substitute homes to children and young people in public care. The provision of permanent 'forever families' is achieved both through fostering and adoption. The children and young people are fully accepted into Cornerstone families and, whether fostered or adopted, they are cared for beyond the age of eighteen if this is their wish. Children placed through Cornerstone are often older children for whom the Local Authorities have been unable to find an adoptive family, sibling groups or children with special needs. We also offer a range of short-term placements. The Fostering Statement of Purpose (SOP) was updated in 2022 to reflect changes in the scope and range of the service.

Criteria used to assess success in the reporting period

The primary criterion used to assess success in the reporting period was the number of children that the charity has successfully placed with foster families. The charity measures twenty-four other supportive, secondary key performance indicators (KPIs).



ANNUAL REPORT 2022-23

TRUSTEES' REPORT

Constitution

The charity is constituted as a company limited by guarantee and is governed by its memorandum and articles of association. Trading as Cornerstone, the company was launched as an independent agency on 1 April 2006.

The Charitable company also conducts its activities under the name Foundations Matter in Scotland.

Structure

Additional explanatory notes on our Organisational Chart:

- Oval represents a group/board
- Green represents Senior Management Team (SMT)
- Grey represents contractor/non-employee
- Purple represents outside staffing structure
- Yellow represents vacant post
- Light blue represents multiple services

Our team has evolved and will continue to evolve. The current shape displayed here accommodates our fledgling staff team and provisional service in Scotland, and provides for a seven-band approach to staff salaries and career progression from Admin Officers/Finance Officer (1) up to Chief Executive (7) that we have developed this year. Our Senior SMT has been streamlined from 5 down to 4 members, with 2 Business Divisions (Service, and Service Support) and 5 Business Departments:

- Fostering (England)
- Post-Adoption Support England
- Fostering (Scotland)
- Service Support (HR, Admin & Marketing)
- Service Support (Finance, ICT & Data)

Governance

Our Trustees lead on governance and, as Directors of the charity, retain ultimate accountability over the affairs of the charity. Below them we have developed four new groups or committees that take delegated responsibility for day-to-day decision-making:

- Risk and Governance Committee
- Remuneration Committee
- Grants Committee
- Senior Management Team (SMT)



ANNUAL REPORT 2022-23

TRUSTEES' REPORT

Related parties – payments to Trustees

It is a legal requirement for Cornerstone to employ an Agency Decision Maker (ADM). The ADM makes decisions on the approval and registration of foster carers, based on the agency panel's recommendations. This is a specialist function requiring a qualified social worker, and the role is paid by the hour. Payment is not for the Trustee role as such. Two of our Board members, Jen Frampton and Jenny Simpson, fulfilled this role during the reporting period.

The charity has also continued and completed the Working Practice Review carried out by Josh MacDonald that was commenced last year.

Methods of appointment of Trustees

All the directors of the company are also Trustees of the charity, and there are no other Trustees. The directors and Trustees who served during the year are set out on page 2. In accordance with the Articles of Association there is no limit on the period the Trustees are allowed to serve. At every AGM one third of the Trustees who are subject to retirement by rotation, shall retire from office, and being eligible, can offer themselves for re-election.

The appointment of new Trustees requires the unanimous approval of all existing trustees and receipt of DBS and reference checks.

Policies adopted for the induction and training of Trustees

All new Trustees are informed of their duties and responsibilities in the Charity's 'Information for Trustees' brochure. Practical training is provided as appropriate.

4 Activities and achievements

Trustees

During the past twelve months Trustees have met quarterly in a formal manner as a full Board, and have also adopted additional interim 'catch-up' meetings in-between formal Board meetings to increase the level of support to and oversight of the CEO and staff team.

Hazael Hornsby, Jeremy Craxford, Joshua MacDonald, Laura MacDonald and Jen Frampton resigned from the Board during the reporting period. Andrew Church and Hamish Baillie joined the Board.

The Board of Trustees agreed a Development Plan that includes for future recruitment based on a skills analysis.



ANNUAL REPORT 2022-23

TRUSTEES' REPORT

Employees

During the past twelve months we have seen a number of staff members leave the Cornerstone team (including Founder and CEO Pam Birtle), with a number of individuals joining the team in their place including (one of which was new CEO Joshua MacDonald). Substantial future recruitment is planned.

Foundations Matter

Registration with the Care Inspectorate in Scotland as a fostering agency (contained within Cornerstone UK) remained pending, but is expected following the conclusion of legal proceedings (see below). Prospective foster carers, staff and panel members have been identified and many have been formally and safely recruited, with a view to us launching as quickly as possible following approval of our application.

Ofsted

Our Post-Adoption Support Service was inspected by Ofsted between 31st January and 2nd February (inclusive), achieving a 'Good' rating. The full report is available on our website.

Our Fostering Service was inspected by Ofsted between 13th and 17th March 2023 (inclusive), achieving a 'Good' rating. The full report is available on our website.

These inspections and their subsequent reports confirm not only that we are providing a 'good' level of service, but also make clear our compliance with legislation such as the Equality Act 2010 and the Human Rights Act 1998.

Fostering

In the last year, we:

- have received expressions of interest from 67 potential foster households;
- have completed the assessment of 1 foster household;
- began assessing 3 foster households;
- approved 1 foster household;
- completed the annual review for 15 foster households;
- delivered a significant number of training sessions, feedback on which has been positive;
- have seen 8 foster carers resign:
 - o two adopted the children in their care;
 - o two resigned to move back to Brazil;
 - o four resigned because of the negative impact fostering was having on their birth children;
- received approximately 40 local authority placement referrals per day;
- made 15 new placements;
- ended 8 placements;
- ran one annual holiday and regular family days in multiple locations.

Our fostering panel met six times within this reporting period.



ANNUAL REPORT 2022-23

TRUSTEES' REPORT

Post-Adoption Support

At the end of the reporting period, we were formally supporting one adoptive family, and informally supporting a number of other families who have now adopted children following a period of serving as foster carers with Cornerstone.

Principal risks and uncertainties

The Charity Trustees have considered the major risks to which the Charity is exposed and have satisfied themselves that systems or procedures have been established and updated to manage those risks. We ensure that policies and procedures are reviewed regularly and updated as necessary.

The principal risks and uncertainties for the charity are:

- litigation stemming from suspected non-compliance with equalities or human rights legislation;
- income deficit and resultant cashflow challenges;
- inability to recruit the right employees, and in sufficient number.

The strategies for managing those risks are...

- ensuring policies and codes of practice are compliant;
- pro-active recruitment of foster carers, combined with an effective and energetic marketing strategy;
- pro-active recruitment of high-quality employees, combined with an effective retention strategy.

5 Financial report

The charity's principal funding comes from charges made to local authorities in carrying out the charitable activities.

In overall terms the accounts show an actual deficit of £80k against a budgeted deficit of £200k. This was due to a number of contributory factors:

- Income from fostering and adoption services was higher than anticipated due, primarily, to placements lasting longer than forecast.
- Staff costs were lower than anticipated. This was a result of staff leaving and the lead time in finding suitable replacements.
- Office costs and external fees were lower than budget. However, travel costs were higher than budget in part due to distances between the location of staff and the situation of placements.
- 'Other costs' were higher than budget due to the unforeseen write off of irrecoverable fees.

This performance is very positive when set against the backdrop of changes in key personnel and ongoing legal proceedings.



ANNUAL REPORT 2022-23

TRUSTEES' REPORT

A significant amount of work has been satisfactorily undertaken in bringing the month-on-month debtors' figure down to a level which can be reasonably be expected. Furthermore, relations with Local Authorities have improved resulting in a much quicker turnaround of invoice payment and the more prompt resolution of queries.

Looking forward to 2023/24, the position is a very positive one and we anticipate a month-on-month break-even situation by March/April 2024. Having seen the conclusion of legal proceedings we now are in a strong position in terms of our application to the Scottish Care Inspectorate.. Furthermore, our continued promotional activities in England and Scotland should provide additional fostering families enabling us to expand our activities.

The Jubilee Fund continues to operate. The current balance of £15.5k compares with £18.5k at the end of 2021/22. Three grants were made totalling £8.7k and we look forward to receiving positive progress reports.

Additional staffing in the Finance Department has enabled resources to be channelled into updating key regulatory documentation including finance procedures and risk management documentation which will have a positive impact across the organisation.

Reserves policy

The policy of Cornerstone is to hold sufficient reserves to operate for three months expenditure assuming no further income comes in.

At the year end, the charity held total reserves of £274,813 of which free reserves (after adjusting for non liquid funds and funds held in designated and restricted reserves) amounted to £123,479. This would equate to approximately 1.4 months' activity. The Trustees are satisfied that the three months reserves position can be recovered.

Included within the charity's designated reserves is a future losses reserve which was set up by the charity last year to reflect forecast future losses so that a fair view of the funds held by the charity and their future use could be made. Transfers are made from this fund to the unrestricted general fund to reflect losses made in the year over the period predicted by the forecast. The Trustees anticipate that the remaining balance on this reserve will be utilised within the 2023/24 year.

6 Future plans

Cornerstone's over-arching charitable objective remains unchanged and is as follows:

'The Charity's objects are to provide a high quality adoption and fostering child care service according to Christian principles to alleviate the needs of children and young people who are or may be temporarily or permanently separate from their families and to promote the relief and care of children without families or parents able to care for them by the provision of substitute families able to meet their needs with the aim of improving the conditions of life and future of such children and young people.'



ANNUAL REPORT 2022-23

TRUSTEES' REPORT

In addition to this core objective, at their meeting on 21st April 2023 Trustees approved a medium-term Strategic Business Plan to commence April 2023 and conclude March 2026. It contained the following nine key objectives for the forthcoming three-year period:

1. Approve foster carers
2. Place children into foster care in England and Scotland
3. Become an adoption agency in England and Scotland
4. Maintain our common-interest community ('the Cornerstone family')
5. Develop and support foster carers & adoptive parents
6. Raise funds
7. Make grants
8. Recruit, develop and retain employees
9. Recruit, develop and retain Trustees and panel members

Further to these aims, the Strategic Business Plan commits Cornerstone to a more detailed set of twenty-five targets to be measured through a system of Key Performance Indicators (KPIs).

Key to making good on the nine key objectives above is delivery of our marketing strategy. This can be summarised practically as follows:

1. Digital
 - a. Pay for regular targeted Facebook and Instagram adverts
 - b. Write and publish regular website blog posts
 - c. Write and publish regular email newsletters
2. In-person
 - a. Write and publish regular paper newsletters
 - b. Provide an information stand at small, medium and large Christian events.
 - c. Speak at partner churches and other venues/events
3. Strategic partnerships with similar Christian charities and organisations
4. In-house administration and management
 - a. Build an improved enquiry tracker database
 - b. Build a newsletter distribution list
 - c. Build a database of official members
 - d. Build a team of ambassadors
 - e. Build a database of partner churches

Statement of Trustees' responsibilities

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



ANNUAL REPORT 2022-23

TRUSTEES' REPORT

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 its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable company will continue in business.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Kinnair Associates Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 7th July 2023 and signed on their behalf by:

DocuSigned by:

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Dr Jenny Simpson

(Chair of Trustees)

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE

Opinion

We have audited the financial statements of Cornerstone (North East) Adoption and Fostering Service (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 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 Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 United Kingdom, including the Financial Reporting Council'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.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST) ADOPTION
AND FOSTERING SERVICE (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- the engagement partner ensured that the engagement team had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Companies Act 2006, the Charities Act 2011 and Charity Commission regulation, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, Fostering National Minimum Standards and the requirements of Ofsted under which the Charity is regulated.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured that the identified laws and regulations are communicated within the audit team regularly and the team remain alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:-

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC, relevant regulators including Ofsted and legal advisors.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

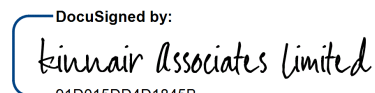
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST) ADOPTION
AND FOSTERING SERVICE (CONTINUED)**

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 rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

91D015DD4D1845B...
Kinnair Associates Limited
Chartered Accountants
Statutory Auditors
Aston House
Redburn Road
Newcastle Upon Tyne
NE51NB
Date: 09-Jul-2023

Kinnair Associates Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	8,245	5,703	13,948	9,273
Charitable activities	4	-	962,235	962,235	894,908
Investments	5	-	121	121	592
Total income		8,245	968,059	976,304	904,773
Expenditure on:					
Raising funds	6	-	18,720	18,720	-
Charitable activities	8	-	1,038,252	1,038,252	914,607
Total expenditure		-	1,056,972	1,056,972	914,607
Net movement in funds		8,245	(88,913)	(80,668)	(9,834)
Reconciliation of funds:					
Total funds brought forward		-	355,481	355,481	365,315
Net movement in funds		8,245	(88,913)	(80,668)	(9,834)
Total funds carried forward	17	8,245	266,568	274,813	355,481

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 35 form part of these financial statements.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05663749

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	3,216	2,359
		3,216	2,359
Current assets			
Debtors	14	121,180	148,299
Cash at bank and in hand		190,371	243,190
		311,551	391,489
Creditors: amounts falling due within one year	15	(39,954)	(38,367)
Net current assets		271,597	353,122
Total assets less current liabilities		274,813	355,481
Total net assets		274,813	355,481
Charity funds			
Restricted funds	16	8,245	-
Unrestricted funds	16	266,568	355,481
Total funds		274,813	355,481

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05663749

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 07 July 2023 and signed on their behalf by:

DocuSigned by:

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Dr Jenny Simpson
Chair of Trustees

The notes on pages 21 to 35 form part of these financial statements.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities		(52,819)	22,318
Change in cash and cash equivalents in the year		(52,819)	22,318
Cash and cash equivalents at the beginning of the year		243,190	220,872
Cash and cash equivalents at the end of the year		190,371	243,190

The notes on pages 21 to 35 form part of these financial statements

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Cornerstone (North East) Adoption and Fostering Service is a charitable company limited by guarantee, registered in England and Wales. The registered office is Room 2, Oxford House, Sixth Avenue, Auckley, Doncaster, DN9 3GG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cornerstone (North East) Adoption and Fostering Service 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.

Cornerstone (North East) Adoption and Fostering Service is a company limited by guarantee, registered in England and does not have a share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Going concern

The Trustees consider that Cornerstone has sufficient resources to continue for the foreseeable future. Free reserves currently stand at £123,479 following a better than forecast deficit in the 2022/23 year. It is anticipated that growth in staff numbers and expansion into Scotland will bring about a further deficit in 2023/24, for which we have budgeted. We can afford to make a such a deficit. The additional uncertainties identified in last year's financial statements have lessened (around the need for the charitable company to increase its client base or to find alternative sources of income within the next 12 months). The charity has put into operation its strategy of increasing the size of the finance team so that amongst other things arrears from local authority debtors are collected on a timely basis. The charity continues to put in place other strands of its strategy for bringing the charity back into surplus in subsequent year's:

- Continued pursuit of grant funding from charitable organisations in Scotland to support our development north of the Border;
- An enhanced marketing team.

Therefore the Trustees are happy to adopt the going concern basis of accounting in preparing the accounts.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.3 Tangible fixed assets and depreciation

Fixed assets costing more than £1,000 are capitalised. Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated at the following annual rate which it is estimated will write off the original cost of the assets over their expected effective lives:

Computer and Other Equipment - over 3 years.

2.4 Income

All income is recognised once the Charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Voluntary income is received by way of donations and gifts and is included in the Statement of Financial Activities when receivable.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

The charitable company receives payroll services free of charge. A reasonable estimate of actual cost is included in the accounts as donations income and under professional fees.

Investment income is included when receivable.

2.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Included within support costs are governance costs which represent those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

2.6 Debtors

Local authority and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.7 Cash at bank and in hand

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

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.9 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.10 Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

2.11 Designated funds

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

2.12 Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs.

2.13 Pension costs

The charity makes employers' contributions to a defined contributions scheme. The cost of the contributions is charged to the Statement of Financial Activities in the period to which they relate.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. Income from donations and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Donations			
Donations - trusts, churches, individuals and donated services	8,245	3,827	12,072
Gift aid - donations including tax recoverable	-	1,876	1,876
	<u>8,245</u>	<u>5,703</u>	<u>13,948</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations		
Donations - trusts, churches, individuals and donated services	6,547	6,547
Gift aid - donations including tax recoverable	2,704	2,704
Other donations	22	22
	<u>9,273</u>	<u>9,273</u>

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Foster and respite carer fees	939,051	939,051	852,363
Post adoption fees	13,320	13,320	29,553
Other fees and income	9,864	9,864	12,992
	<u>962,235</u>	<u>962,235</u>	<u>894,908</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Bank interest receivable	121	121	592

6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Costs of raising voluntary income	5,367	5,367	-
Allocated wages costs	13,353	13,353	-
	18,720	18,720	-

7. Analysis of grants

	Grants to Individuals 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Grants to individuals made from Jubilee Fund	8,690	8,690	-

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £	<i>Total 2022 £</i>
Fostering and adoption activities	1,038,252	1,038,252	914,607

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £
Fostering and adoption activities	652,408	8,690	377,154	1,038,252

	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Fostering and adoption activities	568,173	346,435	914,608

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	133,709	98,977
Depreciation	2,197	1,551
Foster carer charges	423,233	414,737
Respite care	9,533	6,416
Therapy and Supportive Events	10,560	13,573
Foster care training	3,388	3,890
Other Costs	10,611	3,579
Contracted Social Work	10,029	5,432
Contract and other fees	49,148	20,018
	652,408	568,173

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	277,701	259,428
Insurance	7,243	6,130
Office costs	2,311	2,201
Staff training	3,011	1,637
Property costs	10,436	17,543
IT and phone	16,777	18,341
Travel and subsistence	21,953	23,767
Other costs	14,000	8,570
Governance	12,912	5,946
Legal and professional fees	10,810	2,872
	377,154	346,435

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £5,800 (2022 - £3,800), and accountants preparation fees of £1,200 (2022 - £760).

11. Staff costs

	2023	2022
	£	£
Wages and salaries	368,336	312,712
Social security costs	30,384	22,889
Contribution to defined contribution pension schemes	26,043	22,804
	424,763	358,405

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

	2023	2022
	No.	No.
Charitable activities	5	9
Finance and administration	8	5
	13	14

The average headcount expressed as full-time equivalents was: 10 (2021: 9).

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel comprise the Trustees and five (2022: three) senior employees of the charitable company. The Trustees are not remunerated. The remuneration of the other senior employees within key management amounts to £186,441 (2022: £128,198). This figure includes employers National Insurance and Employers Pension contributions.

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year, one Trustee was paid for services in respect of provision of a working practice review for the charitable company in the total sum of £2,220.

During the year ended 31 March 2023, expenses totalling £555 were reimbursed or paid directly to 5 Trustees (2022 - £599 to 2 Trustees). These are for travel and subsistence expenses. Trustee meetings costs of £321 were also incurred.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. Tangible fixed assets

	Computer equipment £
Cost	
At 1 April 2022	9,418
Additions	3,054
At 31 March 2023	12,472
Depreciation	
At 1 April 2022	7,059
Charge for the year	2,197
At 31 March 2023	9,256
Net book value	
At 31 March 2023	3,216
<i>At 31 March 2022</i>	<i>2,359</i>

14. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	98,499	<i>130,424</i>
Other debtors	2,911	<i>2,220</i>
Prepayments and accrued income	19,770	<i>15,655</i>
	121,180	<i>148,299</i>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	17,505	23,234
Other taxation and social security	6,950	7,033
Other creditors	1,058	1,816
Accruals and deferred income	14,441	6,284
	<u>39,954</u>	<u>38,367</u>

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
Designated funds					
Legal Fund	5,000	-	-	-	5,000
Jubilee Fund	18,528	-	(8,690)	5,703	15,541
Future losses fund	200,000	-	-	(80,668)	119,332
	<u>223,528</u>	<u>-</u>	<u>(8,690)</u>	<u>(74,965)</u>	<u>139,873</u>
General funds					
General funds	131,953	968,059	(1,048,282)	74,965	126,695
Total Unrestricted funds	<u>355,481</u>	<u>968,059</u>	<u>(1,056,972)</u>	<u>-</u>	<u>266,568</u>
Restricted funds					
Foundations Matter	-	8,245	-	-	8,245
Total of funds	<u>355,481</u>	<u>976,304</u>	<u>(1,056,972)</u>	<u>-</u>	<u>274,813</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Statement of funds (continued)

Designated Funds

The Legal Fund contains monies designated by the Trustees for use in a legal matter. No monies have been expended from this fund in the year.

The Jubilee Fund represents funds set aside by the Trustees in 2021 to provide support adults formerly in the care of Cornerstone who have come of age and who have one-off financial needs. One grant totalling £750 was made during the year.

The Future losses fund represents monies put aside by the Trustees in 2022 to cover a forecast loss-making period as the charity re-organises and moves into new enterprises. In this 2022/23 year, a transfer equivalent to the net deficit in the year has been made from this fund to the general fund.

Restricted Funds

The Foundations Matter fund represents donations received towards the costs of setting up the charity's branch in Scotland.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
Unrestricted funds					
Designated funds					
Legal Fund	5,000	-	-	-	5,000
Jubilee Fund	15,015	4,263	(750)	-	18,528
Future losses fund	-	-	-	200,000	200,000
	<u>20,015</u>	<u>4,263</u>	<u>(750)</u>	<u>200,000</u>	<u>223,528</u>
General funds					
General funds	<u>345,300</u>	<u>900,510</u>	<u>(913,857)</u>	<u>(200,000)</u>	<u>131,953</u>
Total Unrestricted funds	<u>365,315</u>	<u>904,773</u>	<u>(914,607)</u>	<u>-</u>	<u>355,481</u>
Restricted funds					
Foundations Matter	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total of funds	<u><u>365,315</u></u>	<u><u>904,773</u></u>	<u><u>(914,607)</u></u>	<u><u>-</u></u>	<u><u>355,481</u></u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Designated funds	223,528	-	(8,690)	(74,965)	139,873
General funds	131,953	968,059	(1,048,282)	74,965	126,695
Restricted funds	-	8,245	-	-	8,245
	<u>355,481</u>	<u>976,304</u>	<u>(1,056,972)</u>	<u>-</u>	<u>274,813</u>

Summary of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Designated funds	20,015	4,263	(750)	200,000	223,528
General funds	345,300	900,510	(913,857)	(200,000)	131,953
	<u>365,315</u>	<u>904,773</u>	<u>(914,607)</u>	<u>-</u>	<u>355,481</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	3,216	3,216
Current assets	8,245	303,306	311,551
Creditors due within one year	-	(39,954)	(39,954)
Total	<u>8,245</u>	<u>266,568</u>	<u>274,813</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	2,359	2,359
Current assets	391,489	391,489
Creditors due within one year	(38,367)	(38,367)
Total	<u><u>355,481</u></u>	<u><u>355,481</u></u>

19. Pension commitments

The charity operated a defined contribution pension scheme. The pension cost charge of £26,043 (2022: £22,804) represents contributions payable by the charity to a pension fund for the year.

20. Related party transactions

The charity has transacted with one related party, PACT North East, which is related through Cornerstone's previous CEO. Cornerstone has made sales of £7,328 (2022: £12,952) in the year to PACT North East and £nil (2022: £1,976) was outstanding from that charity at the year end.

The charity purchased £2,220 of services from a Trustee (2022: £3,199 from 3 Trustees), further details of which are provided in note 12. There are no amounts outstanding at the year end.

Grant payments of £3,995 and £1,000 (2022: £nil) have been made out of the charity's Jubilee Fund to dependents of Trustees and Senior management during the year. No amounts are outstanding at the year end.

Ex-gratia gifts totalling £600 have been made to three related parties comprising Trustees / senior employees in the year.

21. Ex Gratia payments

In addition to the payments to departing Trustees and senior employees noted above, payments for gifts totalling £200 were made to four departing members of staff. These payments are in addition to contributions towards parting gifts that have been made directly by Trustees, staff, carers and friends of Cornerstone from their own funds. The Trustees have recognised that the year has been one of change for the charity and believe that such payments are required to recognise the considerable efforts and achievements of longstanding members of the Trustee Board and staff. To not recognise their achievements would be contrary to the ethos of the charity.

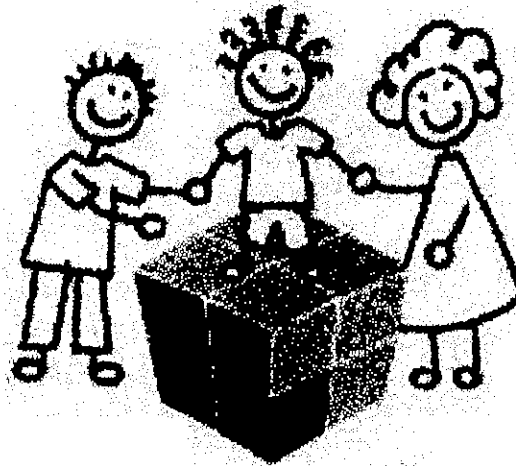
CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

22. Gifts in kind

The charity has received a gift in kind from The Christian Institute in relation to a court case (now completed) whereby the Institute has paid the charity's legal fees and has agreed to indemnify the charity in respect of any further costs to be paid in respect of the litigation.

Accounts



Cornerstone
because foundations matter

Directors' and Trustees' Report
For the Year Ended
31 March 2022

Cornerstone UK

Room 2 – Oxford House
Sixth Avenue
Doncaster
DN9 3GG

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Company, its Trustees and Advisers	1
Statement from the Chair	2
Trustees' Report	3 - 9
Independent Auditors' Report on the Financial Statements	10 - 13
Statement of Financial Activities	14
Balance Sheet	15 - 16
Statement of Cash Flows	17
Notes to the Financial Statements	18 - 31

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

Trustees	Joshua MacDonald, Chair from 06 June 2022 (appointed as Trustee 27 January 2022) Jeremy Craxford (resigned 6 June 2022) ¹ Jen Frampton, ADM Gillian Horner Michael Horner Hazael Hornsby (resigned 29 April 2022) Janet Lancefield Nadine Parker, Acting Vice Chair Dr Jenny Simpson, ADM Charles Thomson Kenneth De Soyza (appointed 21 October 2021) Laura MacDonald (appointed 27 January 2022) ¹ Acting chair to 06 June 2022 and current Treasurer
Company registered number	05663749
Charity registered numbers	1114213 and SC050836
Registered office	Room 2, Oxford House Sixth Avenue Doncaster DN9 3GG
Chief executive officer	Pamela Birtle
Independent auditors	Kinnair Associates Limited Chartered Accountants Aston House Redburn Road Newcastle Upon Tyne NE51NB
Bankers	Yorkshire Bank York House Thornaby Town Centre Thornaby Stockton-On-Tees TS17 9PL

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

STATEMENT FROM THE CHAIR
FOR THE YEAR ENDED 31 MARCH 2022

In the letter of James to the early church, we are reminded that true religion involves looking after widows and orphans. Cornerstone in England, and Foundations Matter in Scotland is passionate, excited and privileged to be involved in this work, which is close to the heart of our Heavenly Father. The concepts behind fostering and adoption are deeply embedded in the Bible and as such, are a very 'Christian' thing to do.

It has been another busy, challenging but exciting year. In terms of the staff team and our extended family of carers, it has been more a year of consolidation rather than the rapid growth we have experienced in recent years. We are still small, but not quite as small as we were, and we are developing a structure which we trust will allow us to continue developing in a healthy way. New staff, such as our Service Manager and our new Foster Carer Recruiter and new Trustees of both England and Scotland are, we believe, a key to this.

Registering as a Charity in Scotland and opening our office near Stirling marks a significant step in our development, one we have aspired to for many years. We are excited to be involved in the work north of the border. And we are also keen to consolidate our position in England. The need for stable families to care for our most vulnerable children is growing ever stronger, and we long to be a big part of the solution.

We would like to extend heartfelt thanks to our carers, volunteers, staff and trustees for their sacrificial work on behalf of the children entrusted to our care and we thank the Lord for his grace and strength throughout the past year.

Joshua MacDonald
Chair

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 April 2021 to 31 March 2022. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

• **Policies and objectives**

When reviewing the aims and objectives of the charity, and in exercising their powers and duties and planning future activities, the trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission including the guidance 'Public benefit: running a charity (PB2)'.

Cornerstone's overall aim is 'to improve the outcomes for children and young people in public care through the provision of a quality childcare service'. The activities of Cornerstone are carried out to further its charitable purpose for the public benefit. Cornerstone is a Christian charity. Each person within the organisation has an active Christian Faith, but collectively come from a diversity of cultural and ethnic backgrounds, which Cornerstone respects and promotes.

• **Strategies for achieving objectives**

Cornerstone specialises in providing high quality permanent substitute homes to children and young people in public care. The provision of permanent 'forever families' is achieved both through fostering and adoption. The children and young people are fully accepted into Cornerstone families and, whether fostered or adopted, they are cared for beyond the age of eighteen if this is their wish. Children placed through Cornerstone are often older children for whom the Local Authorities have been unable to find an adoptive family, sibling groups or children with special needs. We also offer a range of short-term placements. The Fostering Statement of Purpose (SOP) was updated in 2020 to reflect changes in the scope and range of the service. It has been further updated in 2022. The Post Adoption Support Service SOP has also been refreshed. Both are on the website and have been shared with Ofsted.

• **Activities undertaken to achieve objectives**

Details of our activity and its impact are set out below and are available on our website.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

• **Review of activities**

In a significant shift in approach, contracts for outsourcing our HR and IT functions were placed during the year. This, we believe ensures that our processes are robust, fit for purpose, and designed to equip us for an ever-changing operating environment.

In a reflection of the ongoing growth of Cornerstone, the Trustees approved the creation of the post of Finance Manager. Not only will this appointment strengthen the Finance Function but will enhance the development and expansion of Cornerstone's operations.

As has already been mentioned, there have been changes in the location of offices (Menstrie and Darlington). This reflects the changing needs of the organization in its objective to be a truly national organization. Achieving a workable home/office hybrid system of working has presented its own challenges, particularly in the greater dependence on IT. As we engage with more children, families and external organisations and expand our organization geographically and numerically, we will continue to review our operational requirements which are bound to change with time.

To reflect our commitment to growth we have engaged the services of a Foster Carer Recruiter. We have already seen positive results from this, and several people have attended events having seen the call for foster carers on social media. With a new dedicated staff member strengthening our team we will aim to use both digital and in-person strategies to recruit more foster carers and to promote the work of Cornerstone around the country. Targeted ads are placed to carefully selected audiences throughout our social media channels. We are also buying ad space in various local outlets where we already have foster carers to develop the clusters further. As part of our overall PR strategy, we have started a blog on our website, and we are producing high quality content to our social media platforms that is relevant to our target audience. Our community-based strategies involve our dominant presence at Christian conferences and events as well as speaking engagements in local churches. We aim to offer online sessions for church staff and children's workers too on topics that are connected to the field of fostering and adoption.

During the year a branch office was opened in Menstrie, Stirlingshire. This gave a physical presence of Cornerstone in Scotland and demonstrated our intent and commitment to a sustainable ministry in Scotland. In Scotland we are to be known as Foundations Matter as there is already a charity called Cornerstone providing respite care for foster carers. It was also agreed that the office in Darlington was under utilised and that the lease would not be renewed. The move out of Darlington was completed in April, 2022.

During the year, it became apparent that the form of audit would need to change. This was necessary due to two factors as a cross border charity we became subject to a lower turn-over threshold under Scottish Regulations and our increased turnover meant that we would be required to be subject to a full audit rather than an independent examination sooner rather than later. Kinnair Associates Limited were appointed as auditors for the 2021/22 Annual Accounts after a comprehensive tendering exercise.

Cornerstone's application to be an adoption agency in 2019 resulted in a disagreement with Ofsted over its right to exclusively recruit carers, staff and volunteers who agree to sign up to its Statement of Faith and Code of Practice. Hearings in the High Court in May 2020 and the Court of Appeal in June 2021 have found partially in Cornerstone's favour, agreeing that we can lawfully work with Evangelical Christians. However, there are still elements of the ruling which are disputed by Cornerstone, in particular that we can have a Code of Practice defining our views on sexual ethics which should not impact on our ability to work with local authorities. It was unanimously agreed by the Trustees in September 2021 that we should continue to pursue this case. A decision from the Supreme Court over whether we have leave to appeal is still awaited.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

Because of the fundamental principles underlying this case, which will impact a large number of faith groups within the Evangelical community and more widely among other faith groups, this case is being fully funded by the Christian Institute.

Charity Commission guidelines 'serious incidents' (England and Wales).

It is a regulatory requirement that the Trustees receive reports on all serious incidents and safeguarding matters at each Trustees meeting and these are recorded in the minutes. Cornerstone's Trustees declare compliance with the above and that there have been no incidents or other matters relating to the charity over the previous financial year that should have been brought to the Commission's attention but have not been brought.

• **Key performance indicators**

Summary of Fostering Statistics for 2021-2022

Position as at 31st March 2022

Number of Foster Families **20**

New Families approved during the Year **4**

Number of families who resigned **3**

Reasons for resignations:

- Adoption of the child by their foster family.
- Family moved to Scotland and could not adhere to the fostering regulations.
- Family struggled with fostering requirements and they preferred adoption.

Number of Foster Children **22**

Number of New Children Placed **11**

Number of Children who left Placements **12**

Reasons for leaving:

- 4 children went to planned adoptive placements
- 2 children went to join their siblings who were placed with another agency's foster carers
- 1 child went to a long-term placement
- 1 child turned 18, but remains living with the foster carers under a 'Staying Put' arrangement.
- 3 children moved due to notice being given because of their behaviours. (2 were emergency placements)

Panel

A new Panel Chair was appointed, and 3 new Panel Members were recruited. However, 3 Panel Members resigned.

There were 7 Panel Meetings during the year. Panel considered applications from 4 families, and also 10 Annual Reviews.

Summary of Post Adoption Support Statistics for 2021-2022

Position as at 31st March 2022

Number of Adoptive Families **3**

New Families approved during the Year **1**

Number of families support ended **2**

Number of Adopted Children who received PAS on 31st of March **4**

Number of New Children receiving PAS **1**

Number of Children no longer receiving PAS services **5**

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

Financial review

• **Review of the year**

The year has been a challenging one for all at Cornerstone. Changes in staff, promotional activities in both Scotland and England and coming out of lockdown have meant changes for all at Cornerstone. The financial results, which were far better than predicted at the time the budget was set have demonstrated an ability to respond to changing environments and a resilience in the face of change.

In overall terms a shortfall of £10k was returned compared with a budgeted shortfall of £154k. This was driven, primarily, by a better performance than anticipated from placements (Fee income £852k compared with budget of £631k). This underlined steady growth in Cornerstone's fostering income which has grown as shown below:

- £686K in 2020/21
- £532k in 2019/20
- £598k in 2018/19
- £294k in 2017/18

Demand for our services continues to be strong and invariably outstrips our ability to provide. Increased activity has meant that fees to families exceeded budget (£407k compared with a budget of £303k).

Other major variances include:

- Salaries £3584k compared with a budget of £391k (an underspend of £27k)
- Costs of Computer Support exceeded budget by £8k, reflecting the decision to outsource IT Support to an external provider.
- Mileage and Travel exceeded budget by £6k reflecting the promotional activity in Scotland.
- An underspend in the non-specific budget set aside for the work in Scotland of £24,500.
- Legal and Professional Fees overspent budget due to the increased use of contractors.

Debtor control continues to be challenging. Whilst Debtors were lower than in 2020/21 (£148k compared with £161k) we continually have to chase Local Authorities for the prompt payment of our invoices.

The Current Assets Figure of £353k represented 39% of turnover (4 to 5 months of activity) and was comparable with 2020/21.

The approved budget for 2022/23 provided for a significant draw on reserves in the year. However, it was recognised that this would not affect Cornerstone's ability to operate effectively. Furthermore, this would enable Cornerstone to consolidate its operations and prepare for growth in the 2023/24 financial year.

The Jubilee Fund continued to operate. The draw on the fund was small, and the balance available stood at nearly £19k at the end of the financial year.

• **Going concern**

The Trustees consider that Cornerstone has sufficient resources to continue in the next few years. Reserves currently stand at £355,481. This has been brought about through year on year surpluses totalling £299k between 2015/16 and 2020/21. It is anticipated that growth in staff numbers and expansion into Scotland will bring about a deficit of about £200k in 2022/23, for which we have budgeted and provided for in a separate future losses fund. We can afford to make a such a deficit for one year. The strategy for bringing the charity back into surplus in subsequent years involves a combination of:

- A larger Finance team whose priorities will include pursuing arrears from local authority debtors
- Continued pursuit of grant funding from charitable organisations in Scotland to support our development north of the Border

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

- An enhanced marketing team, but that our marketing strategy will allow placement numbers and inter-agency payments to grow through the latter part of the year.

Therefore the Trustees are happy to adopt the going concern basis of accounting in preparing the accounts.

• **Reserves policy**

The policy of Cornerstone is to hold sufficient reserves to operate for three months expenditure assuming no further income comes in.

At the year end, the charity held total reserves of £355k of which free reserves (after adjusting for non liquid funds and funds held in designated reserves) amounted to £132k. This would equate to approximately 1½ months' activity. The addition of finance staff referred to above is a key element of Cornerstone's strategy in chasing debts, which have risen significantly since just prior to the pandemic in 2019/20. The trustees are satisfied that the three months reserves position can be recovered.

• **Principal risks and uncertainties**

The Charity Trustees have considered the major risks to which the Charity is exposed and have satisfied themselves that systems or procedures have been established and updated to manage those risks. We ensure that policies and procedures are reviewed regularly and updated as necessary. This includes the regular review and updating of the Business Continuity Plan (updated 27/4/22).

Structure, governance and management

• **Constitution**

The charity is constituted as a company limited by guarantee and is governed by its memorandum and articles of association. Trading as Cornerstone, the company was launched as an independent agency on 1 April 2006.

Cornerstone was registered with the Commission for Social Care Inspection (CSCI) as an Independent Fostering Agency on 29 March 2006 and registered as a Post Adoption Support Agency on 19 June 2006. Ofsted took over from CSCJ on 1 April 2007. Cornerstone is currently registered with Ofsted as an Independent Fostering Agency and separately as a Post Adoption Support Agency.

• **Methods of appointment or election of Trustees**

All the directors of the company are also trustees of the charity, and there are no other trustees. The directors and trustees who served during the year are set out on page 2. In accordance with the Articles of Association there is no limit on the period the trustees are allowed to serve. At every AGM one third of the trustees who are subject to retirement by rotation, shall retire from office, and being eligible, can offer themselves for re-election.

The appointment of new trustees requires the unanimous approval of all existing trustees and receipt of DBS and reference checks.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

• **Organisational structure and decision-making policies**

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

In addition to the quarterly Trustees Meetings, the Senior Management Team meet monthly to consider operational and financial issues. The support of Trustees is sought out with the regular trustee meetings as necessary. The Treasurer receives a monthly financial management report from the Management Accountant.

Sheila Bamber resigned as Chair of Trustees in July 2021, three new trustees were successfully recruited – Ken De Soyza in October, 2021; Joshua MacDonald in January, 2022 and Laura MacDonald in January, 2022.

Eileen Brady was appointed as Responsible Individual (RI) in Sept 2021. This appointment coincided with the CEO's changing role to Founder in preparation for retirement in March 2023 with a non-operational focus, and reduction to part time hours. Additionally, the HR/Business Development Manager went on long term sick leave and another staff member started Maternity Leave. This left a significant vacuum in staffing with remaining staff having to assume increased roles to ensure the service was able to continue to run as planned. Alongside this was the development of Foundation Matters in Scotland which also had a resource implication in the lead up to a submission to the Scottish Care Inspectorate for registration as an Independent Fostering Agency (IFA). Trustees asked the RI to take on the overview of whole service function to ensure business continuity and the job title was amended to reflect this change to Service Manager/RI. For the time being this appointment will remain and will be subject to future whole service review moving forward. As a charity we recognise that there is a need to continue with an overall Head of Service/CEO to contribute to the expansion of activities and growth across England and Scotland whilst developing our current fostering and post adoption support service.

• **Policies adopted for the Induction and training of Trustees**

All new Trustees are informed of their duties and responsibilities in the Charity's 'Information for Trustees' brochure. Practical training is provided as appropriate.

• **Payments to Trustees**

It is a legal requirement for Cornerstone to employ an Agency Decision Maker to support the Panel in over the approval of families for fostering placements. This is a specialist function requiring a qualified social worker, and the role is paid by the hour. Payment is not for the Trustee role as such. Two of our Board members, Jen Frampton and Jenny Simpson, currently fulfil this role.

As stated above, it was agreed by Trustees at an extraordinary meeting on 3rd February 2022 that a Working practice review be carried out to examine issues around succession at the top of the organisation, staff morale and expansion of the organisation. This was considered to be additional to the normal duties of the Trustees, and Josh MacDonald, a relative newcomer to the Board, was commissioned to carry out this work which required shadowing the majority of staff members in their day at day work, asking a set of questions and producing a set of recommendations. It involved one day of work per week over ten weeks between February and April at £180 per day. Payments in 2021/22 for this piece of work totalled just under £1,700.

Plans for future periods

In February it was agreed that one of the Trustees would undertake a review of the overall service, this came out of an extraordinary Trustees meeting where a staffing shortage was highlighted with several staff being off long term and other staff due to take extended leave post covid. The report has now been completed with suggestions for the way forward being discussed on 27/4 /22. This is evidence of our determination and

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods (continued)

commitment to ensure that our organization is fit for purpose as we transition in size and geographical reach.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. 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 Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of Information to auditors

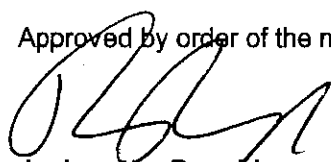
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Kinnair Associates Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 14 July 2022 and signed on their behalf by:

 14/7/22
Joshua MacDonald
(Chair of Trustees)

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST)
ADOPTION AND FOSTERING SERVICE

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 United Kingdom, including the Financial Reporting Council'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.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST)
ADOPTION AND FOSTERING SERVICE (CONTINUED)

Other Information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST)
ADOPTION AND FOSTERING SERVICE (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- the engagement partner ensured that the engagement team had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Companies Act 2006, the Charities Act 2011 and Charity Commission regulation, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, Fostering National Minimum Standards and the requirements of Ofsted under which the Charity is regulated.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured that the identified laws and regulations are communicated within the audit team regularly and the team remain alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: -

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:-

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC, relevant regulators including Ofsted and legal advisors.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST)
ADOPTION AND FOSTERING SERVICE (CONTINUED)

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 rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kinnair Associates Ltd

Kinnair Associates Limited

Chartered Accountants

Statutory Auditors

Aston House

Redburn Road

Newcastle Upon Tyne

NE51NB

Date: *21/07/22*

Kinnair Associates Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	3	9,273	9,273	9,084
Charitable activities	4	894,908	894,908	799,219
Investments	5	592	592	1,322
Total Income		904,773	904,773	809,625
Expenditure on:				
Raising funds	6	-	-	5,853
Charitable activities	7	914,607	914,607	761,906
Total expenditure		914,607	914,607	767,759
Net movement in funds		(9,834)	(9,834)	41,866
Reconciliation of funds:				
Total funds brought forward		365,315	365,315	323,449
Net movement in funds		(9,834)	(9,834)	41,866
Total funds carried forward		355,481	355,481	365,315

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 31 form part of these financial statements.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05663749

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	2,359	371
		<u>2,359</u>	<u>371</u>
Current assets			
Debtors	13	148,299	160,641
Cash at bank and in hand		243,190	220,872
		<u>391,489</u>	<u>381,513</u>
Creditors: amounts falling due within one year	14	(38,367)	(16,569)
Net current assets		<u>353,122</u>	<u>364,944</u>
Total assets less current liabilities		<u>355,481</u>	<u>365,315</u>
Net assets excluding pension asset		<u>355,481</u>	<u>365,315</u>
Total net assets		<u><u>355,481</u></u>	<u><u>365,315</u></u>
Charity funds			
Restricted funds	15	-	-
Unrestricted funds	15	355,481	365,315
Total funds		<u><u>355,481</u></u>	<u><u>365,315</u></u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05663749

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

The financial statements were approved and authorised for issue by the Trustees on 14 July 2022 and signed on their behalf by:



14/7/22

Joshua MacDonald
Chair of Trustees

The notes on pages 18 to 31 form part of these financial statements.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	18	22,318	(62,069)
Net cash provided by investing activities		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		22,318	(62,069)
Cash and cash equivalents at the beginning of the year		220,872	282,941
Cash and cash equivalents at the end of the year	19	243,190	220,872

The notes on pages 18 to 31 form part of these financial statements

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General Information

Cornerstone (North East) Adoption and Fostering Service is a charitable company limited by guarantee, registered in England and Wales. The registered office is Room 2, Oxford House, Sixth Avenue, Auckley, Doncaster, DN9 3GG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cornerstone (North East) Adoption and Fostering Service 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.

Cornerstone (North East) Adoption and Fostering Service is a company limited by guarantee, registered in England and does not have a share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Going concern

The Trustees consider that Cornerstone has sufficient resources to continue in the next few years. Reserves currently stand at £129,097. This has been brought about through year on year surpluses totalling £299k between 2015/16 and 2020/21. It is anticipated that growth in staff numbers and expansion into Scotland will bring about a deficit in 2022/23, for which we have budgeted. We can afford to make a such a deficit for one year. Additional uncertainties exist around the need for the charitable company to increase its client base or to find alternative sources of income within the next 12 months if reserves are to be sustainable after this period of budgeted deficit. The strategy for bringing the charity back into surplus in subsequent years involves a combination of:

- A larger Finance team whose priorities will include pursuing arrears from local authority debtors
- Continued pursuit of grant funding from charitable organisations in Scotland to support our development north of the Border
- An enhanced marketing team, but that our marketing strategy will allow placement numbers and inter-agency payments to grow through the latter part of the year.

Therefore the Trustees are happy to adopt the going concern basis of accounting in preparing the accounts.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.3 Tangible fixed assets and depreciation

Fixed assets costing more than £1,000 are capitalised. Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated at the following annual rate which it is estimated will write off the original cost of the assets over their expected effective lives:

Computer and Other Equipment - over 3 years.

2.4 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Voluntary income is received by way of donations and gifts and is included in the Statement of Financial Activities when receivable.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

The charitable company receives payroll services free of charge. A reasonable estimate of actual cost is included in the accounts as donations income and under professional fees.

Investment income is included when receivable.

2.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Included within support costs are governance costs which represent those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

2.6 Debtors

Local authority and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.7 Cash at bank and in hand

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

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.9 Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.10 Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

2.11 Designated funds

Designated funds are unrestricted funds earmarked by the trustees for particular purposes..

2.12 Restricted funds

The charity currently holds no restricted funds. Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs.

2.13 Pension costs

The charity makes employers' contributions to a defined contributions scheme. The cost of the contributions is charged to the Statement of Financial Activities in the period to which they relate.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations			
Donations - trusts, churches, individuals and donated services	6,547	6,547	6,109
Gift aid - donations including tax recoverable	2,704	2,704	2,975
Donations	22	22	-
Subtotal	<u>22</u>	<u>22</u>	<u>-</u>
	<u>9,273</u>	<u>9,273</u>	<u>9,084</u>

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Foster and respite carer fees	852,363	852,363	685,769
Post adoption fees	29,553	29,553	32,400
Other fees and income	12,992	12,992	23,867
Grants, contracts and fees: inter-agency fees	-	-	57,183
	<u>894,908</u>	<u>894,908</u>	<u>799,219</u>

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest receivable	<u>592</u>	<u>592</u>	<u>1,322</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Expenditure on raising funds

Costs of raising voluntary income

	Total funds 2022 £	<i>Total funds 2021 £</i>
Costs of raising voluntary income - wages and salaries	-	5,853

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Fostering and adoption activities	914,607	914,607	761,906

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Fostering and adoption activities	568,173	346,435	914,608

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Fostering and adoption activities	447,104	314,802	761,906

Analysis of direct costs

	2022 £	Total funds 2022 £	<i>As restated Total funds 2021 £</i>
Staff costs	98,977	98,977	98,374
Depreciation	1,551	1,551	1,438
Foster carer charges	414,738	414,738	335,239
Respite care	6,416	6,416	4,055
Therapy and supportive events	13,573	13,573	531
Foster care training	3,890	3,890	3,043
Other costs	3,578	3,578	699
Contracted social work	5,432	5,432	-
Contract and other fees	20,018	20,018	3,725
	568,173	568,173	447,104

Direct and support costs have been reanalysed this year to more accurately reflect the requirements of the Charities Statement of Recommended Practice. Comparative amounts have been amended accordingly.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £	<i>As restated Total funds 2021 £</i>
Staff costs	259,428	240,188
Insurance	6,130	5,654
Office costs	2,201	4,139
Staff training	1,637	587
Property costs	17,543	8,313
IT and phone	18,341	7,300
Travel and subsistence	23,767	12,281
Other costs	8,570	11,268
Governance	5,946	377
Legal and professional fees	2,872	24,695
	346,435	314,802

Direct and support costs have been reanalysed this year to more accurately reflect the requirements of the Charities Statement of Recommended Practice. Comparative amounts have been amended accordingly.

9. Auditors' remuneration

The auditors' remuneration within governance costs amounts to an auditor fee of £3,800 inclusive of VAT (2021 independent examiner's fees - £472), and accountants preparation fees of £760 inclusive of VAT (2021 - £328).

10. Staff costs

	2022 £	2021 £
Wages and salaries	312,712	298,655
Social security costs	22,889	22,452
Contribution to defined contribution pension schemes	22,804	23,308
	358,405	344,415

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. Staff costs (continued)

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

	2022	2021
	No.	No.
Charitable activities	9	9
Finance and administration	5	5
	14	14

The average headcount expressed as full-time equivalents was: 9 (2021: 9).

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel comprise the Trustees and three senior employees of the charitable company. The Trustees are not remunerated. The remuneration of the other senior employees within key management amounts to £128,198. This figure includes employers National Insurance and Employers Pension contributions.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year, three Trustees were paid for services in respect of acting as Agency Decision Maker and in the provision of a working practice review for the charitable company in the total sum of £3,199. Further information relating to these payments is provided in the Trustees Report.

During the year ended 31 March 2022, expenses totalling £599 were reimbursed or paid directly to 2 Trustees (2021 - £248 to 2 Trustees). These are for travel expenses.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Tangible fixed assets

	Computer equipment £
Cost	
At 1 April 2021	5,879
Additions	3,539
At 31 March 2022	<u>9,418</u>
Depreciation	
At 1 April 2021	5,508
Charge for the year	1,551
At 31 March 2022	<u>7,059</u>
Net book value	
At 31 March 2022	<u><u>2,359</u></u>
At 31 March 2021	<u><u>371</u></u>

13. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	130,424	157,406
Other debtors	2,220	595
Prepayments and accrued income	15,655	2,640
	<u><u>148,299</u></u>	<u><u>160,641</u></u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	23,234	4,509
Other taxation and social security	7,033	7,339
Other creditors	1,816	1,799
Accruals and deferred income	6,284	2,922
	<u>38,367</u>	<u>16,569</u>

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
Designated funds					
Legal Fund	5,000	-	-	-	5,000
Jubilee Fund	15,015	4,263	(750)	-	18,528
Future losses fund	-	-	-	200,000	200,000
	<u>20,015</u>	<u>4,263</u>	<u>(750)</u>	<u>200,000</u>	<u>223,528</u>
General funds					
General funds	345,300	900,510	(913,857)	(200,000)	131,953
Total Unrestricted funds	<u>365,315</u>	<u>904,773</u>	<u>(914,607)</u>	<u>-</u>	<u>355,481</u>

Designated Funds

The Legal Fund contains monies designated by the Trustees for use in a legal matter. No monies have been expended from this fund in the year.

The Jubilee Fund represents funds set aside by the Trustees in 2021 to provide support adults formerly in the care of Cornerstone who have come of age and who have one-off financial needs. One grant totalling £750 was made during the year.

The Future losses fund represents monies put aside by the Trustees to cover a forecast loss-making period as the charity re-organises and moves into new enterprises.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds				
Designated funds				
Legal Fund	5,000	-	-	5,000
Jubilee Fund	-	15,015	-	15,015
	<u>5,000</u>	<u>15,015</u>	<u>-</u>	<u>20,015</u>
General funds				
General Funds	318,449	794,610	(767,759)	345,300
Total Unrestricted funds	<u>323,449</u>	<u>809,625</u>	<u>(767,759)</u>	<u>365,315</u>

16. Summary of funds

Summary of funds - current year

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers In/out £</i>	<i>Balance at 31 March 2022 £</i>
Designated funds	20,015	4,263	(750)	200,000	223,528
General funds	345,300	900,510	(913,857)	(200,000)	131,953
	<u>365,315</u>	<u>904,773</u>	<u>(914,607)</u>	<u>-</u>	<u>355,481</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 April 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance at 31 March 2021</i>
	£	£	£	£
Designated funds	5,000	15,015	-	20,015
General funds	318,449	794,610	(767,759)	345,300
	<u>323,449</u>	<u>809,625</u>	<u>(767,759)</u>	<u>365,315</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022	Total funds 2022
	£	£
Tangible fixed assets	2,359	2,359
Current assets	391,489	391,489
Creditors due within one year	(38,367)	(38,367)
Total	<u>355,481</u>	<u>355,481</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021</i>	<i>Total funds 2021</i>
	£	£
Tangible fixed assets	371	371
Current assets	381,513	381,513
Creditors due within one year	(16,569)	(16,569)
Total	<u>365,315</u>	<u>365,315</u>

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(9,834)	41,866
Adjustments for:		
Depreciation charges	1,551	1,438
Decrease/(increase) in debtors	12,342	(103,767)
Increase/(decrease) in creditors	21,798	(1,606)
Purchase of fixed assets	(3,539)	-
Net cash provided by/(used in) operating activities	22,318	(62,069)

19. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	243,190	220,872
Total cash and cash equivalents	243,190	220,872

20. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	220,872	22,318	243,190
	220,872	22,318	243,190

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

21. Pension commitments

The charity operated a defined contribution pension scheme. The pension cost charge of £22,804 (2021: £23,308) represents contributions payable by the charity to a pension fund for the year.

22. Related party transactions

The charity transacts with one related party, PACT North East, which is related through Cornerstone's CEO who is a Trustee of PACT North East. Cornerstone has made sales of £12,952 in the year to PACT North East and £1,976 was outstanding from that charity at the year end.

In addition to this transaction, the charity has purchased £3,199 of services from its Trustees, further details of which are provided in note 11. There are no amounts outstanding to these Trustees at the year end.

Accounts



Directors' and Trustees' Report For the Year Ended 31 March 2021

Cornerstone UK

Room 2 – Oxford House
Sixth Avenue
Doncaster
DN9 3GG

**CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021**

The directors and trustees present their report and the accounts for the year ended 31 March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011, 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 published in October 2019.

REFERENCE AND ADMINISTRATIVE INFORMATION

Cornerstone (North East) Adoption and Fostering Service is a charitable company. The company was incorporated on 29 December 2005 (Company Registration Number 05663749) and was registered as a charity on 16 May 2006 (Charity Registration Number 1114213).

The registered office and operating address:

Room 2, Oxford House,
Sixth Avenue
Auckley
Doncaster
DN9 3GG

The directors of the company, who are the charity trustees and who served during the year and up to the date of this report, were: -

Sheila Bamber (Chair)
Jeremy Craxford (Treasurer)
Gillian Horner
Michael Horner
Janet Lancefield
Nadine Parker
Hazael Hornsby (appointed 30th April 2020)
Jen Frampton (ADM, appointed 6th November 2020)
Dr Jenny Simpson (ADM, appointed 6th November 2020)
Charles Thomson (appointed 6th November 2020)

Company Secretary: Réka Goodson (Appointed 4th September 2020)

Chief Executive Officer: Pamela Birtle

Bankers:

Yorkshire Bank
York House
Thornaby Town Centre
Thornaby
Stockton-On-Tees
TS17 9PL

Independent examiner:

Judith Summerfield BA FCA
Summerfield Accountancy Services
5 Bowyers Close
Copmanthorpe
York
YO23 3XW

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is constituted as a company limited by guarantee and is governed by its memorandum and articles of association. Trading as Cornerstone UK, the company was launched as an independent agency on 1 April 2006.

Cornerstone was registered with the Commission for Social Care Inspection (CSCI) as an Independent Fostering Agency on 29 March 2006 and registered as a Post Adoption Support Agency on 19 June 2006. Ofsted took over from CSCJ on 1 April 2007. Cornerstone is currently registered with Ofsted as an Independent Fostering Agency and separately as a Post Adoption Support Agency.

All the directors of the company are also trustees of the charity, and there are no other trustees. The directors and trustees who served during the year are set out on page 2. In accordance with the Articles of Association there is no limit on the period the trustees are allowed to serve. At every AGM one third of the trustees who are subject to retirement by rotation, shall retire from office, and being eligible, can offer themselves for re-election. The appointment of new trustees requires the unanimous approval of all existing trustees and receipt of DBS and reference checks. All new Trustees are informed of their duties and responsibilities in the Charity's 'Information for Trustees' brochure and practical training is provided by the Chief Executive Officer.

During the year, the Doncaster office became the registered office rather than the Sunderland office. All the appropriate authorities and regulatory bodies were notified. In operational terms this had no effect on the Charity's operations.

Janet Lancefield resigned as ADM but continues to serve as a Trustee. Four new Trustees were safely recruited in this period. These being: Hazael Hornsby, Charles Thomson, Jen Frampton (ADM), and Dr Jenny Simpson (ADM). Jen Frampton and Dr Jenny Simpson both hold all the necessary qualifications and experience to support their appointments as ADMs (as specified by the regulations). In addition, Réka Goodson was appointed as Company Secretary. Changes notwithstanding, this continues to be a very stable and constructive period in terms of governance and decision making within the charity. In the coming year Sheila Bamber has stated her intention to resign as a Trustee. A new Chair of Trustees will be appointed in accordance with the appropriate regulations.

Day to day management of the charity is delegated to the Chief Executive Officer, Mrs Pamela Birtle, one of the original founders of Cornerstone, previously a foster carer, an adopter, and a very experienced social work manager. The management of the Fostering Service is currently undertaken by the Registered Manager for Fostering, Mrs Linda Roets. Linda has also taken on the role of managing the Post Adoption Support Service during this year and the regulators have been advised and we await the requisite interview.

All trustees give their time voluntarily. Any expenses reclaimed by trustees from the charity are set out in the accounts. Additionally, trustees who perform the role of ADM are paid for these services, and the payments are disclosed in the accounts. trustees determined that these payments are 'de minimis' and therefore acceptable under Charity Commission regulations.

Registration and Assessment of the Charity's Services.

All fostering and adoption services are registered, regulated and inspected under the Care Standards Act 2011. A judgement on the quality of service is made by Ofsted.

The Responsible Individual for Fostering Service is Mrs Pamela Birtle and Mrs Christine Osman is the Responsible Individual for the Post Adoption Service. Ofsted were notified of changes to key personnel during the year, and the required certificates from Ofsted were received and are displayed at the registered office in Doncaster.

The Post Adoption Support Service was inspected in March 2019 and was again deemed to be GOOD. The report is published on the Cornerstone and Ofsted websites. The Fostering Service was inspected in March 2019 and highlighted a particular legal issue with which Cornerstone did not agree. Both Cornerstone (after taking legal advice) and Ofsted considered it would be beneficial for the matter to be reviewed and the matter went before the High Court in May 2020. Cornerstone won their case in relation to being a Christian Charity and maintaining recruitment based on a Genuine Occupational Requirement. Other matters were not agreed, and Cornerstone has been granted leave to appeal. The case will be heard in the Court of Appeal in late June 2021.

Ofsted visited Cornerstone in December 2020 to undertake an Assurance Visit as part of their response to the Covid

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE

DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021

pandemic as an interim measure. Overall, the Inspectors were impressed with their findings and in particular the positive responses from all stakeholders. There were a few requirements which have already been addressed and they were fully aware that the matters before the court were still pending.

Charities Act 2006

At the trustees' meeting on 24 June 2008, the implications of the Charities Act 2006 were discussed. Specifically, in line with guidance received, the following decisions were taken: to continue to hold an AGM; to request an Independent Examiner's report; and to take advantage of the simplified reporting provisions for smaller Charities not subject to statutory audit. These decisions remain unchanged during 2020/21.

The Charity Trustees have given consideration to the major risks to which the Charity is exposed and have satisfied themselves that systems or procedures have been established and updated in order to manage those risks.

Public Benefit

When reviewing the aims and objectives of the charity, and in exercising their powers and duties and planning future activities, the trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission. Details of our activity and its impact are set out below and available on our website.

Charity Commission guidelines 'serious incidents' (England and Wales).

It is a regulatory requirement that the Trustees receive reports on all serious incidents and safeguarding matters at each Trustees meeting and these are recorded in the minutes.

Cornerstone's Trustees declare compliance with the above and that there have been no incidents or other matters relating to the charity over the previous financial year that should have been brought to the Commission's attention but have not been brought.

OBJECTIVES AND ACTIVITIES

Cornerstone's overall aim is 'to improve the outcomes for children and young people in public care through the provision of a quality childcare service'. The activities of Cornerstone are carried out to further its charitable purpose for the public benefit. Cornerstone is a Christian charity. Each person within the organisation has an active Christian Faith, but collectively come from a diversity of cultural and ethnic backgrounds, which Cornerstone respects and promotes.

Cornerstone specialises in providing high quality permanent substitute homes to children and young people in public care. The provision of permanent 'forever families' is achieved both through fostering and adoption. The children and young people are fully accepted into Cornerstone families and, whether fostered or adopted, they are cared for beyond the age of eighteen if this is their wish. Children placed through Cornerstone are often older children for whom the Local Authorities have been unable to find an adoptive family, sibling groups or children with special needs. We also offer a range of short-term placements. The Fostering Statement of Purpose (SOP) was updated in 2016 to reflect changes in the scope and range of the service. It has been further updated in 2020. The Post Adoption Support Service SOP has also been refreshed. Both are on the website and have been shared with Ofsted.

CORE VALUES

Cornerstone turned 22 years old in 2021. We are bigger and busier than ever. Our core values help us to stay on track and never lose sight of why we exist i.e. 'to bless the children in the system with loving Christian families.'

UNITY -

We are Christians who love God, and we work together in a faith community.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE

DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021

CHILDREN	We put vulnerable children at the centre of all that we do to change their stories within the context of a loving family.
DEVELOPMENT	We provide holistic support to children, carers, and staff to reach their full potential.
STEWARDSHIP	We strive to be good stewards of God's gifts in our lives and God's creation by using our resources in a smart and ecologically friendly way.
REVERENCE -	We listen and communicate with respect and care.
INTEGRITY -	We work diligently and from the soul 'as for the Lord' to manifest our life in Christ throughout our personal lives and the entire organisation.

UNITY

Cornerstone is a family orientated organisation and together we are members of the worldwide family of God.

We are individuals within the Cornerstone family – Trustees; Staff; Contractors; Volunteers, At the heart of everything we do are the Family members who provide loving homes for the children and young people placed within their care. We are also part of the wider community, working with Local Authorities; Government Agencies and Regulatory Bodies to ensure the provision of a safe and loving environment in which children can grow and develop.

Despite COVID restrictions in 2020 we continued to get referrals from Local Authorities we had not worked with before (e.g. Doncaster MBC) which reflects both increased attention in Cornerstone as a service provider and the satisfaction and confidence in the quality of service we provide.



CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021

CHILDREN

Children are at the centre of everything we do and hope to achieve.

The children coming into the Cornerstone Family are with us because, for one reason or another, they have been affected by circumstances way beyond their control.

We are mindful of the direction given throughout the Gospel that we should look after children; particularly those in society who are most vulnerable and at risk of abuse.

The table below shows the numbers of families and children have been part of our fostering and post adoption support services:

	2018/2019	2019/2020	2020/2021
Families	17	20	23
Children placed	40	35	33

This table includes all families who were a part of Cornerstone at any point in the given period, including families who retired or resigned part way through a year and those who were approved to adopt part way through the year. The table shows all children in placements at any point during the given period, including short-term and emergency placements. A high percentage of children cared for by Cornerstone are in long-term placements, many of whom go on to be adopted by their Foster Carers. Plans are in place to recruit more families to enable us to offer an increase in the number of placements available. Whilst, sadly, the recruitment of new families was affected by the COVID pandemic in 2020/21, plans are in place to recruit more families in 2021/22. This in turn will increase the number of placements available.

In addition, as part of our 'Forever Family' policy, The Jubilee Fund was established during the year. This aims to provide support to adults, formerly in the care of Cornerstone, who have come of age and who have one-off financial needs. This is a grant based system which is overseen by a sub-committee of the Board of Trustees. One grant of £750 was approved during the year.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021

DEVELOPMENT

We are always looking for ways to improve all aspects of our work, and deliver a high standard of care and support for all our families.

Cornerstone's development is separated into four major areas:

1 People – We believe in developing our own people through internal and external training. One staff member completed a 2-year Level 7 Leadership and Management course and now supports the Senior Management Team in operational matters.

Succession planning is at the heart of our development. Our current Panel Chair has retired and we recruited a new Chair with exceptional skills and knowledge in the sector who is committed to further develop our Panel and the important job they do.

This year we were able to further strengthen our Board of Directors by recruiting highly skilled professionals including 2 new Agency Decision Makers.

Our Foster Carers and Adopters continue to receive monthly training on all core subjects and the specialised topics they require for their own development. We utilised high quality training videos to meet the legal requirements and best use of the trainers' time. Some of these resources were developed in house.

2 Systems – Despite the massive challenges of the pandemic we were able to change from an office-based to home and remote working based operating model. We were able to do so thanks to well-established structures and procedures.

Our IT volunteers worked tirelessly so that our systems now fully support online access to all our families and other professionals. We made full use of the available technology during this time, Meetings, training and family support continued without disruption and feedback from all stakeholders suggested that our level of service improved in this period.

3 Staff Policies and Procedures received a major overhaul by an external professional to ensure they were fit for purpose for an ever-growing organisation.

4 Marketing – We developed an active social media presence and used it for stronger brand recognition and targeted recruitment. We developed excellent new videos and animations, which we intend to use once live events happen again.



@CornerstoneUK.Adoption.Fostering



@CNE_FandA

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021

STEWARDSHIP

In relative terms, Cornerstone is a small Charity with a big heart.

We have a carefully managed budgeting and financial control system, as we are well aware of the need to utilise our resources carefully. The annual budget is approved by the trustees in January each year. Monthly management accounts measuring activity against budget are prepared for the Senior Management Team and Treasurer with quarterly reports being presented to the Board of Trustees.

We have been blessed by having a team of volunteers who give considerable time and energies to providing their services voluntarily as trustees and professional advisors bringing considerable skills and experience to the management of the Cornerstone organisation. However, as our organisation grows, we recognise that we cannot continue to rely on volunteers. With this in mind, we are pursuing the possibility of engaging both IT consultants and a PR professional.

Most of our income is generated by services funded by Local Authorities.

As can be seen from the financial statement (Page 13) the majority of our funds were spent on charitable activities or facilitating their provision.

Of our total costs, approximately 50% goes directly to foster families. The remainder is spent on staffing costs (whose function is to underpin the operation and organisation of Cornerstone), as well as premises, insurances, registration fees and activities. (A full breakdown of costs is given in Note 3 Total Resources Expended).

REVERENCE

As a Christian Organisation, we listen carefully to God and to one another, striving to communicate with respect and care.

We are keenly aware of the diverse nature of beliefs and lifestyles within our society, some of which may be different from our own. Reverence towards and respect for others is fundamental to our beliefs. We seek to show this in our operational practices and the way we teach our children and young people, by word and example, the importance of caring for all our neighbours.

Our policies and procedures demonstrate our determination to apply the basic principles of acceptance throughout our Cornerstone family.

Some of the key Policies which underscore our operations include:

Working Together to Safeguard Children Harassment and Bullying
Equal Opportunities and Diversity Information Handling and
Data Protection Quality Assurance
Historical Abuse Policy Disciplinary
Procedure Mental Wellbeing Health & Safety
Conflict of Interest

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021

INTEGRITY

As a Christian charity we feel that we should reflect that character of Jesus Christ in all that we do. This includes our performance as individuals and as an organization.

Feedback from families and professional partners about our services continues to be consistently high, but we are by no means complacent. During this year we reviewed our services and professional practice and strengthened our operational structure to ensure that we continue to provide responsive services of the highest quality.

In line with everyone across the world, Covid-19 had a significant impact on our operations. Our staff are to be congratulated in their capacity to adapt to working from home, delivering support and training to our present families, recruiting and assessing new carers and making placements. Policies and procedures were rapidly adapted and are continually under review as we seek to ensure the safety and wellbeing of the whole Cornerstone family. All our new flexible approaches are being evaluated and we expect them to continue and develop into the future.

Our families have been faithful and resilient, adapting to new demands and challenges in family life and continuing outstanding commitment to the well-being of the young people in their care.

PLANS FOR THE FUTURE

Whilst our application to become a VAA was finally refused in April 2020, we have lodged an appeal as the grounds for refusal are related to matters that are the subject of the awaited legal judgement. We have a number of scenarios for the future in development; all of these involve a continuation of our work but many of them involve difficult operational decisions. The trustees are committed to reapplying to become a VAA once the court decisions are finalised.

It has always been the stated aim of Cornerstone to have a presence in every corner of the UK. In pursuance of this objective, progress is being made to the establishment of a strong presence in Scotland. OSCR Registration has been completed, and Care Inspectorate Registration is being pursued. Plans for promotional events early in the new financial year are well in hand.

In addition, we are looking to enhance our online presence. Plans are in hand to recruit a professional to undertake targeted promotional work. We are also cognisant of the need to continue to bolster the work in the East Midlands and Yorkshire. We are fully aware of our dependence on families becoming foster carers. As such the provision of 'Skills to Foster Training' will continue in 2021/22, although it is understood that this is a very demand driven activity.

It is recognised that development always has cost implications. The trustees recognised this in the approval of a budgeted overspend for 2021/22. However, this will have no impact on our ability to successfully continue our operations and meet our regulatory responsibilities.



Pam Birtle
Founder and CEO

**CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021**

FINANCIAL REPORT

The continued growth in both income and expenditure in 2020/21 reflects Cornerstone UK's steady progress from being a local organisation to a multi-regional one with aspirations to be cross border service in both England and Scotland. The challenges of restricted travel and business activity due to Covid 19 has not affected the demand for our Fostering and Adoption services, in fact, referrals have increased. Enquiries from those considering fostering was also positive with 4 families approved.

It is good news that Cornerstone has made a surplus of £42k in contrast to the previous deficit of £66k. Income from Fostering Fees was a record £686k. The equivalent figure in previous years was £295k (17/18), £598k (18/19) and £532k (19/20). This illustrates the growth in our core income raising activity. The movement of some children to carers outside of Cornerstone or to adoption or children coming of age and leaving care means that it will be challenging to achieve that figure in 2021/22.

The Inter Agency Fee income of £57k relates to the movement of three children from fostering to adoption. A significant stream of income (£19k) came from a secondment of two of our staff members to other organisations and £9k was received in donations.

On the expenditure side, payments to our foster carers increased by £84k in line with the trends described above. A steady increase in our staff team resulted in salary and related costs going up by £45k. The significant increase in professional fee was due mainly to some one-off legal support we required.

The widespread use of home working had a marked effect on travel costs, which were down by £24k, and the inability to hold events such as the Cornerstone Holiday meant that those costs reduced by £10k.

Cornerstone still does not hold any fixed assets besides IT equipment. Cash balances have remained above £200k for several years now. More volatile is the Debtors figure which was on the high side of £157k, representing slow payments by some local authorities, particularly those for which we are a new provider.

The Current Assets figure of £365k represents 44% of turnover, or 5 months of activity. This provides a base from which Cornerstone can continue to expand.

The creation of a Jubilee Fund from supporters' donations, largely aimed at children leaving care is also reflected on the balance sheet.



Jeremy Craxford
Treasurer

**CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021**

OVERVIEW FROM THE CHAIR

St Paul encourages the persecuted Christians in Rome to remain steadfast, for, he says: suffering produces endurance, and endurance produces character, and character produces hope, and hope does not disappoint us, because God's love has been poured into our hearts through the Holy Spirit that has been given to us (Romans 5: 3-5). It has felt like a long year, for children and families, for staff and for partners – a year full of uncertainty and yet filled with abundant acts of loving service, and evidence of God's upholding, healing and peace.

Cornerstone as an organisation has not been immune to the challenges of COVID, and we are still discerning new ways of working, receiving strong encouragement to establish 'Foundations Matter' in Scotland (there is already a Scottish 'Cornerstone' engaged in fostering), welcoming new children and young people, families, volunteers, staff and trustees, and delighting in others taking on new challenges and responsibilities.

This has been a challenging year and our amazing Cornerstone family has risen to the challenge with faithful endurance, emerging stronger in faith and purpose. Above all we are hopeful because God's love has been poured into our hearts. As I come to the end of my time as Chair I am thankful to God for all that has been, and I pray God's blessing for all that is to come for the children and young people who are at the heart of everything we do.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and was approved by the Board and signed on its behalf.

By order of the board of trustees



Jeremy Craxford

Acting Chair of Trustees

Date: 15th July 2021

**CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021**

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CORNERSTONE(NORTH EAST) ADOPTION AND FOSTERING SERVICE

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2021, which are set out on pages 13 to 21.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Judith Summerfield BA FCA
ICAEW
Summerfield Accountancy Services
5 Bowyers Close
Copmanthorpe
York YO23 3XW

Date: 15th
July, 2021

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021
(Including Income and Expenditure Account)**

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income:					
Donations and legacies	1	9,084		9,084	16,152
Investment income – bank interest		1,322		1,322	578
Charitable activities	2	799,219		799,219	599,309
Total income		809,625		809,625	616,039
Expenditure:					
Raising funds	3	5,853		5,853	5,072
Charitable activities	3	742,788		742,788	660,110
Other – Governance	3	19,118		19,118	17,056
Total Expenditure		767,759		767,759	682,238
Net income/(expenditure)		41,866		41,866	(66,199)
Reconciliation of funds					
Total funds brought forward	10	323,449		323,449	389,648
Total funds carried forward	10	365,315		365,315	323,449

There were no recognised gains and losses for 2021 and 2020 other than those included in the income and expenditure account.

All incoming resources and resources expended derive from continuing activities

The notes on pages 15 to 21 form part of these accounts.

**CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021**

BALANCE SHEET AS AT 31st.MARCH, 2021

	NOTE	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	7		371		1,809
CURRENT ASSETS					
Debtors	8	160,641		56,874	
Cash at bank and in hand		220,872		282,940	
		<u>381,513</u>		<u>339,815</u>	
CREDITORS: amounts falling due within one year	9	(16,569}		(18,175)	
NET CURRENT ASSETS			<u>364,944</u>		321,640
NET ASSETS			<u>365,315</u>		323,449
CHARITY FUNDS					
Unrestricted funds:					
General	10		345,300		318,449
Designated	10		20,015		5,000
Restricted funds					
Total Charity Funds			<u>365,315</u>		<u>323,449</u>

The directors:

1. Confirm that for the year ended 31 March 2021 the company was entitled to the exemption under section 477(1) of the Companies Act 2006.

2. Confirm that no notice requiring an audit has been deposited under section 476 of the Companies Act 2006 in relation to the accounts for the financial year; and

3. Acknowledge their responsibility for:

- (a) Ensuring that the company keeps accounting records that comply with section 386 of the Companies Act 2006; and
- (b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 396 of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to small companies and in accordance with FRS102 SORP.

These financial statements were approved by the directors and trustees on 15th July, 2021 and signed on its behalf by

Jeremy Craxford Director and Trustee

The notes on pages 15 to 21 form part of these accounts. Company registration number: 05663749

**CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021**

STATEMENT OF CASH FLOWS

	2021	2020	Note
	£	£	
Cash flows from operating activities			
Net cash provided by operating activities	(62,068)	(8,662)	See Below
Cash flows from investing activities:			
Purchase of property, plant and equipment	0	(910)	
Net cash provided by investing activities	(62,068)	(9,572)	
Unreconciled Item	(12)		
Change in cash equivalents in the reporting period	(62,068)	(9,572)	
Cash and cash equivalents at the beginning of the reporting period	282,940	292,512	
	220,872	282,940	

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

	Current year	Prior year
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	41,866	(66,199)
Adjustments for:		
Depreciation charges	1,438	1,506
(Increase)/decrease in debtors	(103,767)	47,209
Increase/(decrease) in creditors	(1,606)	8,823
Net cash provided by operating activities	(62,068)	(8,662)

**CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

a) General information and basis of preparation

Cornerstone (North East) Adoption and Fostering Service is a company limited by guarantee, registered in England and does not have a share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are set out in the Trustees report.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the trustees have adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated at the following annual rate which it is estimated will write off the original cost of the assets over their expected effective lives: Computer and Other Equipment - over 3 years.
Fixed assets costing more than £1,000 are capitalised.

d) Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

- Voluntary income is received by way of donations and gifts and is included in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- The value of services provided by volunteers is not included.
- Investment income is included when receivable.
- Where income is received specifically for expenditure in a future accounting period that amount is deferred.

**CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

ACCOUNTING POLICIES (CONTINUED)

e) Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

- Costs of generating funds comprise the costs associated with attracting voluntary income
- Charitable expenditure comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries
- Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

f) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

g) Cash at bank and in hand

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

h) Financial instruments

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

i) Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

j) Designated funds

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

k) Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs.

l) Pension costs

The charity makes employers' contributions to a defined contributions scheme. The cost of the contributions is charged to the Statement of Financial Activities in the period to which they relate.

1. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Donations - Trusts, churches and individuals	6,109		6,109	13,148
Gift aid - donations including tax recoverable	2,975		2,975	3,004
Total	9,084		9,084	16,152

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

2. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted funds £	2021 Total £	2020 Total £
Grants, contracts and fees:				
Inter-Agency fees	57,183		57,183	25,334
Foster and Respite Carer fees	685,769		685,769	531,907
Post Adoption fees	32,400		32,400	37,196
Other Fees and Income	23,867		23,867	4,872
	799,219		799,219	599,309

3. TOTAL RESOURCES EXPENDED

Costs of Generating

	voluntary income £	Charitable activities £	Governance costs £	2021 Total	2020 Total
Salaries and Nat Insurance	5,457	298,597	17,017	321,071	280,512
Pensions	396	21,676	1,236	23,308	19,018
Foster Carer charges		338,650		338,650	254,680
Respite care		4,053		4,053	7,823
Therapy and supportive events		1,021		1,021	11,205
Foster training		2,551		2,551	3,780
Property overheads		8,906		8,906	8,821
Insurance		5,654		5,654	5,646
Printing, Postage & Stationery		1,850		1,850	4,718
Computer and Equipment Costs		3,559		3,559	9,860
Telephone and internet		3,830		3,830	3,594
Travel and Subsistence		8,805	65	8,870	33,081
Miscellaneous costs		82		82	915
Gratuities and Condolences		5,544		5,544	
Subscriptions		1,977		1,977	0
Training and Recruitment		2,205		2,205	6,397
DBS checks		1,515		1,515	2,932
Annual registration fees		4,406		4,406	6,381
Meetings		376		376	2,126
Bad debt		1,080		1,080	
Bank charges		421		421	653
Accountancy & independent examination			800	800	795
Legal & professional fees		9,294		9,294	4,495
Medical reports		699		699	1,056
RI Supervision		4,225		4,225	6,509
Contracted social work		10,374		9,184	4,864
Depreciation		1,438		1,438	1,506
	5,853	742,788	19,118	767,759	682,238

Salaries, national insurance and pension costs are allocated between generating voluntary income, charitable activities and governance costs on a time apportioned basis.

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

4. NET EXPENDITURE FOR THE YEAR

This is stated after charging:

	2021	2020
	£	£
Independent examiner's fee	472	469
Accountancy fees	<u>328</u>	<u>326</u>
	800	795

5. EMPLOYEE INFORMATION

The average number of employees, calculated on a full-time equivalent (FTE) basis analysed by function was:

	2021	2020
Charitable activities	6	6
Finance and administration	<u>3</u>	<u>3</u>
	<u>9</u>	<u>9</u>

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	298,619	260,189
Social security costs	22,452	20,323
Pension costs	23,308	19,018
	<u>344,379</u>	<u>299,530</u>

No employee earned £60,000 or more during the year 2020/21 .

6. TRUSTEES' REMUNERATION , RELATED PARTY TRANSACTION AND TRUSTEES' EXPENSES

None of the Trustees received remuneration during the 2020/21 financial year, nor were any payments made in 2019/20

There were no travelling expenses paid to Trustees during the year. (Three Trustees claimed travelling expenses in 2019/20 totaling £248)

**CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021**

NOTES TO THE ACCOUNTS FOR YEAR ENDING 31st MARCH 2021 (Cont.)

7. TANGIBLE FIXED ASSETS

	Computer equipment £	Total £
Cost :		
At 1 April 2020	5,879	5,879
Additions	0	0
Cost at 31 March 2021	5,879	5,879
Depreciation: At 1 st April 2021	4,070	4,070
Depreciation Charge 2021	1,438	1,438
Cumulative Depreciation	5,508	5,508
Net book value At 31 March 2021	371	371
Net book value At 31 March 2020	1,809	1,809

8. DEBTORS

	2021 £	2020 £
Debtors	157,406	54,296
Prepayments	2,640	1,991
Gift Aid tax repayment due	595	587
TOTAL	160,641	56,874

9. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors and other creditors	4,509	5,220
Pension fund accrual	1,799	1,792
Taxation and social security	7,339	7,005
Accruals	2,922	4,158
	<u>16,569</u>	<u>18,175</u>

10. MOVEMENT IN FUNDS

	Balance 1st April 2020 £	Incoming Resources £	Resources Expended £	Balance 31 March 2021 £
Unrestricted funds:				
Designated:				
Legal fund	5,000			5,000
Jubilee Fund		15,015		15,015
Total Designated Funds	5,000	15,015		20,015
General Funds	318,449	794,610	767,759	345,300
Total Unrestricted Funds	323,449	809,625	767,759	365,315

CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (Cont)

11. Purposes of Designated Funds:

The Legal fund - is to assist with compliance with regulation

The Legacy Fund - is to provide for the support of adults who were formally Children in Cornerstone's care, but who have now come of age.

12. TAXATION

The company is a registered charity and is exempt from income and corporation tax to the extent that income and gains are applicable and applied to charitable purposes only.

13. LIABILITY OF MEMBERS

The company is limited by guarantee and does not have a share capital. Every member of Cornerstone (North East) Adoption and Fostering Service undertakes to contribute such sum as may be required (not exceeding ten pounds) to the assets of Cornerstone (North East) Adoption and Fostering Service if it should be wound up while he or she is a member, or within one year after he or she ceases to be a member, for payment of the debts and liabilities of Cornerstone (North East) Adoption and Fostering Service contracted before he or she ceases to be a member and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Total £
Unrestricted funds:			
General funds	371	344,929	345,300
Designated funds		20,015	20,015
Total	371	364,944	365,315

15. PENSIONS COSTS

The charity operated a defined contribution pension scheme. The pension cost charge of £23,308 (2020: £19,018) represents contributions payable by the charity to a pension fund for the year.

16. INCOME FROM GOVERNMENT FURLOUGH SCHEME

During the year, grants totaling £5k were reclaimed under the Government Furlough Scheme in respect of two employees.