



FAMILY SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



www.adoption-focus.org.uk

Charity registration number 1129095

Company registration number 06869556 (England and Wales)

OFSTED Number: SC394569 (Adoption Focus)

OFSTED Number: 1258436 (Triangle Project)

FAMILY SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of this report were:

Benjamin James (Chairperson and Responsible Individual)	
Mary Jones (Vice Chairperson)	
Janet Forster	
Anthony Lawton	
Graham Harwood	
Mark Tobin	appointed 13 June 2022
John Bale	appointed 4 February 2022
Sanjeev Kumar	appointed 4 February 2022
Lesley Malley	resigned 11 January 2022
Tracey Hartshorn	appointed 4 February 2022; resigned 28 September 2022

Charity number	1129095	
Company number	06869556	
Operational address	TS3, Pinewood Business Park, Coleshill Road, Marston Green, Birmingham, B37 7HG	
Registered office	Sixth Floor, Minster House, 42 Mincing Lane, London	
Operating name	Adoption Focus Triangle Project Family Society Schools Project	
Ofsted rating	Outstanding Outstanding	Adoption Focus Triangle Project
Key management personnel	Anna Sharkey Howard Parker Jo Lee Beverly Brown Malcolm Dodd	Chief Executive & Designated Manager (Adoption) Director of Operations & Designated Manager (Fostering) Director of Business Development Director of Resources Director of Finances
Auditor	Humphrey & Co Audit Services Ltd 7-9 the Avenue, Eastbourne, East Sussex, BN21 3YA	
Bankers	Lloyds Bank plc 3 Maple Walk, Chelmsley Wood, Birmingham, B37 5TS Nationwide Nationwide House, Pipers Way, Swindon, SN38 1NW	
Solicitors	McCarthy Denning Minster House, 42 Mincing Lane, London, EC3R 7AE	
Investment advisors	Brewin Dolphin 12 Smithfield Street, London, EC1A 9BD CCLA Investment Management Limited Senator House, 85 Queen Victoria Street, London, EC4V 4ET	

FAMILY SOCIETY

CONTENTS

	Page
Trustees' report	1 - 18
Independent auditor's report	19 - 21
Statement of financial activities	22
Balance sheet	23 - 24
Statement of cash flows	25
Notes to the financial statements	26 - 45

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements for the year ended 31 March 2022.

The reference and administrative information set out on the legal and administrative information page forms part of this report. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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 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 fostering for adoption (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).

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Since its merger with the Charity Faith in Families (Company Number 00461813; Charity Number: 213692) on the 1st January 2022, Family Society is continuing the adoption and adoption support services previously provided by Faith in Families in the East Midlands and is also providing its Schools Social Work service to a number of schools under contract. Faith in Families did not however, transfer its historical adoption records to Family Society; these records have been transferred to the Local Authority.

Activities

The Charity is engaged in 3 core activities:

- The provision 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. It has been assessed as an 'Outstanding' adoption agency by Ofsted since becoming operational.
- The provision of Fostering for Adoption (FFA) placements through its Independent Fostering Agency (IFA) registered with OFSTED (1258436) under the operating name of Triangle Project.
- The provision of a Schools Social Work service to several schools in the East Midlands, under contract.

The regulator Ofsted conducted a combined inspection of both services in October 2021 and judged Adoption Focus and Triangle Project to be 'outstanding'.

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.

Our vision is reflected in all 3 services.

In the year 2021-22, the Charity has:

- Continued to manage the multiple challenges arising effectively and efficiently from the Coronavirus Pandemic. The full range of adoption and FFA services has been provided safely (social distancing guidance observed) whilst ensuring support for families at every stage of the adoption process.
- Planned and executed the merger with Faith in Families, this securing continuation of adoption service provision; and the Schools Social Work Service.
- More closely collaborated with Midlands based Regional Adoption Agencies to provide local placements and accessible adoption support services.
- Worked with our Adopter Committee, Teen & Tween Groups, Children's Voice Group, and Dad's Group to further develop services
- Successfully bid to be the VAA partner in the development of the Birmingham based RAA
- Been awarded a Comic Relief funded Tech for Good grant to develop an on-line resource – Adopterverse - to assist adopters in developing their network of adoptive families through sharing their expertise and support to others joining our adopter community. This was launched in April 2022.

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.

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Areas of Operations

The Charity operates adoption and FFA services throughout the Midlands area and extending into 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.

The Charity also provides a Schools Social Work Service in the East Midlands through a contractual arrangement agreed with individual schools and those operating under Academies.

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 since the merger, brought finance systems in-house. It also commissions external specialists to provide HR and financial support; legal advice; 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.

Employees

The staff group has increased during this year as those previously employed by Faith in Families were – following a consultation process – transferred into Family Society.

Trustees are mindful of the impact of the merger on all staff members and commend them on their commitment to ensuring continuity of service provision during significant change whilst still managing the restrictions arising from the pandemic.

Social Workers and Social Work assistants employed to provide adoption and FFA services have achieved loving homes for children in need with adopters and FFA carers who have been prepared and supported to provide secure and stable family life.

The Social Workers involved with children and young people through the Schools Service have provided support and care assisting them with anxiety and worries linked to family, friendships and school concerns, exacerbated by the challenges arising with the pandemic. They have worked in person in schools, supporting students, parents and teachers through this difficult time.

The Business Development and Admin Teams have worked to underpin the Charity's operational, recruitment and communication functions.

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).

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.

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

- 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 the 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.
- Volunteers who having fundraised for Faith in Families for many years, transferred this activity to Family Society following the merger.

The Chairperson and the CEO would like to thank the Trustees for the considerable time commitment they made this year to the Charity. This has included the additional work demanded by the merger and the bid to become Birmingham Childrens Trust RAA partner. The Board has increased to include Board Members from Faith in Families and the combined expertise of both Boards includes law, finance, safeguarding, fundraising and experience of running services and companies in the public, charitable and private sectors.

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.

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/priority children'. 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.

A long-standing carefully managed risk is the size, area of operation and influence of the Charity – being relatively small restricted our potential to grow and develop. The merger is an effective and carefully considered response to the risks inherent in being a small adoption service operating in a rapidly changing sector. The merger aims to increase the Charity's potential influence in policy development, extends our area of operation, increases our offer to Local Authority partners and enables opportunities for greater collaboration which improves our accessibility to adopters seeking support in the longer term. The inclusion of the Schools Service as part of the merger provides an opportunity to evaluate a complementary service which falls within our key objectives whilst offering diversification of the Charity's service offer.

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

The Charity's main activities and who it tries to help are described below. Until January 2022, all its charitable activities related to the provision of adoption and FFA services for children in need. Since the merger, a Schools Social Work service is also provided. The performance indicators include approvals and placements made with Adoption Focus (and Triangle Project) families until December 2021; and with the addition of Faith in Families adopters from January – March 2022.

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 2021-22 were 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.**
 - During the year 2021-22 the Charity achieved its target in potential adopters contacting the agency and submitting their Register of Interest with Adoption Focus. Those part-way through the process with Faith in Families transferred their Register of Interest to Adoption Focus.
 - The Charity placed children referred from England and Wales and increased the number of 'local' placements made of children referred through the East and West Midlands Local Authorities.
 - Fundraising had some limited success during this year, but the Charity is grateful for money received through grants used to enhance adopter training and support during the continuing restrictions arising from the pandemic.
- **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.**
 - The Charity has particularly focused on the recruitment of adopters who are willing to consider the needs of harder to 'place/priority children' and to provide them with training and support opportunities to prepare them to become effective parents for children who have experienced trauma and disruption.
 - During this year, the Charity approved 64 families as suitable to adopt. This includes 9 families dual-approved to also provide FFA placements.
- **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.**
 - The Charity placed 52 children with 40 families. This is fewer than our target and a reduction on the previous year's performance, reflecting the significant reduction in children referred for placement with a plan for adoption.
 - 98% of the children placed fall into one or more categories which would make them 'harder to place/priority children'. They include a sibling group of 3 children and 9 sibling groups of 2; children with significant health or additional developmental needs including autism, cerebral palsy, pre-birth exposure to drugs and alcohol; chromosome depletion; children from different ethnicities; children over the age of 4 years (the oldest was 7 years at the point of placement). Four single children had also started their placement under FFA arrangements.

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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

The Charity has contributed to the training programme offered to all VAAs through the Consortium of Voluntary Adoption Agencies (CVAA) and is providing training to other charities and RAAs.

Working with the Midlands Together Collaboration, the Charity is involved in work to develop effective Early Permanence provision in the Midlands region drawing on the expertise of all participants, including the Charity's Triangle Project service.

Work on the revised and enhanced Adopter Assessment Report has achieved an effective adoption assessment format supported by exercises designed to provide evidence of adopter capacity to undertake adoptive parenting. Interest in the revised assessment tool continues to build traction across the sector. As a joint initiative with a local RAA and a national Charity, our involvement is an important contribution to initiatives designed to improve the adoption experience for adopters and their children.

Complete due diligence activities regarding potential mergers with care whilst acting proactively and effectively to increase our area of operation, reduce competition and enhance our reputation as a significant provider of adoption and FFA services.

- The merger with Faith in Families has been achieved with relative ease. This has:
 - Enabled the continuation of adoption service provision previously provided by Faith in Families;
 - Expanded the Charity's area of operation into the East Midlands;
 - Increased our status within the region combining the excellent reputation of both agencies (both rated as Outstanding by Ofsted).
- The Board has considered other options and decided to focus on the Midlands region currently.

Embed flexible working practices in the staff group whilst continuing to utilise new ways of working which have enhanced service delivery.

- The staff group has consistently demonstrated their capacity to achieve good outcomes for children through the provision of effective adoption (and FFA) services which continue to be predominantly provided virtually – but with in-person meetings with families undertaken as required. This combination of virtual and in-person service delivery, which has also enabled staff members to achieve improved work-life balance will continue, subject to monitoring and review.
- The Schools Social Work service is provided in schools and this will continue.

Develop our fundraising activity in order to diversify income.

- Community fundraising was well established in Faith in Families and has transferred to Family Society. This will continue.
- Fundraising in support of adoption service provision has proved challenging but will be pursued in the coming year.

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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

The merger has secured the continuation of service provision to families approved and placed through Faith in Families. This provides reassurance to those families who have embarked on family life with children who may need additional support in the years ahead.

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.

The Schools Social Work service aims to support the mental health and emotional well-being of children and young people in schools. This support helps those who may otherwise struggle to do so, make use of the educational opportunities available. There is an increased demand following the impact of the pandemic on every aspect of children and young people's lives – and the adults who care for them/teach them.

Beneficiaries of our services

Through its adopter 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.

Support offered by the Charity through its adoption services; and through the Schools Social Work service aims to enable families to effectively manage challenges arising as their children grow and develop.

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;
- concerns identified through the Schools Social Work service requires additional input from statutory services.

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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. Adults caring for children (parents; foster-carers; Special Guardians; teachers) are supported in their responsibilities in respect of the children's emotional development through the Schools Social Workers.

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

Merger with Faith in Families

On 1 January 2022 Faith in Families transferred to Family Society, its operation undertaking, along with all but two employees. Faith in Families retained all real property, £75,000 in cash and all liabilities including but not limited to its pension liability. Faith in Families then transferred ownership in its real property to the Nottinghamshire County Council Pension Trust along with £50,000 and went into immediate voluntary liquidation.

Family Society received:

- families approved and waiting for an adoption placement;
- families in preparation for adoption placements;
- contracts with schools to provide child support services;
- outstanding debtors;
- post adoption support contracts; and
- the discretionary investment portfolio of stocks and shares.

The charity is not eligible to undertake merger accounting on the transaction. The operational undertakings acquired have a fair value of £312,334 and are treated as donated income under material other income as detailed within note 6.

Three trustees from Faith in Families joined Family Society on 4 February 2022. John Bale for a fixed term of one year and Sanjeev Kumar and Tracey Hartshorn on a three year renewable basis. Tracey stepped down in late 2022 after ensuring a bedding in process.

Two employees decided not to join Family Society, one due to retirement and one choose not to accept a TUPE Transfer. Two employees resigned prior to the completion of the merger and left on the day before the merger. The remaining employees transferred although 25% subsequently decided to seek opportunities elsewhere.

Faith in Families was operating at a significant loss at the point of the merger. Income from the Schools work was approximately £22,500 in this period and income from two adoptions, approximately £70,000.

Financial review

The Trustees are delighted with the performance of the Charity during 2021-22, particularly as Covid has continued to impact.

Income for the year was £2,371,008 (2020/21: £2,346,178) and expenditure increased to £2,111,086 (2020/12: £1,769,487). Unlike in previous years the increase in expenditure was not proportionate to the increase in income. The main reason for the increase in expenditure was the increase in support to families and the delay in placement meaning that the number of approvals for new adopters was happening at a faster rate than placement of adopted children. This was generally a matter of cashflow and it is hoped that the approved adopters will have children placed with them in the next year. There were also exceptional merger costs included within the expenditure. The surplus for the year was £315,384 (2020/21: £517,993).

The year end fund position totalled £1,564,923 (2020/21: £1,249,539).

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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. Income is predominantly sourced from the inter-agency fee payable at the point of placement, by the Local Authority or RAA which has statutory responsibility for the child.

The Charity qualified for further Covid grant support from the Department for Education. This assisted cash-flow in a year which witnessed continuing delays and reduced demand for placements for a raft of reasons linked to the impact of lock-down. The Charity is also supporting a high number of adoptive families through an extended period of pre-order placement support and supervision because of court delay impacting on the granting of Adoption Orders. The demand for Schools Social Work provision has increased, but school budgets are stretched and replacing teaching staff is a higher priority.

The continuing careful financial management by the Senior Management Team and Trustees, has maintained a strong financial basis for the Charity. The carefully considered and executed merger; and the Charity's successful bid to become the VAA partner for the Birmingham RAA are both intended to strengthen the position of the Charity as a significant provider of adoption services, well-placed to support increased demand for services as the current delays in the system for children, dissipate as the impact of Covid reduces.

This careful scrutiny and monitoring will inform decisions relating to all areas of service provision.

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 2023. This is because:

- The performance of the Charity during this (continuing) Covid year has exceeded expectations achieving steady assessment and placement productivity, training delivery and support provision whilst also managing the bringing together of two organisations.
- Collaborative working with other agencies in the sector (both RAAs and other VAAs) lay the foundation for increased use of services provided.
- Recruitment of adopters and dual-approved carers has focussed on the harder to place/priority children – because these are the 'in-demand' placements – and the Charity has maintained a good level of enquiries from potentially suitable prospective adopters.
- Adopterverse – the web-based provision which will support adopters in making connections with each other – has been launched. This was supported through the award of a Tech for Good grant and further enhances our reputation as an innovator and effective recipient of grant funding.
- The Schools Social Work service offers potential diversification opportunities and will be carefully evaluated and costed to ensure effective use of Charitable funds.

Trading Company

In December 2021 the Charity formed a trading company, FSAF Trading Limited. All future trading will operate through the trading company, although it only became operational on 1 April 2022. The Charity has entered into a consultancy agreement with Birmingham Children's Trust and all income from this new operation will be put through the trading company.

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Reserves Policy and Going Concern

The nature of the 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. The support may be required for several years into the future, as they help their children recover from their early trauma. Therefore, it is 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 – Government Policy is promoting the greater use of FFA placements
- An increase in the level of reserves held by the Charity
- Effective resolution of the pension liability
- Careful control over expenditure and investment

Pension Fund Deficit

Due to historic low interest rates the defined benefit pension scheme shows a liability in some years. The Charity has an arrangement with the pension scheme trustees to reduce the pension liability of approximately £180,000 by making annual payments into the scheme; in this financial year the payment was £40,000. While the Charity has the cashflow to reduce the liability from free reserves, the annual changes to value mean that this is not in the interests of the Charity. The changes to interest rates and yields post year end removed the pension liability meaning that future payments will not be required saving the Charity over £140,000.

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Investment Policy

Due to a donation of investments from Faith in Families, the investment policy for the charity is under review. The policy of the Charity is:

- to ensure that only funds not required for current expenditure or the reserves policy are invested, where this is in the best financial interests of the Charity;
- to obtain capital growth rather than income;
- to take a long-term investment view of ten to twenty years;
- to seek annual reports from the investment managers;
- to delegate investment decisions to the Finance Committee;
- for trustees to review the investment management on annual basis.

This will be expanded once the current review is complete.

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.

Regular effective communication with all staff members ensures consistency and connection with the Charity, but there are limitations to what can be achieved through virtual means. It is our intention to move towards a hybrid working model in which employees have opportunities to work together but can continue to work remotely.

This provides the Charity with an opportunity to review office-based costs and effectively use Charity resources.

In-person service provision for adopters has continued throughout the pandemic, but aspects of the service transferred effectively to remote delivery. In the coming year, some of the training provision will revert to in-person events and support group meetings will be convened in locations across our area of operation to enable accessible service provision and the development of local connections. This is being developed in consultation with adopters and their children.

The Charity continues to carefully monitor the reduction in adoption placement demand. 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 any increased demand for placements as the reasons for delays in decisions regarding children's plans are addressed

The Schools Social Work Service is provided in school locations and this will continue.

2. Regional Adoption Agencies

This significant policy development in the way in which adoption services are provided by Local Authorities has significantly impacted on the sector – both Statutory and Voluntary.

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

As the RAAs have embedded across the country, they have sought new relationships with the Voluntary sector. The Charity is well-placed to respond to new working relationships and is involved in the Midlands Together Collaboration of five Midlands based RAAs and one other VAA. This aims to make greater use of locally based approved families for Midlands children and to achieve better 'joined-up' support services across the region for adoptive families.

As the VAA partner involved in the delivery of the Birmingham RAA, we are well-placed to develop services in support of this RAA development.

3. Continued economic pressure and competition

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

- 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; and Schools Social Work services

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.

All services are carefully monitored in respect of costs and income generated.

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.

The Charity's adoption and FFA services were inspected by Ofsted in October 2021 and judged to be outstanding.

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.

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods

The Trustees develop an annual plan for the Charity and the key aims for 2022-23 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 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.
- Maximise the opportunities presented in the Birmingham RAA work to:
 - Increase placements (adoption and FFA) made with Birmingham RAA;
 - Reduce waiting times for children in Birmingham with an adoption plan;
 - Develop and enhance adoption support provision
- Embed flexible working practices in the staff group whilst continuing to utilise new ways of working which have enhanced service delivery.
- Review and plan for future Schools Social Work Service delivery through the development of a properly costed model.
- Develop our fundraising activity 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 2021-22:

- A cake sale and raffle at an adopter social event;
- Community fundraising through Churches located in the East Midlands (previously undertaken by Faith in Families).

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. Regular donors to Faith in Families were written to, inviting them to transfer their regular giving to Family Society.

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.

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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

We have not received any complaints in 2021-22 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.

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 10 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; the Director of Resources and the Director of Finance, details shown on the Legal and Administrative Details at the front of the Annual Report and Financial Statements.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Benjamin James

Mary Jones

Janet Forster

Anthony Lawton

Lesley Malley

(Resigned 11 January 2022)

Graham Harwood

Mark Tobin

(Appointed 13 June 2022)

Tracey Hartshorn

(Appointed 4 February 2022 and resigned 28 September 2022)

John Bale

(Appointed 4 February 2022)

Sanjeev Kumar

(Appointed 4 February 2022)

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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 Family Society increased by 3 with the appointment of Trustees who were formerly on the Faith in Families Board.

The Board of Trustees, which aims to meet six times per year, administers the Charity. Additional meetings may be convened as indicated.

During the year 2021/22 monthly management accounts were prepared by the accountants acting for the Charity for review 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.

A Finance Sub-Committee has recently been established following the merger. The financial function of the Charity has been brought in-house with the arrival of the Finance Director from Faith in Families and further scrutiny and reporting to the Board has been instigated.

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
- 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.

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.

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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).

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; West Midlands Adoption & Special Guardianship Leadership Board.; and the Midlands Together Collaboration.

The CEO is a CVAA Board Member. The CEO and Chairperson are Directors of FSAF Trading Limited set up to manage the different legal requirements of the Birmingham RAA partnership as we are providing consultation.

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 commissioned Father Hudson's Society to provide finance support. This function has now moved in-house.

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.

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Statement of trustees' responsibilities

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

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 Charity 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 Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 2022 was 9. The Trustees are members of the Charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the Charity.

Auditor

Having previously extended the tenure of the previous auditors, the trustees decided to go to tender for the 2022 Audit. The existing auditors decided not to retender. Three firms tendered and all were appointable.

The Trustees have instructed Humphrey & Co to undertake the audit.

FAMILY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Disclosure of information to auditor

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.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

Benjamin James

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Benjamin James

Chairperson

21 December 2022

Date:

FAMILY SOCIETY

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FAMILY SOCIETY

Opinion

We have audited the financial statements of Family Society (the 'Charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, 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 Charity 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 Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

FAMILY SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF FAMILY SOCIETY

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose 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 Charity'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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We obtained an understanding of the Charity and the laws and regulations that could reasonably be expected to have a direct effect on the financial statements through discussion with the Trustees and management and the application of our knowledge and experience. We discussed with management whether there were any known or suspected instances of fraud and/or non-compliance with relevant laws and regulations. We also obtained an understanding of the Charity's accounting systems and internal controls.

We audited the risk of management override of controls, by testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. Our other audit procedures included, but were not limited to, carrying out detailed substantive testing of a sample of income, wages and expenditure transactions arising in the year and a sample of balance sheet items such as intangible assets, debtors, creditors, etc. We also reviewed the financial statements and checked disclosures to supporting documentation to assess compliance with applicable law and regulation.

Because of the inherent risk 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. The 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 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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

FAMILY SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF FAMILY SOCIETY

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Humphrey & Co Audit Services Ltd

Humphrey & Co Audit Services Ltd

21 December 2022

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**Chartered Accountants
Statutory Auditor**

7-9 The Avenue
Eastbourne
East Sussex
BN21 3YA

Humphrey & Co Audit Services Ltd is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

FAMILY SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and grants	3	11,613	240,209	251,822	188,086	15,000	203,086
Charitable activities	4	1,806,728	-	1,806,728	2,143,006	-	2,143,006
Investments	5	124	-	124	86	-	86
Material other income	6	294,670	17,664	312,334	-	-	-
Total income		2,113,135	257,873	2,371,008	2,331,178	15,000	2,346,178
Expenditure on:							
Raising funds	7	32,206	-	32,206	-	-	-
Charitable activities							
Adoption Services	8	1,855,214	205,112	2,060,326	1,764,436	5,051	1,769,487
Schools and community	8	18,554	-	18,554	-	-	-
Total charitable expenditure		1,873,768	205,112	2,078,880	1,764,436	5,051	1,769,487
Total expenditure		1,905,974	205,112	2,111,086	1,764,436	5,051	1,769,487
Net gains/(losses) on investments	13	36,462	-	36,462	2,302	-	2,302
Net incoming resources		243,623	52,761	296,384	569,044	9,949	578,993
Other recognised gains and losses							
Actuarial gain/(loss) on defined benefit pension schemes	21	19,000	-	19,000	(61,000)	-	(61,000)
Net movement in funds		262,623	52,761	315,384	508,044	9,949	517,993
Fund balances at 1 April 2021		1,239,590	9,949	1,249,539	731,546	-	731,546
Fund balances at 31 March 2022		1,502,213	62,710	1,564,923	1,239,590	9,949	1,249,539

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

FAMILY SOCIETY

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	15	35,550		47,400	
Tangible assets	16	13,313		6,855	
Investments	17	316,616		50,767	
			365,479		105,022
Current assets					
Debtors	19	350,855		342,300	
Cash at bank and in hand		1,167,162		1,103,248	
			1,518,017		1,445,548
Creditors: amounts falling due within one year	20	(223,573)		(145,031)	
Net current assets			1,294,444		1,300,517
Total assets less current liabilities			1,659,923		1,405,539
Provisions for liabilities					
Defined benefit pension liability	21	95,000		156,000	
			(95,000)		(156,000)
Net assets			1,564,923		1,249,539
Income funds					
Restricted funds	22		62,710		9,949
<u>Unrestricted funds - general</u>					
Designated funds	23	33,697		-	
General unrestricted funds		1,563,516		1,395,590	
Pension reserve		(95,000)		(156,000)	
			1,502,213		1,239,590
			1,564,923		1,249,539

FAMILY SOCIETY

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

16 December 2022

The financial statements were approved by the Trustees on

Benjamin James

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Benjamin James

Trustee

Company registration number 06869556

FAMILY SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	28		63,791		627,295
Investing activities					
Purchase of intangible assets		-		(47,400)	
Purchase of subsidiaries		(1)		-	
Purchase of other investments		-		(40,000)	
Investment income received		124		86	
Net cash generated from/(used in) investing activities			123		(87,314)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			63,914		539,981
Cash and cash equivalents at beginning of year			1,103,248		563,267
Cash and cash equivalents at end of year			1,167,162		1,103,248

FAMILY SOCIETY

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

1 Accounting policies

Charity information

Family Society is a private company limited by guarantee incorporated in England and Wales. The registered office is Sixth Floor, Minster House, 42 Mincing Lane, London, EC3R 7AE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Articles, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives and which have not been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

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

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. 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 tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from government and other grants are recognised as 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.

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Investment income is earned through holding assets for investment purposes such as shares. Where it is not practical 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 income is recognised as the Charity's right to receive payment is established.

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.

1.5 Expenditure

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.

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 and 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 is used:

- | | |
|-------------------------|-------|
| • Adoption Services | 97.6% |
| • Schools and community | 0.9% |
| • Fundraising | 1.5% |

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.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website costs	25% straight line basis
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FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	100% straight line basis
Computers	33% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the Charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Investments in subsidiary investments are carried at cost.

1.9 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which it arises, unused holiday may be carried forward for three months into the following holiday year.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

The Trustees do not consider there are any significant judgements (other than those including estimates as disclosed) which require disclosure within the accounts.

Key sources of estimation uncertainty

Defined Pension Scheme

The charity operated a defined pension scheme under the provisions described in the Scheme's Trust Deed and Rules dated 30 July 1998 as subsequently amended.

An FRS Report for the year has been undertaken by a Fellow of the Institute and Faculty of Actuaries. This is based on the asset data provided by the charity. The actuarial cost method has been used as required by FRS102. The calculations are based on the values as at 31 March 2022. Subsequent major fluctuations in the markets and sharp rise in inflation will affect the valuation post year end.

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and grants

	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Donations	11,613	-	11,613	7,837	-	7,837
Grants	-	240,209	240,209	132,048	15,000	147,048
Transferred from Triangle Project	-	-	-	48,201	-	48,201
	<u>11,613</u>	<u>240,209</u>	<u>251,822</u>	<u>188,086</u>	<u>15,000</u>	<u>203,086</u>

4 Charitable activities

	Adoption services 2022 £	Schools & community services 2022 £	Total 2022 £	Adoption services 2021 £
Local Authority	1,767,182	-	1,767,182	2,142,430
Other agencies and charities	-	39,546	39,546	576
	<u>1,767,182</u>	<u>39,546</u>	<u>1,806,728</u>	<u>2,143,006</u>

5 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Interest receivable	<u>124</u>	<u>86</u>

6 Material other income

On 1 January 2022, the charity absorbed Faith in Families into its operation. The net assets were introduced into the accounts as material other income split between unrestricted and restricted income.

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7 Raising funds

	Unrestricted funds general 2022 £	Total 2021 £
<u>Fundraising and publicity</u>		
Seeking donations, grants and legacies	180	-
Staff costs	31,636	-
Support costs	390	-
	<hr/>	<hr/>
Fundraising and publicity	32,206	-
	<hr/>	<hr/>
	<u>32,206</u>	<u>-</u>

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Charitable activities

	Adoption Schools and Services	community	Total 2022	Adoption Services
	2022 £	2022 £	£	2021 £
Staff costs	1,502,871	18,225	1,521,096	1,291,322
Depreciation and impairment	15,277	-	15,277	3,427
Contract staff	20,224	-	20,224	1,723
Adopter recruitment costs	26,174	-	26,174	15,429
Panel costs	44,514	-	44,514	30,319
Property costs	116,653	-	116,653	120,177
Travel costs	55,299	-	55,299	75,458
Professional fees	61,416	-	61,416	14,781
Office costs	28,141	-	28,141	24,497
Other costs	29,981	-	29,981	55,769
Computer costs	94,869	-	94,869	38,404
Fostering to adopt fees	25,204	-	25,204	14,273
	<u>2,020,623</u>	<u>18,225</u>	<u>2,038,848</u>	<u>1,685,579</u>
Share of support costs (see note 9)	24,920	225	25,145	24,000
Share of governance costs (see note 9)	14,783	104	14,887	59,908
	<u>2,060,326</u>	<u>18,554</u>	<u>2,078,880</u>	<u>1,769,487</u>
Analysis by fund				
Unrestricted funds - general	1,855,214	18,554	1,873,768	1,764,436
Restricted funds	205,112	-	205,112	5,051
	<u>2,060,326</u>	<u>18,554</u>	<u>2,078,880</u>	<u>1,769,487</u>

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

9 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Other costs	25,535	-	25,535	24,000	-	24,000
Audit fees	-	9,504	9,504	-	9,540	9,540
Legal and professional	-	5,563	5,563	-	50,368	50,368
	<u>25,535</u>	<u>15,067</u>	<u>40,602</u>	<u>24,000</u>	<u>59,908</u>	<u>83,908</u>
Analysed between						
Fundraising	390	180	570	-	-	-
Charitable activities	<u>25,145</u>	<u>14,887</u>	<u>40,032</u>	<u>24,000</u>	<u>59,908</u>	<u>83,908</u>
	<u>25,535</u>	<u>15,067</u>	<u>40,602</u>	<u>24,000</u>	<u>59,908</u>	<u>83,908</u>

Governance costs includes payments to the auditors of £9,504 (2021- £9,540) for audit fees.

10 Auditor's remuneration

Fees payable to the Charity's auditor and associates:	2022 £	2021 £
Audit of the Charity's annual accounts	<u>12,000</u>	<u>9,540</u>

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year.

No trustee received payment from the Charity for professional or other services supplied to the Charity other than Mr Benjamin James as stated in note 26 (2021: £nil).

Trustees expenses represent the payment or reimbursement of travelling expenses and subsistence costs totalling £nil (2021: £nil) incurred by 0 (2021: 0) members relating to attendance at meeting of the trustees.

12 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Adoption Services	32	19
Management and Administration	12	15
Fundraising and Marketing	5	-
School Service	5	-
Total	<u>54</u>	<u>34</u>

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Employees

(Continued)

Employment costs	2022 £	2021 £
Wages and salaries	1,299,770	1,102,753
Social security costs	136,961	113,966
Other pension costs	96,052	74,603
	<u>1,532,783</u>	<u>1,291,322</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£60,000 - £69,999	1	1
£70,000 - £79,999	1	1
	<u>1</u>	<u>1</u>

The total employee benefits including pension contributions of the key management personnel were £299,192 (2021: £287,051). The key management team were 4 FTE staff (2021: 4).

13 Net gains/(losses) on investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Revaluation of investments	<u>36,462</u>	<u>2,302</u>

14 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 (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

15 Intangible fixed assets

	Website costs £
Cost	
At 1 April 2021 and 31 March 2022	47,400
Amortisation and impairment	
At 1 April 2021	-
Amortisation charged for the year	11,850
At 31 March 2022	11,850
Carrying amount	
At 31 March 2022	35,550
At 31 March 2021	47,400

16 Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 April 2021	-	46,266	46,266
Additions	773	9,112	9,885
At 31 March 2022	773	55,378	56,151
Depreciation and impairment			
At 1 April 2021	-	39,411	39,411
Depreciation charged in the year	-	3,427	3,427
At 31 March 2022	-	42,838	42,838
Carrying amount			
At 31 March 2022	773	12,540	13,313
At 31 March 2021	-	6,855	6,855

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

17 Fixed asset investments

	Listed investments	CCLA Charities Ethical Investment Fund	Cash in portfolio	Other investments	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2021	-	50,767	-	-	50,767
Additions	225,882	-	3,504	1	229,387
Valuation changes	30,584	5,878	-	-	36,462
At 31 March 2022	256,466	56,645	3,504	1	316,616
Carrying amount					
At 31 March 2022	256,466	56,645	3,504	1	316,616
At 31 March 2021	-	50,767	-	-	50,767

The listed investments portfolio is managed by Brewin Dolphin.

The investment in CCLA Charities Ethical Investment Fund comprises of 11,958.13 accumulation units.

	Notes	2022 £	2021 £
Other investments comprise:			
Investments in subsidiaries	27	1	-
		2022 £	2021 £
Investments at fair value comprise:			
Listed investments		256,466	-
Other investments		56,644	-
		313,110	-

Fixed asset investments revalued

Revalued investments are calculated by readily available market valuations provided. The historical cost of the listed investments equals the donated value provided of £225,882 (2021-£nil). The historical cost of other investments totalled £50,000 (2021- £50,000).

18 Financial instruments	2022 £	2021 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	313,111	50,767

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

19 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	320,083	297,406
Other debtors	20,000	20,000
Prepayments and accrued income	10,772	24,894
	<u>350,855</u>	<u>342,300</u>

20 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	46,184	32,943
Trade creditors	125,941	80,404
Other creditors	4,888	12,018
Accruals and deferred income	46,560	19,666
	<u>223,573</u>	<u>145,031</u>

21 Retirement benefit schemes

Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £78,592 (2021 - £66,458).

Defined benefit schemes

The Charity operates a defined benefit scheme in the UK which closed to future accruals on 31 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 last triennial actuarial valuation was as at 1 August 2020 by a qualified Actuary which indicated the Scheme had a shortfall. To eliminate the shortfall the Society agreed to pay contributions as follows: £40,000 by 30 November 2021, £40,000 by 1 March 2023, £40,000 by 1 March 2024, and £37,000 by 1 March 2025. 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 £62,460 including deficit payments of £45,000 (2021: £20,145 including deficit repayments of £12,000). Based on the existing schedule of contributions the Society is expected to contribute £40,000 to the Scheme over the year to 31 March 2023, in addition to the Society reimbursing the Scheme for any expenses incurred over this period.

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

21 Retirement benefit schemes

(Continued)

Key assumptions

	2022 %	2021 %
Discount rate	2.75	2
Expected rate of increase of pensions in payment	3.8	3.4
Expected rate of salary increases	0	0
Expected return on plan assets at the year end	3.0	3.0

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2022 Years	2021 Years
Retiring today		
- Males	21.9	21.9
- Females	24.3	24.2
Retiring in 20 years		
- Males	23	22.9
- Females	25.4	25.4

Amounts recognised in the profit and loss account:

	2022 £	2021 £
Net interest on defined benefit liability/(asset)	11,000	10,000
Other costs and income	5,000	6,000
Total costs	16,000	16,000

Amounts taken to other comprehensive income:

	2022 £	2021 £
Other gains and losses	(19,000)	61,000

The amounts included in the balance sheet arising from the Charity's obligations in respect of defined benefit plans are as follows:

	2022 £	2021 £
Present value of defined benefit obligations	538,000	533,000
Fair value of plan assets	(443,000)	(377,000)
Deficit in scheme	95,000	156,000

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

21 Retirement benefit schemes

(Continued)

Movements in the present value of defined benefit obligations:

	2022 £
Liabilities at 1 April 2021	533,000
Benefits paid	(1,000)
Interest cost	11,000
Other	(5,000)
	<hr/>
At 31 March 2022	538,000
	<hr/> <hr/>

The defined benefit obligations arise from plans which are wholly or partly funded.

Movements in the fair value of plan assets:

	2022 £
Fair value of assets at 1 April 2021	377,000
Benefits paid	(1,000)
Contributions by the employer	50,000
Other	17,000
	<hr/>
At 31 March 2022	443,000
	<hr/> <hr/>

Actual return on plan assets was £22,000 (2021 - £59,000).

The fair value of plan assets at the reporting period end was as follows:

	2022 £	2021 £
Equity instruments	227,000	213,000
Property	10,000	8,000
Bonds	136,000	130,000
Cash	70,000	26,000
	<hr/>	<hr/>
	443,000	377,000
	<hr/> <hr/>	<hr/> <hr/>

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Incoming resources £	Resources expended £	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
National Lottery Community Grant	10,000	(5,051)	4,949	-	-	4,949
Edward Cadbury Charitable Trust	5,000	-	5,000	-	-	5,000
Dfe Grant	-	-	-	176,064	(176,064)	-
Comic Relief Tech Fund	-	-	-	62,145	(28,943)	33,202
Teen Group	-	-	-	2,000	(105)	1,895
Intermediary Services Trust	-	-	-	3,822	-	3,822
School Social Work Grant	-	-	-	9,314	-	9,314
Life Story Support	-	-	-	503	-	503
Hardship Fund	-	-	-	4,025	-	4,025
	<u>15,000</u>	<u>(5,051)</u>	<u>9,949</u>	<u>257,873</u>	<u>(205,112)</u>	<u>62,710</u>

National Lottery Community Fund

This fund is to provide additional support to adoptive families during the pandemic.

Edward Cadbury Charitable Trust Fund

This fund is to develop and expand post adoption support to adoptive families.

Department for Education Grant Fund

This assisted with cashflow 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.

Comic Relief Tech Fund

The Fund was set up to use technology (Adopter Verse – safe, secure online space within the website) to bring outstanding support to an increasing number of adopters and potential adopters, located across a wide geographic area. The Fund aims to significantly increase the choice of adoptive homes for some of the country's most vulnerable children, enabling them to find the best match possible for their unique needs and circumstances.

Teen Group Fund (Love Brum)

The grant was made to support adopted children who have experienced loss and trauma. The Teen Group aims to be a mutually supportive group for young people in the Birmingham area, which will enhance family relationships by enabling young people to develop their personal and social skills.

Intermediary Services Fund

These are accumulated funds received from service users for providing that service and amounts received cover direct costs.

School Social Work Fund

This is a fund for training of staff service and expansion of service into catholic schools.

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

22 Restricted funds

(Continued)

Life Story Fund

This is the remaining balance of a one-off grant received by Faith in Families in 2015/16.

Hardship Fund

This fund is for the support of families and children who, in the Trustees' opinion, need extra financial support.

23 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Movement in funds	
	Incoming resources	Balance at 1 April 2021	Incoming resources	Balance at 31 March 2022
	£	£	£	£
Timerick Development Fund	-	-	19,524	19,524
BM Memorial Fund	-	-	4,173	4,173
SJP Grant (Covid 19)	-	-	10,000	10,000
	<u>-</u>	<u>-</u>	<u>33,697</u>	<u>33,697</u>
	<u>-</u>	<u>-</u>	<u>33,697</u>	<u>33,697</u>

Timerick Development Fund

This fund is to support the development of the agency into community work based in catholic schools for early intervention and community support to vulnerable children and families. The charity anticipates that the fund will be expended over the next 3 to 5 years as the service develops and they work in new schools, to continue to meet the needs of the students that are supported by the service.

Beverley Morris (BM) Fund

This fund is to support ongoing training for social work staff in their direct work with vulnerable children. The charity anticipates that the fund will be expended over the next 1 to 3 years.

SJP Grant

In 2020/21 the Sisters of Joseph of Peace made a grant in recognition of the difficulties the charity would face throughout the pandemic. The Trustees are looking to allocate this expenditure in the next 1 to 2 years.

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

24 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Intangible fixed assets	35,550	-	35,550	47,400	-	47,400
Tangible assets	13,313	-	13,313	6,855	-	6,855
Investments	316,616	-	316,616	50,767	-	50,767
Current assets/(liabilities)	1,231,734	62,710	1,294,444	1,290,568	9,949	1,300,517
Provisions and pensions	(95,000)	-	(95,000)	-	-	(156,000)
	<u>1,502,213</u>	<u>62,710</u>	<u>1,564,923</u>	<u>1,395,590</u>	<u>9,949</u>	<u>1,249,539</u>

25 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	124,976	143,749
Between two and five years	9,635	25,554
	<u>134,611</u>	<u>169,303</u>

The operating leases represent property and equipment leases to third parties. The leases are negotiated over terms of 1 - 5 years and rentals are fixed for 1 - 5 years. The property leases include a provision for five-yearly upward rent reviews according to prevailing market conditions.

26 Related party transactions

Transactions with related parties

During the year the charity engaged McCarthy Denning to provide certain legal and company secretarial services. The chair of trustees - Mr Benjamin James is a solicitor consultant to the firm. The transactions arising during the year were on normal arm's length terms for £74,683 (2021: £50,368).

During the year the charity paid £8,923 to Criminalangel Consulting Ltd for work undertaken. The sole director of the company is the wife of a trustee.

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

27 Subsidiaries

These financial statements are separate Charity financial statements for 31 March 2022.

Details of the Charity's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
FSAF Trading Ltd	6th Floor Minster Dormant House, 42 Mincing Lane, London, England, EC3R 7AE		Ordinary Shares	100.00	
Triangle Project	6th Floor Minster Charity House, 42 Mincing Lane, London, England, EC3R 7AE		Company limited by guarantee		100.00

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
FSAF Trading Ltd	-	1
Triangle Project	(700)	2,035

Investments in subsidiaries are stated at cost within the charity accounts in line with the accounting policies. During the year to 31 March 2022 the charity acquired a 100% holding in FSAF Trading Ltd. The company was dormant during the period and as such consolidated accounts have not been undertaken for the year.

Family Society is the sole member of Triangle Project, a charity and company limited by guarantee. Triangle Project ceased operations on 30 September 2020 and transferred all free reserves to Family Society during the year ended 31 March 2021. The charity is in the process of finalising administration to be able to close. As the charity was not operational during the year to 31 March 2022 and reserves are minimal consolidated accounts have not been undertaken in the current or preceding year.

In aggregate, it is considered that the two subsidiaries are not material to the true and fair view of the 31 March 2022 accounts for Family Society and have therefore been excluded from consolidation.

FAMILY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

28	Cash generated from operations	2022 £	2021 £
	Surplus for the year	296,384	578,993
	Adjustments for:		
	Investment income recognised in statement of financial activities	(124)	(86)
	Fair value gains and losses on investments	(36,462)	(2,302)
	Depreciation and impairment of tangible fixed assets	15,277	3,427
	Non-cash transactions on donated operations	(239,271)	-
	Difference between pension charge and cash contributions	(42,000)	(9,000)
	Movements in working capital:		
	(Increase) in debtors	(8,555)	(17,104)
	Increase in creditors	78,542	73,367
	Cash generated from operations	63,791	627,295
29	Analysis of changes in net funds		
	The Charity had no debt during the year.		