



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
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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.

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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.

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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
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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

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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
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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.

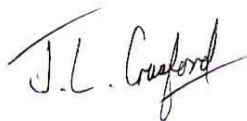
On the expenditure side, payments to our foster carers increased by £84k in line with the trends described above. A steady increase in our staff team resulted in salary and related costs going up by £45k. The significant increase in professional fee was due mainly to some one-off legal support we required.

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
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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

A handwritten signature in black ink, appearing to read 'J.L. Craxford', written in a cursive style.

Jeremy Craxford

Acting Chair of Trustees

Date: 15th July 2021

**CORNERSTONE (NORTH EAST) ADOPTION AND FOSTERING SERVICE
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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
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**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.

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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
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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
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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.

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
	<hr/> 799,219		<hr/> 799,219	<hr/> 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
	<hr/> 5,853	<hr/> 742,788	<hr/> 19,118	<hr/> 767,759	<hr/> 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.