



FAMILY SOCIETY

ANNUAL REPORT & ACCOUNTS

31 MARCH 2021

www.adoption-focus.org.uk

Company No: 6869556

Registered Charity No: 1129095

OFSTED No: SC394569 (Adoption Focus)

OFSTED No: 1258436 (Triangle Project)

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| Company number | 06869556 | |
| Charity number | 1129095 | |
| Registered office address | Kemp House 152 City Road London EC1V 2NX | |
| Operational address | TS3 Pinewood Business Park Coleshill Road Marston Green Birmingham B37 7HG | |
| Operating name | Adoption Focus Triangle Project | |
| Trustees | Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: | |
| | Benjamin James | Chairperson and Responsible Individual |
| | Mary Jones | Vice Chairperson |
| | Janet Forster | |
| | Anthony Lawton | |
| | David Lewis | (deceased – February 2021) |
| | Lesley Malley | (resigned – 11 January 2022) |
| | Graham Harwood | (appointed 1 October 2020) |
| Ofsted Rating | Outstanding Good | Adoption Focus Triangle Project |
| Key management personnel | Anna Sharkey Howard Parker Jo Lee Beverly Brown | Chief Executive & Designated Manager (Adoption) Director of Operations & Designated Manager (Fostering) Director of Business Development Director of Resources |
| Bankers | Lloyds Bank plc 3 Maple Walk, Chelmsley Wood, Birmingham, B37 5TS | |
| Solicitors | McCarthy Denning, Minster House, 42 Mincing Lane, London, EC3R 7AE | |
| Auditors | Cooper Parry Group Limited Park View, One Central Boulevard Blythe Valley Business Park, Solihull, B90 8BG | |

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

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Until 26 September 2020, Triangle Project operated as a separate charity, when the undertaking operated by Family Society was merged into Family Society. Family Society operates its adoption activities under the name Adoption Focus and elected to continue to offer the specialist fostering for adoption (**FFA**) services it now provides under the name Triangle Project.

Objectives and activities

Purposes and aims

The objects of the Charity are set out in the Articles and are:

- The relief of financial hardship and suffering by the provision of such grants, goods, service or facilities as the Charity shall from time to time determine;
- The relief of sickness and preservation of health;
- The support, relief and care and, the promotion thereof, of:
 - Children and young people without families to care for them, including, but not limited to, adoption and fostering services;
 - Individuals and couples seeking to adopt and/or foster children and young people; families comprising adopted and foster children;
 - Children and young people; those in need by reason of age, ill-health, disability or other disadvantage;
 - The carers of those individuals and groups;
 - Individuals, families, communities and groups who are in need;
 - Those in need by reason of financial hardship;
 - To provide or assist in the provision of facilities in the interest of social welfare for recreational or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, ill-health, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life;
- Any activity which is charitable under the laws of England, save that if any activity is undertaken in Scotland or Northern Ireland, such activity shall also be charitable under the laws of the jurisdiction in which such activity is undertaken.

The principle aim of the Charity is to support children assessed as in need of adoption through the recruitment, preparation and assessment of adoptive families, matching children in need to the approved families, and the

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continued long-term support of the children and families following the adoption process. Children are either placed with families approved as suitable to adopt by Adoption Focus, or with dual-approved – by Adoption Focus and Triangle Project - families who can provide FFA placements.

Triangle Project dual-approved carers enable children to achieve stability and security as soon as possible through the provision of placements which either become permanent adoption placements or support the child's safe return to birth family (pending court process).

Activities

The Charity's principal activity is that of a Voluntary Adoption Agency (**VAA**), registered with OFSTED (SC394569), under the operating name of Adoption Focus. Adoption Focus became operational on the 1 June 2009 and has been assessed as an 'Outstanding' adoption agency by Ofsted since becoming operational. This was confirmed by the most recent Ofsted Inspection undertaken in February 2018.

The Charity also provides Fostering for Adoption placements through its Independent Fostering Agency (**IFA**) registered with OFSTED (1258436) under the operating name of Triangle Project. Triangle Project was assessed as 'Good' by Ofsted following its first Inspection in November 2018 – Good is the highest a new agency can achieve.

Our vision is to secure a loving and supportive family life for every child by training supporting and empowering families to provide safe, secure homes for children in need.

Since becoming operational in 2009, the Charity has placed 505 children with 353 families.

9 of these families achieved their placements through FFA placements. To date, every child placed through FFA has remained in the care of the dual-approved carers. While an excellent result for the children and our families, we would generally expect some children placed under FFA arrangements to return to their birth families.

For those children who cannot safely remain in the care of their birth families, adoption offers the best long-term opportunity for them to flourish and grow. The Charity supports their adopters into adoptive parenting, and continues to provide support, guidance and advice for as long as the family needs it. For those who provide FFA placements, the Charity provides continuing care through the legal process and either into adoptive parenting or the child's return to birth family.

In the year 2020-21, the Charity effectively and efficiently managed the multiple challenges arising from the COVID-19 Pandemic. The offices closed on the 23 March 2020 and all staff moved to home working, but with in-person risk-assessed contact with adopters and FFA carers as required. This enabled the continuing provision of the full range of adoption and FFA services.

The Charity has also:

- Contributed to Regional Adoption Agency (**RAA**) developments in the West Midlands Region
- Worked with our Adopter Committee, Teen & Tween Groups, Children's Voice Group, and Dad's Group to further develop services
 - Taken on sole responsibility for the continuing provision of the Triangle Project (previously delivered with another VAA) with effect from the 1 April 2020.

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The staff group continued to access support, supervision and training throughout the year to ensure the professional delivery of adoption and FFA services for the benefit of our key beneficiaries – the children placed with adopters and FFA carers.

Post Balance Sheet Event

On 1 January 2022 the Charity merged with Faith in Families, a charity undertaking similar work with similar objectives, in the East Midlands. Under the terms of the merger, the undertaking operated by Faith in Families transferred to the Charity. This included the majority of the employees, all operating contracts, the prospective adopters and a limited amount of the assets and liabilities. The remaining assets were used to meet the pension liabilities of Faith in Families.

Following the merger, Faith in Families was placed into voluntary administration by the trustees and is in the process of being wound up. The pension liabilities of Faith in Families were not transferred to the Charity and were settled by Faith in Families. The Charity limited its liability in respect of the merger to the net asset value of the assets transferring to the Charity.

Area of Operations

The Charity operates adoption and FFA services throughout the West Midlands, Oxfordshire, Staffordshire and neighbouring counties. It trains, assesses and supports adoptive families and FFA carers in this area to provide placements for children referred to the Charity, by Local Authorities throughout England, Wales and Scotland. As a result of the merger the area of operations of the Charity will increase to cover the East Midlands.

Management

Family Society is staffed by qualified and registered (with Social Work England) Social Workers, Social Work Assistants and Adoption Managers. It employs staff to support its Business Development and administrative processes; and also, commissions external specialists to provide financial systems support; HR support; and database and IT function.

The Charity is managed by the Chief Executive Officer with support from the Senior Management Team and the Board of Trustees.

Core Activities

The provision of adoption and FFA services to:

- people seeking approval as adopters;
- people seeking dual approval as adopters and FFA carers;
- Local Authorities (**LAs**) seeking adoption and FFA placements for children in need;
- children in need; and
- adopters with children already placed.

Eligibility to seek an assessment as an adopter is restricted by regulatory requirements and each person approaching us is assessed against the specified criteria. The Charity does not make any charge to adopters utilising the service at any stage in the process. The Charity does not recoup any money for work undertaken with prospective adopters which does not result in a placement.

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Similarly, those considering FFA placements may do so in the knowledge that they can (following additional training provision) decide that they do not wish to provide such placements, with no financial penalty. Making the right decisions for the children who ultimately need the placements is the key consideration.

The majority of children referred for adoptive placements have experienced early life trauma and originate from families where a range of factors have impacted on their development and life chances. The Charity specialises in providing placements for 'harder to place' children:

- children over the age of 4 years;
- sibling groups;
- children with disabilities;
- black minority ethnic children.

The Charity also finds placements for younger children, who despite their young age, have difficult histories, including parental substance misuse (drugs and alcohol), parental physical or mental ill-health, and experience of domestic violence and neglect.

Placements made through FFA predominantly comprise infants who are placed from hospital - often following care for substance withdrawal. FFA carers are though prepared and are available to provide placements for older children and siblings groups. Whilst the carers manage the uncertainty of placement outcome (i.e., it is possible that a child may return to birth family) the child benefits from the security and stability of a placement which provides the care they need and avoids further change and disruption.

Local Authorities (who have statutory responsibility for all children assessed to be 'in need') pay an inter-agency fee to the Charity for any adoptive placements made. The fee aims to reflect the cost of recruiting, preparing and assessing adopters; and supporting them into their adoptive parenting.

Local Authorities pay the Charity a fostering fee for placements made under FFA arrangements. This continues for as long as the placement is made under Fostering Regulations. The fee covers payments made by the Charity to the dual-approved carers to care for the child and includes a Management fee to the Charity to cover its costs (supervision of the placement; training; registration; insurance etc).

Knowing that the children placed will have experienced trauma, the Charity aims to support adopters and their children throughout the adoption process and continuing into the years ahead. Therefore, it also provides adoption support services in its role as an Adoption Support Agency. This service is provided to:

- adopters who have achieved adoption placements with Adoption Focus;
- adopters who had children placed with them by Father Hudson's Society if those children are still under the age of 18 years via a Service Level Agreement;
- adopters approved by other agencies where their assessed need for adoption support services can be met by the Charity;
- kinship carers referred by Local Authorities for support with the care of the children placed with them under Special Guardianship Orders; and
- adopted children seeking support and guidance

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In some cases the Charity is funded via an application made by the child's Local Authority to the Adoption Support Fund, to provide case specific adoption support services, and subject to the fund's eligibility criteria. This relates to both adopters and Kinship Carers.

The continuing development of adoption support services is assisted by input from our Adopter Committee, comprising a group of experienced adopters; and by input from adopted children and young people. The views of all adopters connected to the Agency are regularly sought. This input helps to inform the development of suitable and effective support services.

The children who achieve stability and permanence either through the Fostering for Adoption route back to birth family or maintained in their adoptive home, or directly through placement in their adoptive homes are the ultimate beneficiaries of the service.

The Charity's adoption service was last inspected by Ofsted in February 2018 and was rated 'outstanding'; its fostering service was inspected by Ofsted in November 2018 and was rated 'good'. As the fostering service was new at the time and previously uninspected, a Good rating was the highest that could be achieved.

Employees

The Trustees are mindful of the dedication, commitment and professionalism of the whole staff group, which works together to achieve significant and positive change for the FFA and adoptive families with whom they work.

During this past year their capacity and ability to effectively adapt service delivery to enable continuity of care at every stage of the FFA and adoption process is particularly notable. They responded quickly and effectively to the national lockdown, ensuring a swift transfer to remote working practices whilst also undertaking risk assessed face-to-face meetings with families as required.

Their commitment to ensuring the best possible outcomes for children placed through FFA and adoption is clearly evidenced by the number of placements achieved, and the range of support services provided.

The Business Development and Admin Teams have worked to underpin the Charity's operational, recruitment and communication functions. Their work has included the commissioning and launch of a new website designed to better engage with these target audiences: as well as encouraging potential funders to support the work of the Charity.

The full complement of staff was required throughout the year to ensure service delivery, and this meant that no staff members were furloughed. Flexible working arrangements have enabled staff members to effectively provide the service in full.

Staff have been encouraged to access training opportunities throughout the year. Training providers have delivered content virtually, and this has been extensively utilised to ensure continuing professional development and enhanced service delivery. Trustees agree a budget to support staff training costs aimed to deliver ever improving services.

Volunteers

Much of the work of the Charity is undertaken by paid professionals. This is in accordance with the regulatory requirements relating to the core activity of the Charity which is the operation of an Adoption Agency and Independent Fostering Agency registered to provide FFA placements only.

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The Charity is, however, very fortunate in the benefit it receives from Volunteers who significantly support its work.

The Charity would like to thank:

- Those individuals who volunteer to sit on our Permanence Panel. Panel Members perform an important Quality Assurance role regarding the preparation and assessment work undertaken by the social workers. During this year, Panel Members adapted quickly and assuredly to remote Panel Meetings; to the convening of Panel as a Permanence Panel (to consider both adoption and dual-approval applications); and to a revised assessment template. Their huge commitment, acceptance of change and flexible response is impressive and highly commendable.
- Those adoptive parents who meet as our Adopter Committee. As recipients of services provided, their input is vital in ensuring the relevance of and demand for services provided. During this year, the Committee has met remotely and is an important connection between the Charity and its beneficiaries. They support the Charity in its development, identifying priorities for growth based on need in the adoption community, and assisting in the delivery of support groups, and social events.
- Those adoptive parents, and members of their families who support our recruitment and training activities. This is through direct (but currently remote) input into training events for prospective and approved adopters, and through active participation in social media campaigns, including blogs which aim to encourage people to consider adoption.
- Those adoptive parents who have volunteered to be Buddies to newly placed adopters. Their commitment to the requisite training and willingness to support new adoptive families enhances the work of the staff group. Connections made by Buddies during this year have been particularly important for newly placed adopters who could not access their anticipated support network because of the Pandemic.
- Other volunteers who have contributed their expertise and assistance to a range of activities, including film content for the website, and participation in fund raising activities.

The Chairperson and the CEO would like to thank the Trustees for the considerable time commitment they made this year to the Charity. The Trustees have responded quickly to requests for additional staff to support the different functions within the organisation and maintained regular contact with the whole staff group. They have met with the Senior Management Team more regularly than the scheduled 2-monthly meetings, and contributed their vast experience and expertise to the continuing success of the Charity during this challenging, but ultimately very successful year. Their expertise includes law, finance, safeguarding, fundraising and experience of running services and companies in the public, charitable and private sectors.

During the year, David Lewis, one of our trustees died suddenly after a short illness. David's extensive career meant that he was very well placed to assist our work with local government and our strategic decision making. He made an enormous contribution to the Charity and we will miss his involvement.

Strategic report

The Charity's key objective is to achieve positive family life for children in need through the provision of well supported and prepared adoptive parents, some of whom also elect to provide FFA placements.

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This work supports Local Authorities in their statutory duty to provide a range of services for children assessed to be 'in need' – including adoption - particularly those considered 'harder to place'. By meeting the demand (achieved through targeted recruitment activities; and through the provision of a robust and effective adoption support programme), the Charity is achieving family life for children in greatest need, and effectively managing its resources through the provision of placements in greatest demand.

Our strategic plan is based on an informed understanding of anticipated demand for services provided and includes input from our Adopter Committee (comprising a membership of 8 experienced adopters).

Regular meetings with Local Authority colleagues further inform our knowledge of their priority needs and directs our service development.

Our strategic plan is constantly reviewed and scrutinised, and a Risk Register is updated and managed as part of the review process.

Achievements and performance

The Charity's main activities and who it tries to help are described below. All its charitable activities relate to the provision of adoption and FFA services for children in need and are undertaken to further the Charity's charitable purposes for the public benefit.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2).'

The key objectives for the Charity in 2020-21 were to:

- **Actively promote the work of the Charity through its adopter recruitment, marketing and fundraising activities to encourage more people to consider adopting the children who wait; to promote our services to Local Authority commissioners; and in support of the Charity's fundraising activity.**
 - During the year 2020-21 the Charity achieved a 44% increase in the number of potential adopters contacting the agency and attending Information Events to access the information which will help them to make an informed decision about adopting.
 - The Charity placed children referred by 39 Local Authorities and RAAs. Developing relationships with Midlands based RAAs is reflected in the increased proportion of placements made locally (57%). 100% of FFA placements were made through Midlands based RAAs.
 - Fundraising has proved difficult during this year, but the Charity achieved the Solihull Chamber of Commerce Charity of the Year Award and continues to build on these connections.

- **Work to recruit, assess and approve a wide range of adoptive families for children in need, equipping them with the skills and knowledge required to achieve successful adoptive parenting.**
 - The Charity achieved the following:
 - 264 enquiries from people interested in adoption (couples and single people – each household counting as one), arising from the recruitment activity;

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- 116 Initial Visits were undertaken;
 - 93 prospective adopter households attended Preparation Training in Stage1; and 54 attended Stage 2 Training;
 - 29 adopter households attended Fostering for Adoption training to decide whether they could consider dual approval through the Triangle Project;
 - 53 prospective adopter households attended additional training concerning sibling placements, and adopting a second time;
 - 347 family & friends of adopters attended workshops held throughout the year designed to enhance the support they can provide to their adopting and dual-approved friends and relations;
 - 64 families were approved (12% more than in 2019-20) including 13 who have been dual approved;
 - Achieved successful adoption placements for 74 children – 31% more than in 2019-20, and 98% of whom were 'harder to place';
 - Celebrated the granting of 35 Adoption Orders.
- On the 31 March 2021, 66 households were in assessment
- **Minimise the delay for children assessed as in need of adoption and increase the number of children placed during the year by a minimum of 5% engaging fully in the national campaign to encourage more people to consider adopting.**

74 children were successfully placed with 53 families during the year 2020-21. This is an increase of 31% (children) and 28% (families) compared with last year.

The number placed through FFA is much lower but provided a useful resource particularly for Local Authorities planning for infants born during the first lockdown.

- 4 of the children included in the placement number above, were initially placed through FFA;
- 1 of the children was placed by the Local Authority with adopters temporarily approved for the specific child;
- 2 additional children remain with their carers under FFA arrangements pending completion of court process.

Placements provided through FFA avoid unnecessary change and placement moves for children.

- **Merge the Triangle Project into Family Society in line with the change in regulations announced by Ofsted to enable a more streamlined approach to dual approval which maintains high standards of carer preparation and support and enables children to achieve earlier placement security.**

Following the decision of St Francis Children's Society to withdraw from the joint venture Triangle Project, the Charity has undertaken the work required to merge the Triangle Project into Family Society as a specific FFA service.

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- **Work collaboratively with RAAs, Local Authorities and other VAAs to deliver services needed by adoptive families and children in need.**

The Charity has continued to build on its relationships with RAAs, Local Authorities and other VAAs.

The Charity is involved in:

- the local Regional Adoption and Special Guardianship Leadership Board;
 - the National Adoption Recruitment Campaign, including a Department for Education funded Birmingham based project focusing on the recruitment of black adopters;
 - a collaborative development of a revised Adopter Assessment training and report process; and
 - developing a new collaborative approach with Midlands based RAAs and VAAs aimed at achieving local placements for Midlands children, to include the shared and accessible adopter support services.
- **Achieve funding for an additional trainer in support of the accreditation of the training provided by the adoption support service, and to further develop the training and support offer.**

Trustees agreed to the funding of an additional trainer as a timely response to the challenges arising from the remote delivery of all training with effect from the end of March 2020. Training content has been adapted to ensure that it properly prepares prospective adopters and FFA carers. This has included the development and extension of the accredited Safebase programme to prepare adopters for the teenaged years.

In addition to the training provided for adopters and Fostering for Adoption we have provided bespoke training on behalf of other agencies and providers.

- **Develop our fundraising skills in order to diversify income.**

Fundraising has proved difficult during this year, but the Charity has increased individual giving, and was able to access grants provided by the National Lottery (Covid 19) and the Edward Cadbury Charitable Trust. These have been used to provide additional training and support activities for adopters.

The Charity was also granted Department for Education funding to cover a proportion of operational staff costs to support the Charity when placement activity (and therefore income) ceased at the start of lockdown when children were not moved.

Social Impact

The Trustees consider the social impact made by the Charity as a key part of the activities which are undertaken. The Charity enables vulnerable, traumatised children to gain secure, stable family life which will enhance their life chances and choices into the years ahead. It has done this by providing prospective adopters with the skills, knowledge and support they need to enable them to be the parents they want and need to be, for their children to thrive. The Charity has also invested in the continuing development of its FFA service – Triangle Project – which provides an additional resource for infants and children enabling security and stability

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at the earliest opportunity and supporting either the safe return of the child to their birth family, or their adoption by their FFA carers.

Adoption from care provides children with much improved prospects for recovery (from early trauma) which will enable them to transition to adulthood with a secure sense of belonging to a family which cares for them. It reduces the potential for: poor physical and mental health; teenaged pregnancy; drug and alcohol misuse; lower educational attainment; reduced employment levels; and criminality.

The Charity recognises the significant contribution which adopters and FFA carers make to the improved circumstances of the children they care for and/or parent and exercises its duty of care to them through training, preparation and continuing support.

When considering its performance, the Charity seeks evaluation from service users (adopters and their children) and commissioners; and benchmarks against Adoption National Minimum Standards (July 2014), internal response times, and disruption levels.

The Charity is delighted to report that the vast majority of children placed with new families are thriving.

Stability and security for every child are the intended outcomes of the services provided.

Beneficiaries of our services

Through its recruitment, training, and assessment activities, the Charity enables people who want to adopt to gain the skills and knowledge they need to enable them to do so, successfully. The Charity also encourages prospective adopters to consider Fostering for Adoption as an option, whilst acknowledging the additional risks inherent in these placements – the child may return to the birth family; unknown health and development matters only become apparent as the child grows.

Our focus on the welfare of the child also means that everything the Charity does is underpinned by safeguarding considerations, which will mean that in some circumstances people are assessed to be unsuitable to be approved as adopters.

The approval of suitable adopters supports the work of Local Authorities in meeting their sufficiency requirements. The approval of dual approved carers enables Local Authorities to achieve stability for children whilst decisions about their permanent care are carefully made.

The ultimate beneficiaries of the Charity are the children who achieve secure, nurturing and loving family life through the services provided.

Financial Review

The Trustees are delighted with the performance of the Charity during 2020-21, particularly because of the additional challenges arising from Covid.

Income for the year was £2,346,178 (2019/20: £1,689,697) and expenditure increased to £1,769,487 (2019/20: £1,647,965) but proportionately against the increase in income. The surplus for the year was £576,691 (2019/20: £41,732). Income was substantially more during the year as a result of the increased number of

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adoption placements. However, it is likely that this will drop significantly during the first half of 2021/22 due to the delay in care plans meaning less children will be available for adoption. The surpluses achieved will allow for the smooth running of the charity until children become available in the second half of 2021/22. Income is predominantly received from the inter-agency fee payable at the point of placement, by the Local Authority or RAA which has statutory responsibility for the child, which does mean that income is completely reliant on outside factors.

The transfer of the undertaking and assets of Triangle Project to Family Society in September 2020 has also slightly increased income. The income generated from Triangle Project was able to cover the costs incurred in delivering the service directly for the first time. Up to September 2020, Family Society was providing donations of employee time and services to Triangle Project, now that the services are operated together within the same organisation, the services are at direct cost in return for a direct income.

The Charity has carefully managed its finances to ensure the most efficient use of its resources. This is both in respect of expenditure to support the Charity's activities; and investment to build reserves.

The costs of adoption service provision are high. It is a highly regulated activity which demands professional levels of staff qualifications and experience, which in turn attract commensurate remuneration. However, the costs of delivering the service decreased in this year for the first time as travel costs reduced significantly as did room hire and office costs. We gave up the leases of our properties in Oxfordshire and Staffordshire, retaining access to the offices on an as needed basis going forward as more people wish to work from home. This does not decrease our commitment to both areas – which increased as a result of social worker recruitment – but allows us to use our resources more effectively.

The Charity qualified for Covid grant support from the Department for Education. This assisted cash-flow during a period of delays arising with placements because of lock-down, and extended periods of pre-order placement support and supervision because of court delay impacting on the granting of Adoption Orders.

The continuing careful financial management by the Senior Management Team and Trustees, has maintained a strong financial basis for the Charity. This has enabled carefully considered decisions regarding strategic development which increased recruitment and placement activities, enhanced adoption support provision and enabled continued consideration of possible growth through merger and collaboration.

The final financial outcome for the period, reflects the careful monitoring of Charity expenditure enabling continuing service development and delivery, the retention of highly motivated and experienced staff, and positive outcomes for children in need. The Trustees are committed to ensuring that any surplus made is re-invested in service growth and continuing improvement, whilst adhering to the reserves policy.

The Trustees are confident that the financial viability of the Charity is assured as it moves into 2021-22. This is because:

- The performance of the Charity during this Covid year has exceeded expectations and witnessed increased assessment and placement productivity, training delivery and support provision.
- Collaborative initiatives with other agencies in the sector (both RAAs and other VAAs) lay the foundation for increased use of services provided.

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- Recruitment of adopters and dual-approved carers has continued during this year, aided by investment in a new website which was launched in March 2021.
- A successful grant application (Tech for Good) further enhances the support offer to adopters and their children.

Principal risks and uncertainties

The Trustees have identified the major risks which the Charity faces, maintaining and monitoring a full risk register, and consider that all necessary action has been taken to manage those risks.

The principal risks to the Charity, and actions taken to minimise them are:

1. Covid-19 Pandemic

The continuing difficulties and uncertainties arising from the COVID-19 pandemic are continually reviewed and considered.

The processes implemented in response to the first lock-down (23 March 2020) ensure continuing compliance with regulations, safe and secure exchange and storage of documents, and the provision of equipment to support staff whilst working from home.

Employees are in regular contact with their Line Managers (including for formal supervision) and colleagues and attend clinical supervision sessions. These are all provided remotely.

Employees have been consulted regularly regarding office use. It is our intention to continue remote working currently and to plan for restricted office-based work when safe to do so, in order that professional development and staff cohesion can be supported.

Adopters and FFA carers have provided regular feedback regarding their experience of e.g., remote training provision; remote Panel attendance etc, with amendments made as indicated. Their views about utilising Covid-19 grant money have informed decisions about its use.

The Charity is carefully monitoring the current reduction in adoption placement demand which reflects court delay arising from Covid-19. The successful recruitment and approval of adopters and FFA carers for harder to place children means that the Charity is well-placed to respond to the anticipated increased demand for placements as the country re-opens.

2. Regional Adoption Agencies

We have considered RAAs a risk since their inception, due to their aim of increasing their own sufficiency so that VAAs are not required to recruit and train prospective adopters. Sufficiency by RAAs has not yet been achieved and is a long way off, reducing the risks of the RAAs.

Further, RAAs are seeking new relationships with the Voluntary sector and the Charity is well-placed to respond to new opportunities. The Charity is actively involved in the establishment of a collaborative working arrangement with the RAAs and VAAs operating in the Midlands region which aims to make greater use of locally based approved families for children in the Midlands.

3. Continued economic pressure and competition

Economic pressure continues and the key issues for the Charity are:

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- increases in costs ;
- potentially less families feeling that they are financial stable enough to start the adoption process;
- reduced budgets in Local Authorities impacting on their ability to purchase services – including adoption placements.

Our monthly management accounts track performance and allow the Trustees to make appropriate decisions.

Our reserves are sufficient to allow us to manage the current economic pressures.

4. Events that could impact on the reputation of the Charity – e.g., significant data breach, failure to comply with regulatory requirements i.e., operational, fundraising or health & safety incident

The Charity actively manages its risk register responding to changing circumstances to ensure that any new or enhanced risks are mitigated. Training is undertaken to ensure that risks are understood and minimised.

5. Impact of Change in Government Policy

Changes in policies and activities relating to adoption service provision are kept under constant review to mitigate against impact of change.

The Charity engages fully in Government Consultations regarding policy direction.

The Trustees are kept fully informed of changes arising, developing the Charity's strategic plan as indicated.

6. Pension Liability

Historically the Charity offered a defined benefits pension scheme. This was closed to new entrants in 2012. Following staff consultation undertaken in the year ending 31 March 2017, the decision to close the pension scheme was agreed and it closed on the 31 July 2017. The pension liabilities are within reasonable parameters. The Pension Trustees are actively seeking ways to reduce the liabilities.

Reserves Policy and going concern

The nature of adoption work requires a long-term commitment to the adoption process. It takes approximately twelve months from the first point of contact with the Charity for a family seeking approval to be in a position to have a child placed with them. The length of time they then wait before a placement is achieved (the first point at which the Charity receives a fee) will depend on the level of demand for the placement type they are offering.

Once placed, the adoptive family will need continuing support from the Charity. This support may be required for several years into the future, as they help their children recover from their early trauma. Therefore, it is

FAMILY SOCIETY
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important for the Charity to be able to show that it will be in a position to support such families throughout the process and into the years ahead.

Family Society seeks to hold reserves of between three- and twelve-months' expenditure. The Trustees estimate that the operating expenditure of the Charity's continuing activities over a six-month period is *£1,000,000*. Therefore, the Trustees consider that it is appropriate for the Charity to maintain a reserve of no less than *£750,000* in order to meet effectively the needs designated by its trusts.

The Trustees are confident that the Charity is and will be a going concern going into the future and specifically over the next 12 months. The Trustees' basis for this is:

- an effective and robust response to the Covid-19 crisis;
- strong demand for the adoptive parents approved by the Charity at a national level;
- increased demand for the adoptive parents approved by the Charity at a local level;
- continuing achievement of recruitment targets of prospective adopters who are progressing through to approval status;
- Triangle Project operates on a cost recovery model, and provides an additional resource to Local Authorities seeking earlier stability for children;
- an increase in the level of reserves held by the Charity;
- effective resolution of the pension liability; and
- careful control over expenditure and investment.

Plans for the future

The Trustees develop an annual plan for the Charity and the key aims for 2021-22 are to:

- Actively promote the work of the Charity through its marketing and fundraising activities to encourage more people to consider adopting and/or providing FFA placements for the children who need them; to promote our services to Local Authority commissioners; and in support of the Charity's fundraising activity.
- Work to recruit, assess and approve a wide range of adoptive families and FFA carers for children in need, equipping them with the skills and knowledge required to achieve successful FFA placements and adoptive parenting.
- Minimise the delay for children assessed as in need of adoption and increase the number of children placed during the year by a minimum of 5% engaging fully in the national campaign to encourage more people to consider adopting, and promoting FFA placements.
- Work collaboratively with RAAs, Local Authorities and other VAAs to deliver services needed by adoptive families and children in need.
- Actively seek merger opportunities to increase our area of operation, reduce competition and enhance our reputation as a significant provider of adoption and FFA services.

FAMILY SOCIETY
TRUSTEES' ANNUAL REPORT
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- Embed flexible working practices in the staff group whilst continuing to utilise new ways of working which have enhanced service delivery.
- Develop our fundraising activity and other income streams in order to diversify income.

Fundraising Statement

The Charity is registered with the Fundraising Regulator and undertakes all of its fundraising in accordance with the Code of Fundraising Practice.

We have undertaken the following fundraising campaigns in 2020-21:

- A virtual balloon race which invited participants to purchase a balloon, the proceeds from which were for the benefit of the Charity;
- An 'in memory' fundraising campaign following the death (from Covid) of a prospective adopter, which was initiated by her bereaved husband.

All donations which have been received have been made on a voluntary basis. However, we have publicised that we are a charity and that we accept donations. This has been promoted through our social media feeds and our website. Our fundraising policies are signed off annually by the trustees. We have not engaged with any third parties to undertake fundraising on our behalf. A small number of donations have been received from supporters taking part in third party events and raising sponsorship.

We have introduced a fundraising database which helps us identify vulnerable supporters and ensure that we work appropriately with all groups.

Our fundraising lead is responsible for managing fundraising campaigns.

We have not received any complaints in 2020-21 in respect of our fundraising practices.

As a children's charity we are aware that our supporters are emotionally involved with our work and that asking for money for children in need is generally emotive. We ensure that our staff are trained in understanding that vulnerable people will be among our donors, and we ensure that we do not expressly target elderly people or other vulnerable groups for donations. We ensure that we engage with our supporters to identify their interests.

Structure, governance and management

Family Society (the Charity) was established in 2009 as a company limited by guarantee, incorporated on 3 April 2009 and registered as a charity on 9 April 2009.

The Charity is governed by its Articles of Association and is registered as a company in England and Wales under Company number 06869556. It is also registered with the Charity Commission for England and Wales under charity number 1129095. Adoption Focus is the name of Family Society's adoption agency, which is registered with Ofsted under number SC394569. Triangle Project is the name of Family Society's fostering service, which is registered with Ofsted under number 1258436.

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The Charity operates in England and Wales and the Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

The Trustees work with the Chief Executive to agree and monitor the strategic direction of the Charity, and delegate responsibility for its day-to-day operation to the Senior Management Team, comprising the Chief Executive; The Director of Operations; The Director of Business Development; and The Director of Resources, details shown on the Legal and Administrative Details at the front of the Annual Report and Financial Statements.

Appointment of Trustees

The Charity looks for Trustees who are committed to children and the adoption and FFA process and have professional, ministerial and/or practical experience which will contribute to the effective management and operation of the Charity.

The Charity would normally seek Trustees by advertising through social media and seeking nominations from the community and people connected to social work and adoption.

In accordance with the Charity's constitution, new Trustees are appointed by the majority of Trustees attending the meeting at which an appointment proposed is affirmed. All Trustees are encouraged to attend courses on Charity law and management.

The Board of Trustees, which aims to meet six times per year, administers the Charity. Additional meetings may be convened as indicated and have been held more regularly during the year 2020-21 because of Covid-19. Monthly management accounts are prepared by the accountants acting for the Charity and these are reviewed by the executive and Chairperson. The Trustees as a whole review the management accounts on a bi-monthly or quarterly basis. Regular cash flow statements are also available for Trustee scrutiny.

Generally, the Charity seeks to maintain Trustees with the following collective experience:

- an adoptive parent;
- an accountant;
- in the management of a charity;
- a solicitor;
- a social worker with experience of working with children and adoption; and
- in business.

Some of the current Trustees have experience in more than one of the specified areas.

Trustee induction and training

New Trustees are taken through an induction process by the Chief Executive concerning the operational activities of the Charity and the principles on which the Charity's accounts are based.

The Trustees receive training from the Charity's lawyers and are encouraged to attend training courses and charity related events. The Trustees also receive briefings on legal, accounting and charity issues from a number of sources, including the Charity Commission website.

FAMILY SOCIETY
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Related parties and relationships with other organisations

The Charity is a member of a number of adoption organisations including: the Consortium of Voluntary Adoption Agencies (CVAA); CoramBAAF; the Midlands Family Placement Group (MFPG); Permanence West Midlands; and the West Midlands Adoption & Special Guardianship Leadership Board.

The Charity is also a Member of the Birmingham Chamber of Commerce.

The Charity has a Service Level Agreement with Father Hudson's Society (registered charity) to provide adoption support services.

The Charity commissions Father Hudson's Society to provide finance support.

The Charity uses McCarthy Denning as its solicitor and the Chairperson of the Charity is both a solicitor consultant to McCarthy Denning and an employee in the compliance department. The Charity assesses the relationship on a regular basis to ensure value for money is received from McCarthy Denning.

Remuneration policy for key management personnel

Salaries are benchmarked against similar roles within the public sector, and charitable sector. Independent analysis of pay scales and terms and conditions of employment is sought as required.

The Charity ensures that all employees are paid at a level greater than the national living wage.

Policy for employment of disabled persons

The Charity is an equal opportunity employer. It is committed to ensuring within the framework of the law that our workplace is free from unlawful or unfair discrimination because of Protected Characteristics as defined by the Equality Act 2010.

The Charity aims to ensure that our employees achieve their full potential and that all employment decisions are taken without reference to irrelevant or discriminatory criteria.

The Charity is committed to ensuring that all our employees and applicants for employment are protected from unlawful discrimination in employment.

Employee information

The Charity communicates with all staff members on a regular basis. The staff are kept informed of operational and financial targets; progress made in respect of strategic objectives; and the impact of external factors on Charity performance (e.g., Government Policy).

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

FAMILY SOCIETY
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- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that 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.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members Guarantee

Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up. The total number of such guarantees on 31 March 2021 was 6. The Trustees are members of the Charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the Charity.

Auditors

The Trustees have instructed Cooper Parry Group Limited to undertake the audit, having first appointed them after a tendering process for the 2016-17 audit.

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 27 January 2022 and signed on their behalf by

Benjamin James

Benjamin James

Chairperson

FAMILY SOCIETY
TRUSTEES' ANNUAL REPORT
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FAMILY SOCIETY**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAMILY SOCIETY**

Opinion

We have audited the financial statements of Family Society (the 'charitable company') for the year ended 31 March 2021 which comprise of the Statement of financial activities, Balance sheet, Statement of cash flows and notes to the financial statements, 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 FRS 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 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted 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 Auditor's 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 UK, including the FRC'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 12 months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the report of the trustees, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the 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.

FAMILY SOCIETY**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAMILY SOCIETY****Opinions on matters prescribed by the Companies Act 2006**

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

- the information given in the report of the trustees (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Report of the Trustees and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, 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.

Auditor's responsibilities for the audit of the financial statements

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the Charitable Company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, Charities (Protection and Social Investment) Act 2016, taxation legislation, data protection, anti-bribery and employment legislation.

FAMILY SOCIETY INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAMILY SOCIETY

Auditor's responsibilities for the audit of the financial statements (continued)

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Charitable Company and how the Charitable Company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Charitable Company's control environment and how the Charitable Company has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the Charitable Company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Glen Bott

Glen Bott FCA
Senior Statutory Auditor
for and on behalf of:
Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor
One Central Boulevard
Solihull
B90 8BG

Date: 27 January 2022

FAMILY SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

| | Note | Restricted £ | Unrestricted £ | 2021 Total £ | 2020 Total £ |
|---|------|-----------------|-------------------|--------------------|--------------------|
| Income from: | | | | | |
| Donations and Grants | 3 | 15,000 | 188,086 | 203,086 | 3,356 |
| Charitable Activities | | | | | |
| Adoption Agencies | 4 | - | 2,143,006 | 2,143,006 | 1,685,843 |
| Other Income | 5 | - | 86 | 86 | 498 |
| Total income | | 15,000 | 2,331,178 | 2,346,178 | 1,689,697 |
| Expenditure on: | | | | | |
| Charitable Activities | | | | | |
| Adoption Services | 6 | 5,051 | 1,764,436 | 1,769,487 | 1,647,965 |
| Total expenditure | | 5,051 | 1,764,436 | 1,769,487 | 1,647,965 |
| Net income before net gains on investments | | 9,949 | 566,742 | 576,691 | 41,732 |
| Net gain (loss) on investments | 14 | - | 2,302 | 2,302 | (1,535) |
| | | 9,949 | 569,044 | 578,993 | 40,197 |
| Net income/expenditure | | | | | |
| Actuarial (losses) on defined benefit pension scheme | 17 | - | (61,000) | (61,000) | (1,000) |
| Net movement in funds | | 9,949 | 508,044 | 517,993 | 39,197 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | - | 731,546 | 731,546 | 692,349 |
| Total funds carried forward | | 9,949 | 1,239,590 | 1,249,539 | 731,546 |

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

The notes on pages 28 to 46 form part of these financial statements.

FAMILY SOCIETY

BALANCE SHEET
AS AT 31 MARCH 2021

| | Note | £ | 2021 £ | £ | 2020 £ |
|--|------|------------------|------------------|----------------|----------------|
| Fixed assets: | | | | | |
| Intangible Assets | 12 | | 47,400 | | - |
| Tangible assets | 13 | | 6,855 | | 10,282 |
| Investments | 14 | | 50,767 | | 8,465 |
| | | | <u>105,022</u> | | <u>18,747</u> |
| Current assets: | | | | | |
| Debtors | 15 | 342,300 | | 325,196 | |
| Cash at bank and in hand | | 1,103,248 | | 563,267 | |
| | | <u>1,445,548</u> | | <u>888,463</u> | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 16 | (145,031) | | (71,664) | |
| | | <u></u> | | <u></u> | |
| Net current assets | | | 1,300,517 | | 816,799 |
| | | | <u></u> | | <u></u> |
| Net assets excluding pension liability | | | 1,405,539 | | 835,546 |
| Defined benefit pension scheme liability | 17 | | (156,000) | | (104,000) |
| | | | <u></u> | | <u></u> |
| Total net assets | | | <u>1,249,539</u> | | <u>731,546</u> |
| The funds of the Charity: | 19 | | | | |
| Restricted income funds | | | 9,949 | | - |
| Unrestricted funds: | | | | | |
| General funds | | 1,395,590 | | 835,546 | |
| Pension reserve | | (156,000) | | (104,000) | |
| | | <u></u> | | <u></u> | |
| Total unrestricted funds | | | 1,239,590 | | 731,546 |
| | | | <u></u> | | <u></u> |
| Total charity funds | | | <u>1,249,539</u> | | <u>731,546</u> |

Approved by the trustees on 27 January 2022 and signed on their behalf by

Benjamin James *Benjamin James*
Trustee

Company number 06869556

The notes on pages 28 to 46 form part of these financial statements.

FAMILY SOCIETY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

| | Note | 2021 | 2020 |
|---|------|-------------------------|-----------------------|
| | | £ | |
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 20 | 627,381 | 72,275 |
| Cash flows from investing activities | | | |
| Purchase of fixed assets | | (47,400) | (13,710) |
| Purchase of investments | | (40,000) | (10,000) |
| | | <u>87,400</u> | <u>(23,710)</u> |
| Change in cash and cash equivalents in the year | | 539,981 | 48,565 |
| Cash and cash equivalents at the beginning of the year | | <u>563,267</u> | <u>514,702</u> |
| Cash and cash equivalents at the end of the year | 21 | <u>1,103,248</u> | <u>563,267</u> |

FAMILY SOCIETY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****1. Accounting policies****1.1 Basis of preparation**

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.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the Charity and rounded to the nearest £1.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

1.2 Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

1.3 Going concern

Despite the considerable challenges arising from the Covid-19 pandemic, the Trustees have confidence that the financial viability of the Charity is assured as it moved into 2021-22. The careful application of the reserves policy throughout this and previous years, places the Charity in a position which will support it through the current, unprecedented difficulties arising from the lock-down and any future lockdowns which may happen.

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operation for the foreseeable future. For this reason, the Charity has adopted the going concern basis in preparing the financial statements.

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the Charity's right to receive payment is established.

FAMILY SOCIETY

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

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

1.6 Fund accounting

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

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.7 Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the Charity and their associated support costs
- other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1.8 Allocation of support costs

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with the use of resources. The following basis are used:

- Adoption Services 100%

Governance costs are the costs associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Charity's activities.

FAMILY SOCIETY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****1.9 Operating leases**

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight-line basis over the minimum lease term.

1.10 Intangible fixed assets

Intangible assets are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

- Website costs 20%

1.11 Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimate residual value over its expected useful life. The depreciation rates in use are as follows:

- Computer equipment 33%

1.12 Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

1.13 Cash at bank and in hand

Cash at bank and cash in hand include cash.

1.14 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.14 Creditors and provisions continued

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

FAMILY SOCIETY

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

measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 Pensions

The society operates a defined benefit pension scheme. The cost of provision pension and related benefits is charged to the SOFA over the employees' service lives on the basis of a constant percentage of earnings which is an estimate of the regular cost. Variations from regular cost, arising from periodic actuarial valuations are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. Any difference between the charge to the SOFA and the contributions payable to the scheme is shown as an asset or liability in the balance sheet.

Contributions payable on behalf of employees to money purchase pension schemes are charged to the Statement of Financial Activities as they become payable.

2. Detailed comparatives for the statement of financial activities

| | Restricted £ | Unrestricted £ | 2020 Total £ |
|--|-----------------|-------------------|--------------------|
| Income from: | | | |
| Donations & Grants | - | 3,356 | 3,356 |
| Charitable Activities | | | |
| Adoption Agencies | - | 1,685,843 | 1,685,843 |
| Other income | - | 498 | 498 |
| Total income | - | 1,689,697 | 1,689,697 |
| Expenditure on: | | | |
| Charitable activities | | | |
| Adoption Services | - | 1,647,965 | 1,647,965 |
| Total expenditure | - | 1,647,965 | 1,647,965 |
| Net income/(expenditure) before other recognised gains and losses | - | 41,732 | 41,732 |
| Actuarial (losses) on defined benefit pension schemes | - | (1,000) | (1,000) |
| Net movement in funds | - | 39,197 | 39,197 |
| Total funds brought forward | - | 692,349 | 692,349 |
| Total funds carried forward | - | 731,546 | 731,546 |

3. Income from Grants and donations

| | Restricted £ | Unrestricted £ | 2021 Total £ | 2020 Total £ |
|-----------------------------------|-----------------|-------------------|-----------------|-----------------|
| Grants | 15,000 | 132,048 | 147,048 | - |
| Donations | - | 7,837 | 7,837 | 3,356 |
| Transferred from Triangle Project | - | 48,201 | 48,201 | - |

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

| | | | | |
|--|-------------------------|---------------------------|-------------------------|-------------------------|
| | 15,000 | 188,086 | 203,086 | 3,356 |
| As at 30 September 2020, Triangle Project (Registered Charity Number 1156842) ceased operations and covenanted to transfer all net assets to Family Society. | | | | |
| 4. Income from charitable activities | Restricted £ | Unrestricted £ | 2021 Total £ | 2020 Total £ |
| Fees in respect of Adoption Agency Services | | | | |
| Local Authority | - | 2,142,430 | 2,142,430 | 1,664,523 |
| Other Agencies and charities | - | 576 | 576 | 21,320 |
| Total income from charitable activities | - | 2,143,006 | 2,143,006 | 1,685,843 |
| 5. Other Income | Restricted £ | Unrestricted £ | 2021 Total £ | 2020 Total £ |
| Bank interest | - | 86 | 86 | 498 |
| Total income | - | 86 | 86 | 498 |

FAMILY SOCIETY

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

6. Analysis of expenditure

| | Charitable Activities | | | | |
|-------------------------------|--------------------------|--------------------------|-----------------------|------------------|------------------|
| | Adoption Services | Governance Costs £ | Support Costs £ | 2021 Total £ | 2020 Total £ |
| Staff costs (Note 8) | 1,291,322 | - | - | 1,291,322 | 1,152,664 |
| Depreciation | 3,427 | - | - | 3,427 | 3,428 |
| Contract Staff | 1,723 | - | - | 1,723 | 5,795 |
| Adopter recruitment costs | 15,429 | - | - | 15,429 | 70,475 |
| Panel Costs | 30,319 | - | - | 30,319 | 26,881 |
| Property Costs | 120,177 | - | - | 120,177 | 131,405 |
| Travel Costs | 75,458 | - | - | 75,458 | 102,770 |
| Professional Fees | 29,054 | 50,368 | - | 79,422 | 37,222 |
| Office Costs | 38,082 | - | - | 38,082 | 49,863 |
| Audit Fee | - | 9,540 | - | 9,540 | 9,500 |
| Other Costs | 80,588 | - | 24,000 | 104,588 | 57,962 |
| Total expenditure 2021 | 1,655,260 | 59,908 | 24,000 | 1,769,487 | 1,647,965 |
| Total expenditure 2020 | 1,599,914 | 18,051 | 30,000 | 1,647,965 | |

Of the total expenditure, £1,764,436 was unrestricted (2020: £1,647,965) and £5,051 was restricted (2020: £nil)

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**7. Net income/(expenditure) for the year**

This is stated after charging/(crediting):

| | 2021 | 2020 |
|---|-------------|----------|
| | £ | £ |
| Depreciation | 3,427 | 3,428 |
| Operating lease rentals: | | |
| Property | 116,138 | 120,992 |
| Other | 51,730 | 46,856 |
| Auditors' remuneration (excluding VAT): | | |
| Audit | 7,950 | 7,725 |

8. Analysis of staff costs, trustee remuneration and expenses, and the current key management personnel

Staff costs were as follows:

| | 2021 | 2020 |
|--|------------------|------------------|
| | £ | £ |
| Salaries and wages | 1,102,753 | 989,057 |
| Social security costs | 113,966 | 102,641 |
| Employer's contribution to defined benefit pension scheme | - | - |
| Employer's contribution to defined contribution pension scheme | 66,458 | 54,887 |
| Operating costs of defined benefit pension scheme | 8,145 | 6,079 |
| | <u>1,291,322</u> | <u>1,152,664</u> |

The Charity donated time to the Triangle Project in the year totalling £21,557 (2020: £28,000). This time was donated from existing staff resources and no additional staff were employed in order to provide this time.

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

| | 2021 | 2020 |
|-------------------|-------------|------------|
| | No. | No. |
| £60,000 - £69,999 | 1 | 1 |
| £70,000 - £79,999 | 1 | 1 |

The total employee benefits include pension contributions of the key management personnel were £287,051 (2020: £271,531). The key management team were 4 FTE staff (2020: 4).

The trustees of the Charity were not paid and did not receive any other benefits from employment with the Charity in the year (2020: £nil). No trustee of the Charity received payment for professional or other services supplied to the Charity other than Mr Benjamin James as stated in note 10 (2020: £nil).

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £nil (2020: £246) incurred by 0 (2020: 3) members relating to attendance at meetings of the trustees.

9. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

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

| | 2021 | 2020 |
|-------------------------------|-------------|-------------|
| | £ | £ |
| Adoption Services | 19 | 18 |
| Management and Administration | 15 | 15 |
| | <hr/> 34 | <hr/> 33 |
| | <hr/> <hr/> | <hr/> <hr/> |

10. Related party transactions

During the year the Charity has engaged McCarthy Denning (Limited) to provide certain legal and company secretarial services. The chair of trustees – Mr Benjamin James is a solicitor consultant to this firm. The transactions arising during the year were on normal arm's length terms for £50,368 (2020: £8,551).

11. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

FAMILY SOCIETY

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

12. Intangible fixed assets

| | Website £ | Total £ |
|-------------------------------|--------------|-------------|
| Cost | | |
| Additions in year | 47,400 | 47,400 |
| Disposals in year | - | - |
| | <hr/> | <hr/> |
| At the end of the year | 47,400 | 47,400 |
| | <hr/> | <hr/> |
| Depreciation | | |
| Charge for the year | - | - |
| Eliminated on disposal | - | - |
| | <hr/> | <hr/> |
| At the end of the year | - | - |
| | <hr/> | <hr/> |
| Net book value | | |
| At the end of the year | 47,400 | 47,400 |
| | <hr/> <hr/> | <hr/> <hr/> |

All of the above assets are used for charitable purposes.

FAMILY SOCIETY

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

13. Tangible fixed assets

| | Computer equipment £ | Total £ |
|---|----------------------------|------------|
| Cost | | |
| At the start of the year | 46,266 | 46,266 |
| Additions in year | - | - |
| Disposals in year | - | - |
| | <hr/> | <hr/> |
| At the end of the year | 46,266 | 46,266 |
| | <hr/> | <hr/> |
| Depreciation | | |
| At the start of the year | 35,984 | 35,984 |
| Charge for the year | 3,427 | 3,427 |
| Eliminated on disposal | - | - |
| | <hr/> | <hr/> |
| At the end of the year | 39,411 | 39,411 |
| | <hr/> | <hr/> |
| Net book value | | |
| At the end of the year | 6,855 | 6,855 |
| | <hr/> | <hr/> |
| At the start of the year | 10,282 | 10,282 |
| | <hr/> | <hr/> |
| All of the above assets are used for charitable purposes. | | |

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**14. Investments**

| | 2021 | 2020 |
|---------------------------------------|--------|---------|
| | £ | £ |
| Fair value at the start of the year | 8,465 | - |
| Additions at cost | 40,000 | 10,000 |
| Net gain (loss) on change of the year | 2,302 | (1,535) |
| Fair value at the end of the year | 50,767 | 8,465 |

The investment comprises 2,470.91 accumulation units in the CCLA Charites Ethical Investment Fund.

15. Debtors

| | 2021 | 2020 |
|---------------|---------|---------|
| | £ | £ |
| Trade debtors | 297,406 | 288,064 |
| Other debtors | 20,000 | 20,000 |
| Prepayments | 24,894 | 17,132 |
| | 342,300 | 325,196 |

16. Creditors: amounts falling due within one year

| | 2021 | 2020 |
|------------------------------|---------|--------|
| | £ | £ |
| Trade creditors | 80,404 | 19,871 |
| Taxation and social security | 32,943 | 29,678 |
| Other creditors | 12,018 | - |
| Accruals | 19,666 | 22,115 |
| | 145,031 | 71,664 |

17. Pension Scheme

The Charity operates a defined benefit scheme in the UK which closed to future accrual on 31st July 2017. The assets are held separately from those of the Charity. Being invested in managed funds with insurance companies. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Charity. The contributions are determined by a qualified Actuary on the basis of triennial valuations using the projected unit method.

The most recent triennial actuarial valuation by a qualified actuary was on 1 August 2020 which indicated the Scheme had a shortfall. The next full valuation is due as at 1 August 2023.

The employer pays all costs of running the scheme.

The employer's contribution for the period was £20,145, including deficit payments of £12,000 (2020: £18,079 including deficit repayments of £12,000).

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**17. Pension Scheme (continued)**

The employee benefit obligations recognised in the balance sheet are as follows:

| | 2021 £'000 | 2020 £'000 |
|-------------------------------------|-----------------------|-----------------------|
| Present value of funded obligations | (533) | (410) |
| Fair value of plan assets | 377 | 306 |
| | <u>(156)</u> | <u>(104)</u> |

Amounts recognised in net incoming resources as follows:

| | 2021 £'000 | 2020 £'000 |
|--------------------------------|-----------------------|-----------------------|
| Current service cost | - | - |
| Expenses | - | - |
| Interest on obligation | (10) | (11) |
| Expected return on plan assets | 7 | 8 |
| Curtailments/settlements | - | - |
| Total | <u>(3)</u> | <u>(3)</u> |
| Actual return on plan assets | <u>59</u> | <u>(33)</u> |

Changes in the present value of the defined benefit obligation are as follows:

| | 2021 £'000 | 2020 £'000 |
|------------------------------------|-----------------------|-----------------------|
| Opening defined benefit obligation | 410 | 439 |
| Service cost | - | - |
| Interest cost | 10 | 11 |
| Actuarial losses/(gains) | 113 | (40) |
| Benefits paid | - | - |
| Closing defined benefit obligation | <u>533</u> | <u>410</u> |

Changes in the fair value of plan assets are as follows:

| | 2021 £'000 | 2020 £'000 |
|-----------------------------------|-----------------------|-----------------------|
| Opening fair value of plan assets | 306 | 327 |
| Expected return | 7 | 8 |
| Actuarial (losses)/gains | 52 | (41) |
| Contributions by employer | 12 | 12 |
| Benefits paid | - | - |
| | <u>377</u> | <u>306</u> |

FAMILY SOCIETY

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

17. Pension Scheme (continued)

The major categories of plan assets as a percentage of total plan are as follows:

| | 2021 % | 2020 % |
|-----------------------|------------|------------|
| Equities and property | 59 | 54 |
| Bonds | 3 | 4 |
| Gilts | 31 | 37 |
| Cash | 7 | 5 |
| | <u>100</u> | <u>100</u> |

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

| | 2021 % | 2020 % |
|---|-----------|-----------|
| Discount rate at the end of the year | 2.0 | 2.4% |
| Expected return on plan assets at the end of the year | 3.0 | 3.0% |
| Future salary increases | N/A | N/A |
| Future pension increases | 3.4 | 2.80% |

| | 2021 £'000 | 2020 £'000 | 2019 £'000 | 2018 £'000 | 2017 £'000 |
|--|---------------|---------------|---------------|---------------|---------------|
| Defined benefit obligation | (533) | (410) | (439) | (483) | (472) |
| Plan assets | 377 | 306 | 327 | 382 | 366 |
| Deficit | <u>156</u> | <u>(104)</u> | <u>(112)</u> | <u>(101)</u> | <u>(106)</u> |
| Experience adjustments on plan liabilities | (23) | 4 | (1) | 2 | 63 |
| Experience adjustments on plan assets | 52 | (41) | 1 | (1) | 43 |

FAMILY SOCIETY

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

| 18. | Analysis of net assets between fund | Restricted funds £ | Unrestricted funds £ | Total funds £ |
|-----|--|-----------------------|-------------------------|------------------|
| | Intangible fixed assets | | 47,400 | 47,400 |
| | Tangible fixed assets | | 6,855 | 6,855 |
| | Investments | - | 50,767 | 50,767 |
| | Current assets | 9,949 | 1,435,599 | 1,445,548 |
| | Current liabilities | - | (145,031) | (145,031) |
| | Defined benefit pension scheme liability | - | (156,000) | (156,000) |
| | Net assets at the end of the year | 9,949 | 1,239,590 | 1,249,539 |

| | Analysis of net assets between fund – prior year | Restricted funds £ | Unrestricted funds £ | Total funds £ |
|--|--|-----------------------|-------------------------|------------------|
| | Tangible fixed assets | | 10,282 | 10,282 |
| | Investments | - | 8,465 | 8,465 |
| | Current assets | - | 888,463 | 888,463 |
| | Current liabilities | - | (71,664) | (71,664) |
| | Defined benefit pension scheme liability | - | (104,000) | (104,000) |
| | Net assets at the end of the year | - | 731,546 | 731,546 |

FAMILY SOCIETY

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

19. Movement in funds

| | At the start of the year £ | Income £ | Expenditure £ | Transfers £ | Other gains/(losse s) £ | At the end of the year £ |
|---|-------------------------------------|-------------|------------------|----------------|----------------------------------|-----------------------------------|
| Restricted Funds | - | 15,000 | (5,051) | - | - | 9,949 |
| Unrestricted funds:: | - | | | | | |
| General funds | 835,546 | 2,331,178 | (1,761,436) | (12,000) | 2,302 | 1,395,590 |
| Pension reserve | (104,000) | - | (3,000) | 12,000 | (61,000) | (156,000) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total funds including pension fund | 731,546 | 2,346,178 | 1,769,487 | - | (58,698) | 1,249,539 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Restricted Funds

Restricted funds comprise a National Lottery Community Fund grant of £10,000 to provide additional support to adoptive families during the Covid 19 pandemic of which £5,051 was spent during the year, together with a grant of £5,000 from the Edward Cadbury Charitable Trust which is to develop and expand post adoption support for adoptive families.

Pension Reserve

The pension reserve represents the deficit as calculated under FRS 102.

FAMILY SOCIETY

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

19. Movement in funds (continued)

Movement in funds – Prior year

| | At the start of the year £ | Income £ | Expenditure £ | Transfers £ | Actuarial loss £ | At the end of the year £ |
|---|-------------------------------------|-------------|------------------|----------------|---------------------|-----------------------------------|
| Unrestricted funds: | | | | | | |
| General funds | 804,349 | 1,689,697 | (1,644,965) | (12,000) | (1,535) | 835,546 |
| Pension reserve | (112,000) | - | (3,000) | 12,000 | (1,000) | (104,000) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total funds including pension fund | 692,349 | 1,689,697 | (1,647,965) | - | (2,535) | 731,546 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

FAMILY SOCIETY

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

20. Reconciliation of net income/to net cash flow from operating activities

| | 2021 £ | 2020 |
|--|----------------|---------------|
| Net movement in funds | 517,993 | 39,197 |
| Depreciation charges | 3,427 | 3,428 |
| (Gains)Losses on investments | (2,302) | 1,535 |
| Decrease/ (Increase) in debtors | (17,104) | 50,211 |
| FRS 102 Pension adjustments (non-cash) | 3,000 | 3,000 |
| Actuarial (gains)/losses on pension liability | 61,000 | 1,000 |
| Pension scheme deficit payments | (12,000) | (12,000) |
| (Decrease)/Increase in creditors | 73,367 | (14,096) |
| Net cash provided by operating activities | 627,381 | 72,275 |

21. Analysis of the changes in net debt

| | At 1 April 2020 £ | Cash flows £ | Other changes £ | At 31 March 2021 £ |
|--|-------------------------|-----------------|-----------------------|-----------------------------|
| Cash at bank and in hand | 563,267 | 539,981 | - | 1,103,248 |
| Total cash and cash equivalents | 563,267 | 539,981 | - | 1,103,248 |

22. Operating lease commitments

The Charity has total future minimum lease payments under non-cancellable operating leases as follows:

| | Property | | Equipment | |
|--------------------|----------------|----------------|---------------|---------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Less than one year | 117,311 | 113,344 | 26,438 | 38,148 |
| One to five years | 20,236 | 19,552 | 5,318 | 15,738 |
| | 137,547 | 132,896 | 31,756 | 53,886 |

23. Capital commitments

At the balance sheet date, the Charity had committed to £ nil (2020: £nil).

24. Legal status of the Charity

FAMILY SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
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The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

25. Events subsequent to the year end

On 1 January 2022 the Charity merged with Faith in Families, a charity undertaking similar work with similar objectives, in the East Midlands. Under the terms of the merger, the undertaking operated by Faith in Families transferred to the Charity. This included the majority of the employees, all operating contracts, the prospective adopters and a limited amount of the assets and liabilities. The remaining assets were used to meet the pension liabilities of Faith in Families.