

Year ended  
31<sup>st</sup> 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



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## 1 Reference and administrative information

### Trustees as at 5<sup>th</sup> 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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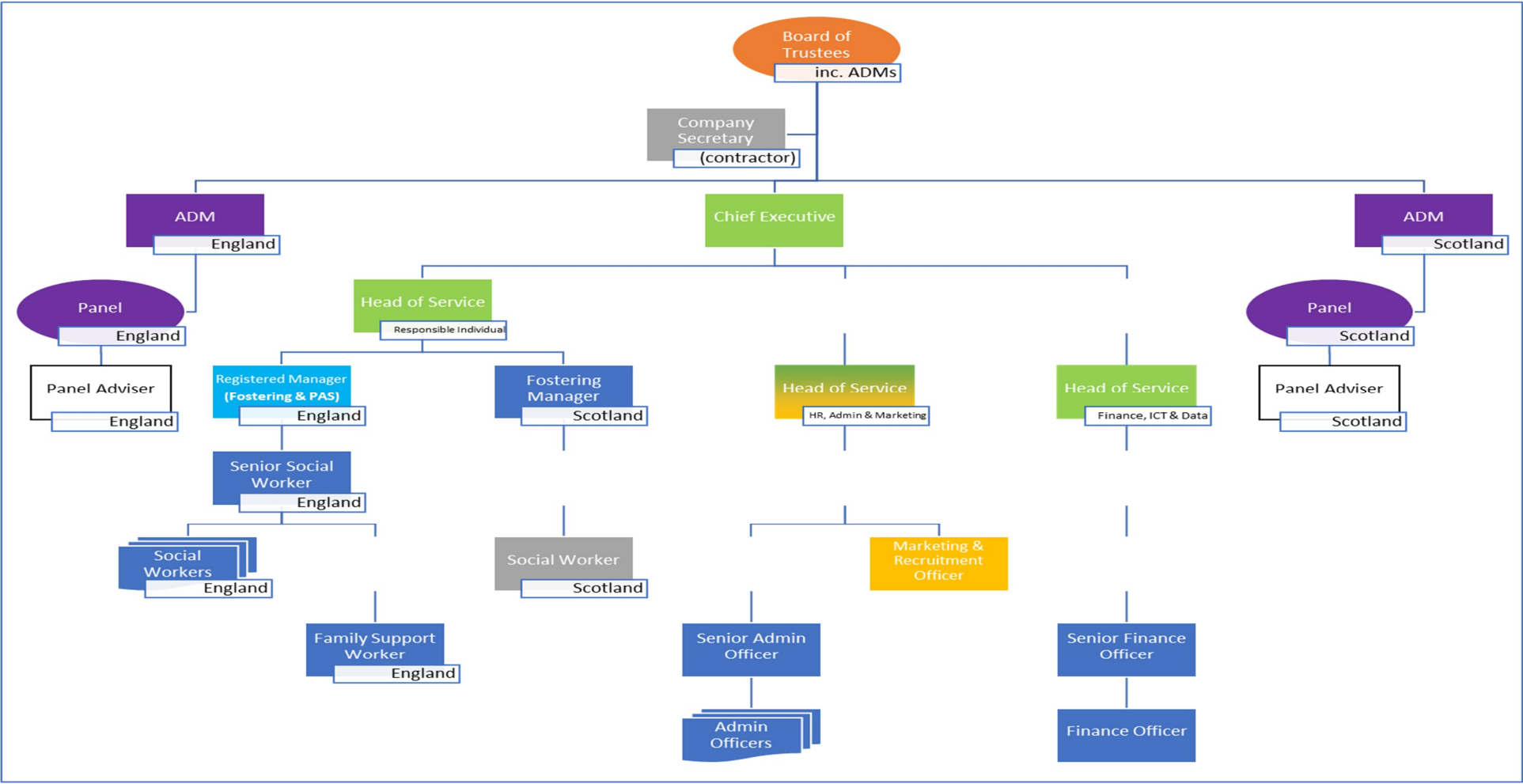
Nadine Parker

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 1<sup>st</sup> 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:
  - one obtained a Special Guardianship Order
  - two adopted the children in their care
  - 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 21<sup>st</sup> 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 5<sup>th</sup> July 2024 and signed on their behalf by:

DocuSigned by:

*Nadine Parker*

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Nadine Parker

(Chair of Trustees)

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

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

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**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.

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

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

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**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.

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

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

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**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.

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

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

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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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the charitable company's 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**

	<b>Note</b>	<b>Restricted funds 2024 £</b>	<b>Unrestricted funds 2024 £</b>	<b>Total funds 2024 £</b>	<b>Total funds 2023 £</b>
<b>Income from:</b>					
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
<b>Total income</b>		<b>3,770</b>	<b>963,010</b>	<b>966,780</b>	<b>1,076,304</b>
<b>Expenditure on:</b>					
Raising funds	6	-	17,459	17,459	18,720
Charitable activities	8	4,266	1,049,707	1,053,973	1,138,252
<b>Total expenditure</b>		<b>4,266</b>	<b>1,067,166</b>	<b>1,071,432</b>	<b>1,156,972</b>
<b>Net movement in funds</b>		<b>(496)</b>	<b>(104,156)</b>	<b>(104,652)</b>	<b>(80,668)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		8,245	266,568	274,813	355,481
Net movement in funds		(496)	(104,156)	(104,652)	(80,668)
<b>Total funds carried forward</b>		<b>7,749</b>	<b>162,412</b>	<b>170,161</b>	<b>274,813</b>

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 £
<b>Fixed assets</b>			
Tangible assets	13	4,189	3,216
		<u>4,189</u>	<u>3,216</u>
<b>Current assets</b>			
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)
<b>Net current assets</b>		<u>165,972</u>	<u>271,597</u>
<b>Total assets less current liabilities</b>		<u>170,161</u>	<u>274,813</u>
<b>Total net assets</b>		<u><u>170,161</u></u>	<u><u>274,813</u></u>
<b>Charity funds</b>			
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>
<b>Total funds</b>		<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.

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

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2024**

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

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

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

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

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**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.

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

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

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**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.

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

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

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**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**

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

	<i>Restricted funds 2023 £</i>	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
<b>Donations</b>			
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**

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

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

**6. Expenditure on raising funds**

**Costs of raising voluntary income**

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

**7. Analysis of grants**

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

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

	<b>Total funds 2024 £</b>	<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
	<b>589,022</b>	<i>652,408</i>

**Analysis of support costs**

	<b>Total funds 2024 £</b>	<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
	<b>457,451</b>	<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**

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

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

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
Charitable activities	<b>5</b>	5
Finance and administration	<b>9</b>	8
	<b>14</b>	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**

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

**14. Debtors**

	<b>2024 £</b>	<b>2023 £</b>
<b>Due within one year</b>		
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 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
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>
<b>General funds</b>					
General funds	<u>126,695</u>	<u>939,866</u>	<u>(1,048,372)</u>	<u>119,332</u>	<u>137,521</u>
<b>Total Unrestricted funds</b>	<u>266,568</u>	<u>963,010</u>	<u>(1,067,166)</u>	<u>-</u>	<u>162,412</u>
<b>Restricted funds</b>					
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>
<b>Total of funds</b>	<u>274,813</u>	<u>966,780</u>	<u>(1,071,432)</u>	<u>-</u>	<u>170,161</u>



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

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

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**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>
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
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>
<b>General funds</b>					
General funds	<u>131,953</u>	<u>968,059</u>	<u>(1,048,282)</u>	<u>74,965</u>	<u>126,695</u>
<b>Total Unrestricted funds</b>	<u>355,481</u>	<u>968,059</u>	<u>(1,056,972)</u>	<u>-</u>	<u>266,568</u>
<b>Restricted funds</b>					
Foundations Matter	<u>-</u>	<u>8,245</u>	<u>-</u>	<u>-</u>	<u>8,245</u>
<b>Total of funds</b>	<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**

	<b>Balance at 1 April 2023 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers in/out £</b>	<b>Balance at 31 March 2024 £</b>
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**

	<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>
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**

	<b>Restricted funds 2024 £</b>	<b>Unrestricted funds 2024 £</b>	<b>Total funds 2024 £</b>
Tangible fixed assets	-	4,189	4,189
Current assets	7,749	199,194	206,943
Creditors due within one year	-	(40,971)	(40,971)
<b>Total</b>	<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)
<b>Total</b>	<b>8,245</b>	<b>266,568</b>	<b>274,813</b>

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

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

**20. Analysis of cash and cash equivalents**

	<b>2024 £</b>	<b>2023 £</b>
Cash in hand	<b>94,307</b>	<b>190,371</b>
<b>Total cash and cash equivalents</b>	<b>94,307</b>	<b>190,371</b>

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**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.

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**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.