

Year ended
31st March
2025

Trustees Report and Financial Statements


Ofsted
Good
Provider



Cornerstone
Adoption and Fostering Service
because foundations matter.

Cornerstone UK

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

Registered number: 05663749

Charity numbers: 1114213 & SC050836



Contents

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

Reference and administrative information

Trustees as at 5th April 2025

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

Chief Executive Officer: Joshua MacDonald

Independent Company Secretary: Sarah Murray

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

Company registered number (CRN): 05663749

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

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

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

Message from the Chair

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

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

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

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



ANNUAL REPORT 2024-25

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

Signed by:

Nadine Parker

54F011D362E5412...

Nadine Parker

Chair of Trustees

Trustees Report

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

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

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

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

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

Strategies for achieving objectives

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

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

Criteria used to assess success in the reporting period

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

Constitution

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

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

Structure

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

Governance

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

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

Related parties – payments to Trustees

No payments were made this year.

Methods of appointment of Trustees

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

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

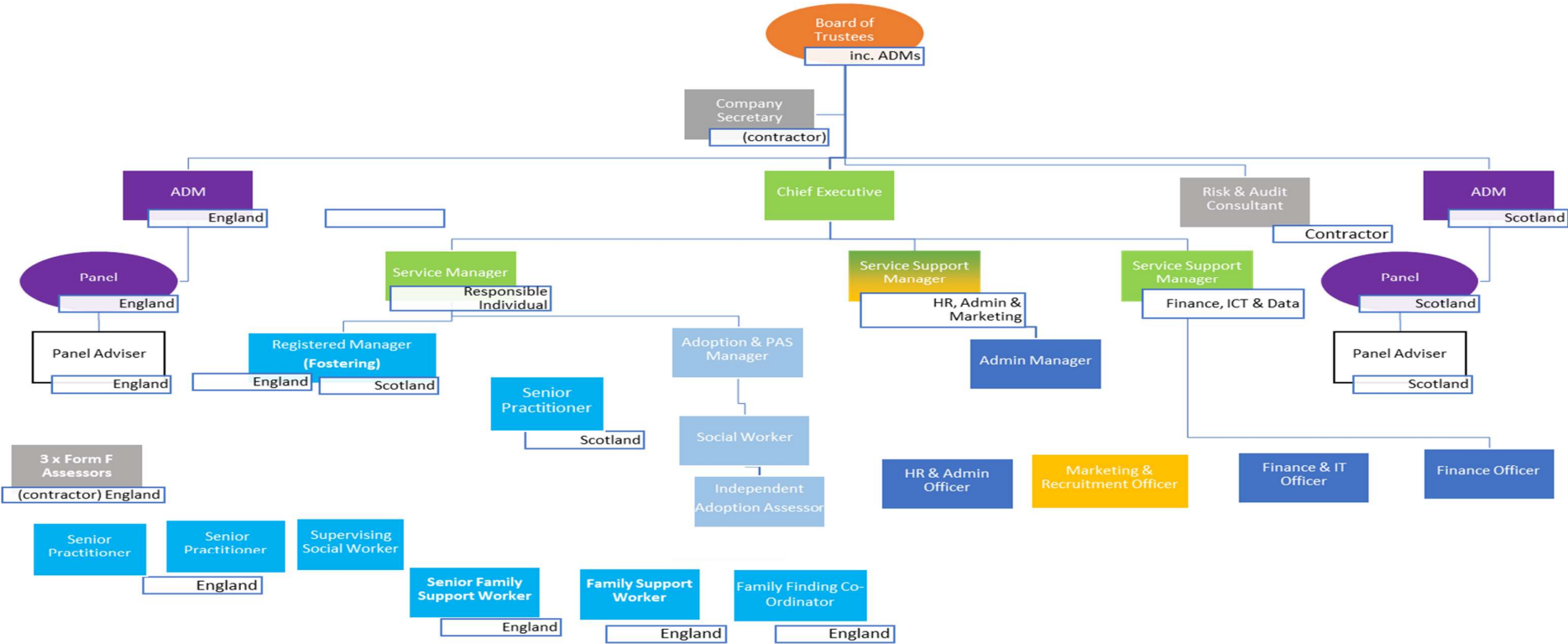
Policies adopted for the induction and training of Trustees

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



ANNUAL REPORT 2024-25

Structure and governance



Activities and achievements

Trustees

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

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

Employees

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

Foundations Matter

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

Voluntary Adoption Agency

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

Fostering

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

In the last year, we:

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

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

Post-Adoption Support

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

Accommodation

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

Principal risks and uncertainties

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

The principal risks and uncertainties for the charity are:

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

The strategies for managing those risks are:

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

Financial report

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

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

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

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

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

A. R. Church

Treasurer

Reserves policy

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

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

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

Going concern

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

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

Future plans

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

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

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

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

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

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

Closing information

Statement of Trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable company will continue in business.

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

Disclosure of information to auditors

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

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



ANNUAL REPORT 2024-25

Auditors

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

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

Signed by:

54F011D362E5412...

Nadine Parker

(Chair of Trustees)

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

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Emphasis of matter

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

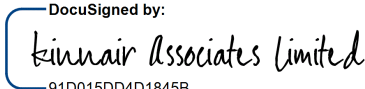
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNERSTONE (NORTH EAST)
ADOPTION AND FOSTERING SERVICE (CONTINUED)

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

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

Use of our report

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

DocuSigned by:

 91D015DD4D1845B...
Kinnair Associates Limited
 Chartered Accountants
 Statutory Auditors
 Aston House
 Redburn Road
 Newcastle Upon Tyne
 NE51NB

7 July 2025

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

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

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

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

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

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

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

BALANCE SHEET
AS AT 31 MARCH 2025

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

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

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

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

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

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

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

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

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

Signed by:

54F011D362E5412...

Nadine Parker
Chair of Trustees

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

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

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

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

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

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

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Cornerstone (North East) Adoption and Fostering Service meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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

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

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

2.2 Going concern

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

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

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

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

2. Accounting policies (continued)

2.3 Tangible fixed assets and depreciation

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

Computer and Other Equipment - over 3 years.

2.4 Income

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

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

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

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

Investment income is included when receivable.

2.5 Resources expended

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

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

All expenditure is inclusive of irrecoverable VAT.

2.6 Debtors

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

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

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

2. Accounting policies (continued)

2.7 Cash at bank and in hand

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

2.8 Liabilities and provisions

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

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

2.9 Financial instruments

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

2.10 Unrestricted funds

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

2.11 Designated funds

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

2.12 Restricted funds

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

2.13 Pension costs

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

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

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

3. Income from donations and legacies

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

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

4. Income from charitable activities

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

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

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

5. Investment income

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

6. Other incoming resources

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

7. Expenditure on raising funds
Costs of raising voluntary income

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

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

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

8. Analysis of grants

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

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

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

9. Analysis of expenditure on charitable activities

Summary by fund type

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

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

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

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

10. Analysis of expenditure by activities

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

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

Analysis of direct costs

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

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

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

10. Analysis of expenditure by activities (continued)

Analysis of support costs

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

11. Auditors' remuneration

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

12. Staff costs

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

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

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

12. Staff costs (continued)

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

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

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

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

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

13. Trustees' remuneration and expenses

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

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

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

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

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

14. Tangible fixed assets

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

15. Debtors

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

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

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

16. Creditors: Amounts falling due within one year

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

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

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

17. Statement of funds

Statement of funds - current year

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

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

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

17. Statement of funds (continued)

Designated Funds

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

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

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

Restricted Funds

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

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

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

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

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

17. Statement of funds (continued)

Statement of funds - prior year

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

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

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

18. Summary of funds

Summary of funds - current year

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

Summary of funds - prior year

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

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

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

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

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

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

21. Analysis of cash and cash equivalents

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

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

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

22. Analysis of changes in net debt

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

23. Pension commitments

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

24. Operating lease commitments

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

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

25. Related party transactions

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

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

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

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

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

26. Ex Gratia payments

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

27. Gifts / Services in Kind

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

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