

REGISTERED COMPANY NUMBER: 03798480 (England and Wales)
REGISTERED CHARITY NUMBER: 1139773

Report of the Trustees and
Financial Statements for the Year Ended 31 March 2021
for
PHOENIX COMMUNITY CARE LIMITED

Knox Cropper LLP
153-155 London Road
Hemel Hempstead
Hertfordshire
HP3 9SQ

PHOENIX COMMUNITY CARE LIMITED

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for the Year Ended 31 March 2021**

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PHOENIX COMMUNITY CARE LIMITED

Report of the Trustees for the Year Ended 31 March 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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).

**Report of the Trustees
for the Year Ended 31 March 2021**

OBJECTIVES AND ACTIVITIES

Objectives and aims

Purpose

- a) The relief of those in need, hardship or distress especially those that are vulnerable, young people, asylum seekers and refugees by the provision of supported housing for their benefit.
- b) To advance in life and relieve the needs of young people by the operation of a foster care agency and by providing care and support for their benefit.
- c) To advance the education of the public by delivering training and education for young people (between the ages of 14-19), asylum seekers and refugees who are not in education or employment.
- d) The relief of poverty but not exclusively in Sri Lanka, Romania and Kenya by funding and providing support to orphanages, schools and to feeding programs that affect members of deprived communities; and by the provision of volunteers to further this work.

Supported Housing

We started our supported housing programme back in 2001. This service takes young vulnerable adults, the majority being 16yrs - 18yrs old and are refugees or asylum seekers. We provide semi-independent accommodation; help enrol them into college or training programmes and support their legal and medical needs. During their stay with us, their allocated keyworker will help them develop their independent living skills. A recognised qualification that all our service users can obtain while with us. During 2018 PCC registered with OCR (Oxford Cambridge Royal Society of Art) to be able to deliver courses in life skills, and to certificate them up to level 3.

Foster Care Agency

Our foster care agency opened in 2005. We went from 14 households on April 1st 2020 to 18 households on March 31st 2021 with 4 new families approved / no families left the agency in this period. Our occupancy is still high within the agency with 26 in placement on 31st March 2021, with 5 classed as long-term placements.

Monitoring continues to evolve to meet the needs of the service with CHARMS audits done monthly and always looking at ways of improving our monitoring. We did a mock Ofsted report on how we can approve the agency.

We continue to aspire to sustainable growth at our current pace with a strong focus on the approval of a mature and diverse pool of foster carers that reflect the community that we occupy and the needs of the children we foster.

PCC also continues to pursue working in Northeast England but have struggled for growth since the added 1st household last financial year. This something we continue to investigate.

Short Term Aims

To build up to 25 households and 30 regular placements by the next financial year.

Long Term Aims

A long-term business goal would be to establish more of a presence in the North of England. We are promoting PCC nationally via our online presence and by attending regional promotional events, conferences and festivals.

CPD

PCC has always delivered training, both internally and externally and to of course our foster carers, we have currently 4 accredited courses we can deliver, and others are in the production process.

Strategies

PHOENIX COMMUNITY CARE LIMITED

Report of the Trustees for the Year Ended 31 March 2021

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit and to its supplementary public benefit guidance for grant making charities. We also seek the advice and guidance of parties we are affiliated to and registered with, such as NAFF & Foster Talk. We are also governed by OFSTED and our practice is closely monitored. We have obtained recognition from Investors in People and have held onto this award for 11 years.

We employ qualified personnel to facilitate the following roles within the organisation:

- Key working
- Administration & Accounts including DBS
- Placements
- Maintenance
- Data control & IT
- Social work
- Foster care management & governance
- Training OCR and CPD
- Practice Educators / training and monitoring student social workers.

We offer student social workers 70- and 100-day placements to the University of Hertfordshire and Middlesex University using our service and practice educators. This is providing work experience and valuable training to those who seek to become effective and influential in the field of social work.

Measuring

Examining and measuring success seems improper when dealing with looked after children's lives and young people but for the purpose of this report we do the following: -

Foster Care: We monitor placement availability and referrals from local authorities by use of the CHARMS system. OFSTED carry out three-year inspections and make recommendations of how we can improve our service.

Unaccompanied children (UAM's) - Supported Housing: We monitor the number of referrals being received as well as the ethnicity and country of origin of the service user. Our team meet monthly to review all cases and individual needs of service users. We also in 2019 started using CHARMS in for all our record keeping form our experience of using this system with the Foster Care department.

Charity Income:

We have seen a steady and stable increase in the amount of regular donations being received into PCC for the child sponsorship programme in Kenya. This information is compiled into a monthly report and reviewed by the Trustees. PCC is a specialist in handling finance for special projects in Romania / Kenya and Sri Lanka and other organisations have asked us to help them in the transfer of funds to their non-UK projects. We are particularly helping our partner charity in South London who regularly contribute to Rain Edge in Kenya, to Dare to Dream in Romania and to Tumaini Project also in Kenya. I guess the fact that our only charge for this service is bank charges that we incur. Obviously, there is a time/staffing cost to PCC Charity, and we will keep this service that we are supplying to other under review by the trustees.

Friends of PCC:

We occasionally have people wanting to donate to the local work we are doing with our unaccompanied asylum-seeking children. Mission Direct, who adopted PCC in 2017 continue to help us. Their usual activity of sending a group of volunteers, twice yearly, to do maintenance work in our properties was affected by COVID restrictions.

We also have individuals regularly sponsoring our work here in the UK and they are considered 'Friends of PCC'.

**Report of the Trustees
for the Year Ended 31 March 2021**

OBJECTIVES AND ACTIVITIES

Significant activities

To run the following programmes, we have increased to 16 staff members, facilitate 4 or 5 student social worker placements, & various volunteers. We have created a new role in foster care administration, added an extra member of staff to our finance department, bookkeeper assistant, and another key worker to our UASC section (a past resident of our UASC supported housing project).

Phoenix Community Care actively promote and raise funds for the work of the following projects as well as our own projects here in the UK. This year has seen considerable fundraising programmes including a lockdown PCC '20 days' support for Kenya in the beginning of the Covid crisis.

All being successful we are supporting work in:

- Rainedge International, Nakuru, Kenya.
- Paalam Project, Wattala, Sri Lanka
- Dare to Dream, Romania

Grants

We collect regular donations from individuals for the work in Kenya and pass these onto the various projects.

We received a grant from the UNHCR towards computers for our young people living in our semi-independent accommodation. We completed the delivery of a football programme funded by Model City London, a project we have continued with and are seeking further funding for.

We receive a small grant from facilitating student social work placements and a grant for helping new social work graduates complete their AYSE.

Public benefit

We provide services to support some of the most vulnerable people within our community. Looked after children, UASC, asylum seekers and refugees need consistent support, reliable advocacy and to have a voice. Our provision helps bring stability and make a difference to those in need. It also seeks to educate everyone in the complex needs that the most vulnerable have. Our services have been effective in helping to reduce homelessness, youth offending and teenage pregnancy. It helps encourage a greater understanding of cultural diversity thus reducing fear and misunderstanding. We want our local community to grow peacefully, addressing the needs of those less fortunate and being a place of safety and empathy.

Social investments

We put investment into Football United working with various charities to bring weekly training and activities for young refugees / asylum seekers. A project initially funded through Model City London pitches.

Volunteers

Mission Direct continue to support our work with the Unaccompanied Asylum-Seeking Children (UASC) section by visiting twice a year to renovate our properties. The occupants love the changes they bring and the volunteers, many of whom have never seen or heard of a project like ours, report that they feel the experience has changed them and want to come back to do it again. This has not happened in this financial year for covid reasons.

PHOENIX COMMUNITY CARE LIMITED

Report of the Trustees for the Year Ended 31 March 2021

STRATEGIC REPORT

Achievement and performance

Charitable activities

Foster Care - A rise in carers and children placed. Drive to different methods support and keeping children safe in caring carers.

UASC Supported Housing - Less than high occupancy for the financial year.

Charity - managed to secure a substantial number of sponsors for Sure 24, Nakuru, Kenya, a project which funds children's care and educational needs. We continued our 'sponsor a child' scheme with a Norwegian charity.

Financial review

Financial position

Our overarching financial income is generated through the services we provide through our supported housing and our fostering agency as these services are paid for at time of referral. Our income this year was £1,567,566 which is a 2.4% increase on last year. Our contracts with the placing authorities are open ended as they are based on spot purchasing. Out of these funds we are endeavouring to build up a reserve large enough to cover the business activities for another three months should any disaster occur.

The charity receives various donations that are used for the projects they have been designated to. In the past year the total donations have been £132,911.

We have various policies in place explaining financial procedures and accountability. Our payroll and pension liabilities are calculated for us by JMH Partnership.

Reserves policy

The trustees have examined Phoenix Community Care Charity's requirements for reserves in the light of the main risks to the organisation and has determined that a reserve of two months expenditure be held.

The present level of reserve available to the Charity is £94,752 and PCC are looking to maintain this over the next 12 months.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03798480 (England and Wales)

Registered Charity number

1139773

Registered office

Room 41-42
639 Enterprise Centre
High Road
London
N17 8AA

PHOENIX COMMUNITY CARE LIMITED

Report of the Trustees for the Year Ended 31 March 2021

Trustees

Ms M Burnett
J A Coates
Mrs P A Hawkes
G I J Hawkes
A L Hawkes
Mrs A Kelly
Mrs C S Mayer

Company Secretary

Mrs A Kelly

Auditors

Knox Cropper LLP
153-155 London Road
Hemel Hempstead
Hertfordshire
HP3 9SQ

Accountants

The JMH Partnership Ltd
Chartered Certified Accountants
481 Green Lanes
London N13 4BS

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

FUNDS HELD AS CUSTODIAN FOR OTHERS

Rainedge International, Nakuru, Kenya

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

PHOENIX COMMUNITY CARE LIMITED

Report of the Trustees for the Year Ended 31 March 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- 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 auditors are aware of that information.

AUDITORS

The auditors, Knox Cropper LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 17 December 2021 and signed on the board's behalf by:



Mrs P A Hawkes - Trustee

Opinion

We have audited the financial statements of Phoenix Community Care Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

- The Charitable Company is required to comply with both company law and charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charitable company complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charitable company's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

**Report of the Independent Auditors to the Members of
Phoenix Community Care Limited**

Use of our report

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

Stephen Anderson (Senior Statutory Auditor)
for and on behalf of Knox Cropper LLP
153-155 London Road
Hemel Hempstead
Hertfordshire
HP3 9SQ

Date:

PHOENIX COMMUNITY CARE LIMITED

**Statement of Financial Activities
for the Year Ended 31 March 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	38,764	115,699	154,463	149,341
Charitable activities	4				
Foster Care/Semi-independent Accommodation & Support		1,413,098	-	1,413,098	1,380,364
Investment income	3	5	-	5	22
Other income		-	-	-	1,589
Total		1,451,867	115,699	1,567,566	1,531,316
EXPENDITURE ON					
Raising funds	5	216	-	216	4,942
Charitable activities	6				
Foster Care/Semi-independent Accommodation & Support		1,609,386	8,347	1,617,733	1,255,235
Other		31,027	108,966	139,993	168,817
Total		1,640,629	117,313	1,757,942	1,428,994
NET INCOME/(EXPENDITURE)		(188,762)	(1,614)	(190,376)	102,322
RECONCILIATION OF FUNDS					
Total funds brought forward		280,826	4,302	285,128	182,806
TOTAL FUNDS CARRIED FORWARD		92,064	2,688	94,752	285,128

The notes form part of these financial statements

PHOENIX COMMUNITY CARE LIMITED

Balance Sheet
31 March 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	12	38,208	-	38,208	416,001
CURRENT ASSETS					
Debtors	13	115,283	-	115,283	112,392
Cash at bank and in hand		121,338	2,688	124,026	93,629
		<u>236,621</u>	<u>2,688</u>	<u>239,309</u>	<u>206,021</u>
CREDITORS					
Amounts falling due within one year	14	(157,738)	-	(157,738)	(107,908)
NET CURRENT ASSETS		<u>78,883</u>	<u>2,688</u>	<u>81,571</u>	<u>98,113</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>117,091</u>	<u>2,688</u>	<u>119,779</u>	<u>514,114</u>
CREDITORS					
Amounts falling due after more than one year	15	(25,027)	-	(25,027)	(228,986)
NET ASSETS		<u>92,064</u>	<u>2,688</u>	<u>94,752</u>	<u>285,128</u>
FUNDS	18				
Unrestricted funds				92,064	280,826
Restricted funds				2,688	4,302
TOTAL FUNDS				<u>94,752</u>	<u>285,128</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 17 December 2021 and were signed on its behalf by:



P A Hawkes - Trustee

The notes form part of these financial statements

PHOENIX COMMUNITY CARE LIMITED

**Cash Flow Statement
for the Year Ended 31 March 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(28,076)	73,694
Interest paid		(805)	(850)
Net cash (used in)/provided by operating activities		(28,881)	72,844
Cash flows from investing activities			
Purchase of tangible fixed assets		(330)	(34,723)
Sale of tangible fixed assets		74,800	6,500
Interest received		5	22
Net cash provided by/(used in) investing activities		74,475	(28,201)
Cash flows from financing activities			
Loan repayments in year		(11,966)	(27,278)
Capital repayments in year		(3,231)	16,534
Net cash used in financing activities		(15,197)	(10,744)
Change in cash and cash equivalents in the reporting period		30,397	33,899
Cash and cash equivalents at the beginning of the reporting period		93,629	59,730
Cash and cash equivalents at the end of the reporting period		124,026	93,629

The notes form part of these financial statements

PHOENIX COMMUNITY CARE LIMITED

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2021**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(190,376)	102,322
Adjustments for:		
Depreciation charges	12,221	49,854
Loss/(profit) on disposal of fixed assets	291,102	(1,589)
Interest received	(5)	(22)
Interest paid	805	850
(Increase)/decrease in debtors	(2,891)	32,755
Decrease in creditors	(138,932)	(110,476)
Net cash (used in)/provided by operations	(28,076)	73,694

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	93,629	30,397	124,026
	<u>93,629</u>	<u>30,397</u>	<u>124,026</u>
Debt			
Finance leases	(16,534)	3,231	(13,303)
Debts falling due within 1 year	(11,967)	8,227	(3,740)
Debts falling due after 1 year	(12,858)	3,739	(9,119)
	<u>(41,359)</u>	<u>15,197</u>	<u>(26,162)</u>
Total	<u>52,270</u>	<u>45,594</u>	<u>97,864</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Support costs are attributed on the basis of the cost incurred and the time spent on foster care and fundraising activities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- Straight line over 50 years and 5 years
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

PHOENIX COMMUNITY CARE LIMITED

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	116,676	140,016
Gift aid	16,235	-
Grants	21,552	9,325
	<u>154,463</u>	<u>149,341</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Other grants	<u>21,552</u>	<u>9,325</u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>5</u>	<u>22</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021	2020
		£	£
Management fees	Foster Care/Semi-independent Accommodation & Support	31,000	27,000
Reimbursed income	Foster Care/Semi-independent Accommodation & Support	39,557	47,300
Foster care, service & benefit	Foster Care/Semi-independent Accommodation & Support	1,334,706	1,284,614
Training & teaching services	Foster Care/Semi-independent Accommodation & Support	7,835	21,450
		<u>1,413,098</u>	<u>1,380,364</u>

PHOENIX COMMUNITY CARE LIMITED

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

5. RAISING FUNDS

Raising donations and legacies

	2021	2020
	£	£
Fund raising expenses	216	4,942

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Foster Care/Semi-independent Accommodation & Support	921,351	696,382	1,617,733

7. SUPPORT COSTS

	Management £	Finance £	Totals £
Foster Care/Semi-independent Accommodation & Support	391,941	304,441	696,382

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	12,221	49,854
(Deficit)/surplus on disposal of fixed assets	291,102	(1,589)

9. TRUSTEES' REMUNERATION AND BENEFITS

	2021	2020
	£	£
Trustees' salaries	93,312	68,912
Trustees' social security	7,693	6,930
Trustees' pensions paid	1,825	1,668
	102,830	77,510

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

PHOENIX COMMUNITY CARE LIMITED

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

10. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	305,236	216,080
Social security costs	15,183	16,779
Other pension costs	4,001	3,172
	<u>324,420</u>	<u>236,031</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Administration	4	3
Foster care	9	4
	<u>13</u>	<u>7</u>

No employees received emoluments in excess of £60,000.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	140,016	9,325	149,341
Charitable activities			
Foster Care/Semi-independent Accommodation & Support	1,380,364	-	1,380,364
Investment income	22	-	22
Other income	1,589	-	1,589
Total	1,521,991	9,325	1,531,316
EXPENDITURE ON			
Raising funds	4,942	-	4,942
Charitable activities			
Foster Care/Semi-independent Accommodation & Support	1,250,212	5,023	1,255,235
Other	168,817	-	168,817
Total	1,423,971	5,023	1,428,994
NET INCOME	98,020	4,302	102,322

PHOENIX COMMUNITY CARE LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	182,806	-	182,806
TOTAL FUNDS CARRIED FORWARD	<u>280,826</u>	<u>4,302</u>	<u>285,128</u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2020	459,991	12,862	26,859	88,983	588,695
Additions	-	-	330	-	330
Disposals	(459,991)	-	-	(7,957)	(467,948)
At 31 March 2021	<u>-</u>	<u>12,862</u>	<u>27,189</u>	<u>81,026</u>	<u>121,077</u>
DEPRECIATION					
At 1 April 2020	94,088	9,824	22,503	46,279	172,694
Charge for year	-	608	937	10,676	12,221
Eliminated on disposal	(94,088)	-	-	(7,958)	(102,046)
At 31 March 2021	<u>-</u>	<u>10,432</u>	<u>23,440</u>	<u>48,997</u>	<u>82,869</u>
NET BOOK VALUE					
At 31 March 2021	<u>-</u>	<u>2,430</u>	<u>3,749</u>	<u>32,029</u>	<u>38,208</u>
At 31 March 2020	<u>365,903</u>	<u>3,038</u>	<u>4,356</u>	<u>42,704</u>	<u>416,001</u>

PHOENIX COMMUNITY CARE LIMITED

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	113,853	100,680
Other debtors	1,430	3,225
Prepayments	-	8,487
	<u>115,283</u>	<u>112,392</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other loans (see note 16)	3,740	11,967
Hire purchase (see note 17)	3,231	3,231
Trade creditors	7,541	9,782
Social security and other taxes	5,000	5,774
Other creditors	119,098	54,978
Accrued expenses	19,128	22,176
	<u>157,738</u>	<u>107,908</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Other loans (see note 16)	9,119	12,858
Hire purchase (see note 17)	10,072	13,303
Trade creditors	5,836	9,335
Other creditors	-	193,490
	<u>25,027</u>	<u>228,986</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>3,740</u>	<u>11,967</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>3,541</u>	<u>3,740</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>5,578</u>	<u>9,118</u>

PHOENIX COMMUNITY CARE LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

17. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Net obligations repayable:		
Within one year	3,231	3,231
Between one and five years	10,072	13,303
	<u>13,303</u>	<u>16,534</u>

18. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	280,826	(188,762)	92,064
Restricted funds			
Sport for Good	4,302	(2,131)	2,171
Tumaini Project	-	517	517
	<u>4,302</u>	<u>(1,614)</u>	<u>2,688</u>
TOTAL FUNDS	<u>285,128</u>	<u>(190,376)</u>	<u>94,752</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,451,867	(1,640,629)	(188,762)
Restricted funds			
Sport for Good	6,216	(8,347)	(2,131)
Sure 24	66,682	(66,682)	-
Tumaini Project	21,951	(21,434)	517
Bookshine	700	(700)	-
Romania	20,150	(20,150)	-
	<u>115,699</u>	<u>(117,313)</u>	<u>(1,614)</u>
TOTAL FUNDS	<u>1,567,566</u>	<u>(1,757,942)</u>	<u>(190,376)</u>

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	182,806	98,020	280,826
Restricted funds			
Sport for Good	-	4,302	4,302
TOTAL FUNDS	<u>182,806</u>	<u>102,322</u>	<u>285,128</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,521,991	(1,423,971)	98,020
Restricted funds			
Sport for Good	9,325	(5,023)	4,302
TOTAL FUNDS	<u>1,531,316</u>	<u>(1,428,994)</u>	<u>102,322</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.19 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	182,806	(90,742)	92,064
Restricted funds			
Sport for Good	-	2,171	2,171
Tumaini Project	-	517	517
	<u>-</u>	<u>2,688</u>	<u>2,688</u>
TOTAL FUNDS	<u>182,806</u>	<u>(88,054)</u>	<u>94,752</u>

PHOENIX COMMUNITY CARE LIMITED

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,973,858	(3,064,600)	(90,742)
Restricted funds			
Sport for Good	15,541	(13,370)	2,171
Sure 24	66,682	(66,682)	-
Tumaini Project	21,951	(21,434)	517
Bookshine	700	(700)	-
Romania	20,150	(20,150)	-
	<u>125,024</u>	<u>(122,336)</u>	<u>2,688</u>
TOTAL FUNDS	<u>3,098,882</u>	<u>(3,186,936)</u>	<u>(88,054)</u>

19. RELATED PARTY DISCLOSURES

Included in trade and other creditors are amounts due to/(from) the following related parties whose directors and members are also trustees of Phoenix Community Care Limited.

	2021 £	2020 £
Sunflower Properties Limited	5,976	16,447
Phoenix Community Care Management LLP	(10,118)	(3,127)
New Living Ministries	Nil	526
Phoenix Community Care (GRP) LLP	Nil	7,138

	2021 £	2020 £
A & P Hawkes	92,999	199,491
C Mayer	(1,630)	(1,380)
G Hawkes	(294)	(294)

Included in trade and other debtors are amounts due (to)/from the following related parties whose directors and members are also trustees of Phoenix Community Care Limited.

	2021 £	2020 £
New Living Ministries	(400)	Nil
Phoenix Community Care (GRP) LLP	(520)	Nil
A & P Kelly	110	2,957

PHOENIX COMMUNITY CARE LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

19. RELATED PARTY DISCLOSURES - continued

During the period rent for properties was paid to related parties as follows:

	2021	2020
	£	£
P A Hawkes	Nil	18,600
A & P Kelly	54,252	50,757
New Living Ministries	14,400	19,200
Sunflower Properties Limited	171,584	156,044

During the period the following management charges were issued by the following related parties:

	2021	2020
	£	£
Phoenix Community Care Management LLP	53,717	84,984
Phoenix Community Care (GRP) LLP	60,000	59,040

During the period the following management charges were issued to the following related parties:

	2021	2020
	£	£
Sunflower Housing Limited	9,000	9,000
Sunflower Properties Limited	22,000	18,000

20. COVID-19 PANDEMIC

The COVID-19 pandemic started prior to the year end. The staff of the charitable company worked remotely for 3 months during the first lockdown. The charitable company was able to continue to deliver the majority of its services remotely. There has been no significant impact on the finances of the charitable company and the trustees have considered the balance sheet at the year end and they are of the opinion that no adjustments are required.

21. MEMBERS LIABILITY

The charitable company is limited by guarantee and therefore has no share capital, under the provision of the Companies Act. The liability of each member of the charitable company is limited to £1. At 31 March 2021 there were 7 members (2020 - 7).

PHOENIX COMMUNITY CARE LIMITED**Detailed Statement of Financial Activities
for the Year Ended 31 March 2021**

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	116,676	140,016
Gift aid	16,235	-
Grants	21,552	9,325
	154,463	149,341
Investment income		
Deposit account interest	5	22
Charitable activities		
Management fees	31,000	27,000
Reimbursed income	39,557	47,300
Foster care, service & benefit	1,334,706	1,284,614
Training & teaching services	7,835	21,450
	1,413,098	1,380,364
Other income		
Gain on sale of tangible fixed assets	-	1,589
Total incoming resources	1,567,566	1,531,316
EXPENDITURE		
Raising donations and legacies		
Fund raising expenses	216	4,942
Charitable activities		
Wages	211,924	147,168
Social security	7,490	9,849
Pensions	4,001	3,172
Foster care payments	446,601	403,573
Charitable events	7,610	7,575
Staff training & welfare	3,489	4,517
Rent	240,236	226,001
	921,351	801,855
Other		
Gifts & donations	139,993	168,817

This page does not form part of the statutory financial statements

PHOENIX COMMUNITY CARE LIMITED

**Detailed Statement of Financial Activities
for the Year Ended 31 March 2021**

	2021 £	2020 £
Support costs		
Management		
Trustees' salaries	93,312	68,912
Trustees' social security	7,693	6,930
Trustees' pensions paid	1,825	1,668
Rates and water	2,581	2,220
Insurance	19,669	10,407
Light and heat	457	981
Telephone	8,208	5,004
Postage and stationery	3,343	4,123
Advertising	-	1,255
Sundries	623	1,154
Accountancy fees	11,624	12,950
Audit fees	3,720	3,720
Information & publications	50	14
Cleaning	7,876	1,072
Entertaining	465	973
Motor vehicle expenses	7,328	11,517
Service charges	113,717	144,024
Dues & subscriptions	4,423	9,068
Legal & professional	324	5,740
Office rent	29,267	38,604
Travel & subsistence	2,285	7,007
Software	17,420	14,504
Repairs & maintenance	55,731	50,073
	391,941	401,920
Finance		
Bank charges	313	756
Freehold property	-	32,134
Plant and machinery	608	759
Fixtures and fittings	937	1,089
Motor vehicles	10,676	15,872
Loss on sale of tangible fixed assets	291,102	-
Other interest	805	850
	304,441	51,460
Total resources expended	1,757,942	1,428,994
Net (expenditure)/income	(190,376)	102,322

This page does not form part of the statutory financial statements



REGISTERED COMPANY NUMBER: 03798480 (England and Wales)
REGISTERED CHARITY NUMBER: 1139773

Report of the Trustees and
Financial Statements for the Year Ended 31 March 2021
for
PHOENIX COMMUNITY CARE LIMITED

Knox Cropper LLP
153-155 London Road
Hemel Hempstead
Hertfordshire
HP3 9SQ

PHOENIX COMMUNITY CARE LIMITED

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for the Year Ended 31 March 2021**

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PHOENIX COMMUNITY CARE LIMITED

Report of the Trustees for the Year Ended 31 March 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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).

**Report of the Trustees
for the Year Ended 31 March 2021**

OBJECTIVES AND ACTIVITIES

Objectives and aims

Purpose

- a) The relief of those in need, hardship or distress especially those that are vulnerable, young people, asylum seekers and refugees by the provision of supported housing for their benefit.
- b) To advance in life and relieve the needs of young people by the operation of a foster care agency and by providing care and support for their benefit.
- c) To advance the education of the public by delivering training and education for young people (between the ages of 14-19), asylum seekers and refugees who are not in education or employment.
- d) The relief of poverty but not exclusively in Sri Lanka, Romania and Kenya by funding and providing support to orphanages, schools and to feeding programs that affect members of deprived communities; and by the provision of volunteers to further this work.

Supported Housing

We started our supported housing programme back in 2001. This service takes young vulnerable adults, the majority being 16yrs - 18yrs old and are refugees or asylum seekers. We provide semi-independent accommodation; help enrol them into college or training programmes and support their legal and medical needs. During their stay with us, their allocated keyworker will help them develop their independent living skills. A recognised qualification that all our service users can obtain while with us. During 2018 PCC registered with OCR (Oxford Cambridge Royal Society of Art) to be able to deliver courses in life skills, and to certificate them up to level 3.

Foster Care Agency

Our foster care agency opened in 2005. We went from 14 households on April 1st 2020 to 18 households on March 31st 2021 with 4 new families approved / no families left the agency in this period. Our occupancy is still high within the agency with 26 in placement on 31st March 2021, with 5 classed as long-term placements.

Monitoring continues to evolve to meet the needs of the service with CHARMS audits done monthly and always looking at ways of improving our monitoring. We did a mock Ofsted report on how we can approve the agency.

We continue to aspire to sustainable growth at our current pace with a strong focus on the approval of a mature and diverse pool of foster carers that reflect the community that we occupy and the needs of the children we foster.

PCC also continues to pursue working in Northeast England but have struggled for growth since the added 1st household last financial year. This something we continue to investigate.

Short Term Aims

To build up to 25 households and 30 regular placements by the next financial year.

Long Term Aims

A long-term business goal would be to establish more of a presence in the North of England. We are promoting PCC nationally via our online presence and by attending regional promotional events, conferences and festivals.

CPD

PCC has always delivered training, both internally and externally and to of course our foster carers, we have currently 4 accredited courses we can deliver, and others are in the production process.

Strategies

PHOENIX COMMUNITY CARE LIMITED

Report of the Trustees for the Year Ended 31 March 2021

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit and to its supplementary public benefit guidance for grant making charities. We also seek the advice and guidance of parties we are affiliated to and registered with, such as NAFPP & Foster Talk. We are also governed by OFSTED and our practice is closely monitored. We have obtained recognition from Investors in People and have held onto this award for 11 years.

We employ qualified personnel to facilitate the following roles within the organisation:

- Key working
- Administration & Accounts including DBS
- Placements
- Maintenance
- Data control & IT
- Social work
- Foster care management & governance
- Training OCR and CPD
- Practice Educators / training and monitoring student social workers.

We offer student social workers 70- and 100-day placements to the University of Hertfordshire and Middlesex University using our service and practice educators. This is providing work experience and valuable training to those who seek to become effective and influential in the field of social work.

Measuring

Examining and measuring success seems improper when dealing with looked after children's lives and young people but for the purpose of this report we do the following: -

Foster Care: We monitor placement availability and referrals from local authorities by use of the CHARMS system. OFSTED carry out three-year inspections and make recommendations of how we can improve our service.

Unaccompanied children (UAM's) - Supported Housing: We monitor the number of referrals being received as well as the ethnicity and country of origin of the service user. Our team meet monthly to review all cases and individual needs of service users. We also in 2019 started using CHARMS in for all our record keeping form our experience of using this system with the Foster Care department.

Charity Income:

We have seen a steady and stable increase in the amount of regular donations being received into PCC for the child sponsorship programme in Kenya. This information is compiled into a monthly report and reviewed by the Trustees. PCC is a specialist in handling finance for special projects in Romania / Kenya and Sri Lanka and other organisations have asked us to help them in the transfer of funds to their non-UK projects. We are particularly helping our partner charity in South London who regularly contribute to Rain Edge in Kenya, to Dare to Dream in Romania and to Tumaini Project also in Kenya. I guess the fact that our only charge for this service is bank charges that we incur. Obviously, there is a time/staffing cost to PCC Charity, and we will keep this service that we are supplying to other under review by the trustees.

Friends of PCC:

We occasionally have people wanting to donate to the local work we are doing with our unaccompanied asylum-seeking children. Mission Direct, who adopted PCC in 2017 continue to help us. Their usual activity of sending a group of volunteers, twice yearly, to do maintenance work in our properties was affected by COVID restrictions.

We also have individuals regularly sponsoring our work here in the UK and they are considered 'Friends of PCC'.

PHOENIX COMMUNITY CARE LIMITED

Report of the Trustees for the Year Ended 31 March 2021

OBJECTIVES AND ACTIVITIES

Significant activities

To run the following programmes, we have increased to 16 staff members, facilitate 4 or 5 student social worker placements, & various volunteers. We have created a new role in foster care administration, added an extra member of staff to our finance department, bookkeeper assistant, and another key worker to our UASC section (a past resident of our UASC supported housing project).

Phoenix Community Care actively promote and raise funds for the work of the following projects as well as our own projects here in the UK. This year has seen considerable fundraising programmes including a lockdown PCC '20 days' support for Kenya in the beginning of the Covid crisis.

All being successful we are supporting work in:

- Rainedge International, Nakuru, Kenya.
- Paalam Project, Wattala, Sri Lanka
- Dare to Dream, Romania

Grants

We collect regular donations from individuals for the work in Kenya and pass these onto the various projects.

We received a grant from the UNHCR towards computers for our young people living in our semi-independent accommodation. We completed the delivery of a football programme funded by Model City London, a project we have continued with and are seeking further funding for.

We receive a small grant from facilitating student social work placements and a grant for helping new social work graduates complete their AYSE.

Public benefit

We provide services to support some of the most vulnerable people within our community. Looked after children, UASC, asylum seekers and refugees need consistent support, reliable advocacy and to have a voice. Our provision helps bring stability and make a difference to those in need. It also seeks to educate everyone in the complex needs that the most vulnerable have. Our services have been effective in helping to reduce homelessness, youth offending and teenage pregnancy. It helps encourage a greater understanding of cultural diversity thus reducing fear and misunderstanding. We want our local community to grow peacefully, addressing the needs of those less fortunate and being a place of safety and empathy.

Social investments

We put investment into Football United working with various charities to bring weekly training and activities for young refugees / asylum seekers. A project initially funded through Model City London pitches.

Volunteers

Mission Direct continue to support our work with the Unaccompanied Asylum-Seeking Children (UASC) section by visiting twice a year to renovate our properties. The occupants love the changes they bring and the volunteers, many of whom have never seen or heard of a project like ours, report that they feel the experience has changed them and want to come back to do it again. This has not happened in this financial year for covid reasons.

PHOENIX COMMUNITY CARE LIMITED

Report of the Trustees for the Year Ended 31 March 2021

STRATEGIC REPORT

Achievement and performance

Charitable activities

Foster Care - A rise in carers and children placed. Drive to different methods support and keeping children safe in caring carers.

UASC Supported Housing - Less than high occupancy for the financial year.

Charity - managed to secure a substantial number of sponsors for Sure 24, Nakuru, Kenya, a project which funds children's care and educational needs. We continued our 'sponsor a child' scheme with a Norwegian charity.

Financial review

Financial position

Our overarching financial income is generated through the services we provide through our supported housing and our fostering agency as these services are paid for at time of referral. Our income this year was £1,567,566 which is a 2.4% increase on last year. Our contracts with the placing authorities are open ended as they are based on spot purchasing. Out of these funds we are endeavouring to build up a reserve large enough to cover the business activities for another three months should any disaster occur.

The charity receives various donations that are used for the projects they have been designated to. In the past year the total donations have been £132,911.

We have various policies in place explaining financial procedures and accountability. Our payroll and pension liabilities are calculated for us by JMH Partnership.

Reserves policy

The trustees have examined Phoenix Community Care Charity's requirements for reserves in the light of the main risks to the organisation and has determined that a reserve of two months expenditure be held.

The present level of reserve available to the Charity is £94,752 and PCC are looking to maintain this over the next 12 months.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03798480 (England and Wales)

Registered Charity number

1139773

Registered office

Room 41-42
639 Enterprise Centre
High Road
London
N17 8AA

PHOENIX COMMUNITY CARE LIMITED

Report of the Trustees for the Year Ended 31 March 2021

Trustees

Ms M Burnett
J A Coates
Mrs P A Hawkes
G I J Hawkes
A L Hawkes
Mrs A Kelly
Mrs C S Mayer

Company Secretary

Mrs A Kelly

Auditors

Knox Cropper LLP
153-155 London Road
Hemel Hempstead
Hertfordshire
HP3 9SQ

Accountants

The JMH Partnership Ltd
Chartered Certified Accountants
481 Green Lanes
London N13 4BS

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

FUNDS HELD AS CUSTODIAN FOR OTHERS

Rainedge International, Nakuru, Kenya

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

PHOENIX COMMUNITY CARE LIMITED

Report of the Trustees for the Year Ended 31 March 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- 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 auditors are aware of that information.

AUDITORS

The auditors, Knox Cropper LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 17 December 2021 and signed on the board's behalf by:



Mrs P A Hawkes - Trustee

Opinion

We have audited the financial statements of Phoenix Community Care Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

- The Charitable Company is required to comply with both company law and charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charitable company complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charitable company's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

**Report of the Independent Auditors to the Members of
Phoenix Community Care Limited**

Use of our report

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

Stephen Anderson (Senior Statutory Auditor)
for and on behalf of Knox Cropper LLP
153-155 London Road
Hemel Hempstead
Hertfordshire
HP3 9SQ

Date:

PHOENIX COMMUNITY CARE LIMITED

**Statement of Financial Activities
for the Year Ended 31 March 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	38,764	115,699	154,463	149,341
Charitable activities	4				
Foster Care/Semi-independent Accommodation & Support		1,413,098	-	1,413,098	1,380,364
Investment income	3	5	-	5	22
Other income		-	-	-	1,589
Total		1,451,867	115,699	1,567,566	1,531,316
EXPENDITURE ON					
Raising funds	5	216	-	216	4,942
Charitable activities	6				
Foster Care/Semi-independent Accommodation & Support		1,609,386	8,347	1,617,733	1,255,235
Other		31,027	108,966	139,993	168,817
Total		1,640,629	117,313	1,757,942	1,428,994
NET INCOME/(EXPENDITURE)		(188,762)	(1,614)	(190,376)	102,322
RECONCILIATION OF FUNDS					
Total funds brought forward		280,826	4,302	285,128	182,806
TOTAL FUNDS CARRIED FORWARD		92,064	2,688	94,752	285,128

The notes form part of these financial statements

PHOENIX COMMUNITY CARE LIMITED

Balance Sheet
31 March 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	12	38,208	-	38,208	416,001
CURRENT ASSETS					
Debtors	13	115,283	-	115,283	112,392
Cash at bank and in hand		121,338	2,688	124,026	93,629
		<u>236,621</u>	<u>2,688</u>	<u>239,309</u>	<u>206,021</u>
CREDITORS					
Amounts falling due within one year	14	(157,738)	-	(157,738)	(107,908)
NET CURRENT ASSETS		<u>78,883</u>	<u>2,688</u>	<u>81,571</u>	<u>98,113</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>117,091</u>	<u>2,688</u>	<u>119,779</u>	<u>514,114</u>
CREDITORS					
Amounts falling due after more than one year	15	(25,027)	-	(25,027)	(228,986)
NET ASSETS		<u>92,064</u>	<u>2,688</u>	<u>94,752</u>	<u>285,128</u>
FUNDS	18				
Unrestricted funds				92,064	280,826
Restricted funds				2,688	4,302
TOTAL FUNDS				<u>94,752</u>	<u>285,128</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 17 December 2021 and were signed on its behalf by:



P A Hawkes - Trustee

The notes form part of these financial statements

PHOENIX COMMUNITY CARE LIMITED

**Cash Flow Statement
for the Year Ended 31 March 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(28,076)	73,694
Interest paid		(805)	(850)
Net cash (used in)/provided by operating activities		(28,881)	72,844
Cash flows from investing activities			
Purchase of tangible fixed assets		(330)	(34,723)
Sale of tangible fixed assets		74,800	6,500
Interest received		5	22
Net cash provided by/(used in) investing activities		74,475	(28,201)
Cash flows from financing activities			
Loan repayments in year		(11,966)	(27,278)
Capital repayments in year		(3,231)	16,534
Net cash used in financing activities		(15,197)	(10,744)
Change in cash and cash equivalents in the reporting period		30,397	33,899
Cash and cash equivalents at the beginning of the reporting period		93,629	59,730
Cash and cash equivalents at the end of the reporting period		124,026	93,629

The notes form part of these financial statements

PHOENIX COMMUNITY CARE LIMITED

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2021**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(190,376)	102,322
Adjustments for:		
Depreciation charges	12,221	49,854
Loss/(profit) on disposal of fixed assets	291,102	(1,589)
Interest received	(5)	(22)
Interest paid	805	850
(Increase)/decrease in debtors	(2,891)	32,755
Decrease in creditors	(138,932)	(110,476)
Net cash (used in)/provided by operations	(28,076)	73,694

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	93,629	30,397	124,026
	<u>93,629</u>	<u>30,397</u>	<u>124,026</u>
Debt			
Finance leases	(16,534)	3,231	(13,303)
Debts falling due within 1 year	(11,967)	8,227	(3,740)
Debts falling due after 1 year	(12,858)	3,739	(9,119)
	<u>(41,359)</u>	<u>15,197</u>	<u>(26,162)</u>
Total	<u>52,270</u>	<u>45,594</u>	<u>97,864</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Support costs are attributed on the basis of the cost incurred and the time spent on foster care and fundraising activities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- Straight line over 50 years and 5 years
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

PHOENIX COMMUNITY CARE LIMITED

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	116,676	140,016
Gift aid	16,235	-
Grants	21,552	9,325
	<u>154,463</u>	<u>149,341</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Other grants	<u>21,552</u>	<u>9,325</u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>5</u>	<u>22</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021	2020
		£	£
Management fees	Foster Care/Semi-independent Accommodation & Support	31,000	27,000
Reimbursed income	Foster Care/Semi-independent Accommodation & Support	39,557	47,300
Foster care, service & benefit	Foster Care/Semi-independent Accommodation & Support	1,334,706	1,284,614
Training & teaching services	Foster Care/Semi-independent Accommodation & Support	7,835	21,450
		<u>1,413,098</u>	<u>1,380,364</u>

PHOENIX COMMUNITY CARE LIMITED

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

5. RAISING FUNDS

Raising donations and legacies

	2021	2020
	£	£
Fund raising expenses	216	4,942

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Foster Care/Semi-independent Accommodation & Support	921,351	696,382	1,617,733

7. SUPPORT COSTS

	Management £	Finance £	Totals £
Foster Care/Semi-independent Accommodation & Support	391,941	304,441	696,382

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	12,221	49,854
(Deficit)/surplus on disposal of fixed assets	291,102	(1,589)

9. TRUSTEES' REMUNERATION AND BENEFITS

	2021	2020
	£	£
Trustees' salaries	93,312	68,912
Trustees' social security	7,693	6,930
Trustees' pensions paid	1,825	1,668
	102,830	77,510

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

PHOENIX COMMUNITY CARE LIMITED

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

10. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	305,236	216,080
Social security costs	15,183	16,779
Other pension costs	4,001	3,172
	<u>324,420</u>	<u>236,031</u>

The average monthly number of employees during the year was as follows:

	2021	2020
		
Administration	4	3
Foster care	9	4
	<u>13</u>	<u>7</u>

No employees received emoluments in excess of £60,000.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	140,016	9,325	149,341
Charitable activities			
Foster Care/Semi-independent Accommodation & Support	1,380,364	-	1,380,364
Investment income	22	-	22
Other income	1,589	-	1,589
Total	1,521,991	9,325	1,531,316
EXPENDITURE ON			
Raising funds	4,942	-	4,942
Charitable activities			
Foster Care/Semi-independent Accommodation & Support	1,250,212	5,023	1,255,235
Other	168,817	-	168,817
Total	1,423,971	5,023	1,428,994
NET INCOME	98,020	4,302	102,322

PHOENIX COMMUNITY CARE LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	182,806	-	182,806
TOTAL FUNDS CARRIED FORWARD	<u>280,826</u>	<u>4,302</u>	<u>285,128</u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2020	459,991	12,862	26,859	88,983	588,695
Additions	-	-	330	-	330
Disposals	(459,991)	-	-	(7,957)	(467,948)
At 31 March 2021	<u>-</u>	<u>12,862</u>	<u>27,189</u>	<u>81,026</u>	<u>121,077</u>
DEPRECIATION					
At 1 April 2020	94,088	9,824	22,503	46,279	172,694
Charge for year	-	608	937	10,676	12,221
Eliminated on disposal	(94,088)	-	-	(7,958)	(102,046)
At 31 March 2021	<u>-</u>	<u>10,432</u>	<u>23,440</u>	<u>48,997</u>	<u>82,869</u>
NET BOOK VALUE					
At 31 March 2021	<u>-</u>	<u>2,430</u>	<u>3,749</u>	<u>32,029</u>	<u>38,208</u>
At 31 March 2020	<u>365,903</u>	<u>3,038</u>	<u>4,356</u>	<u>42,704</u>	<u>416,001</u>

PHOENIX COMMUNITY CARE LIMITED

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	113,853	100,680
Other debtors	1,430	3,225
Prepayments	-	8,487
	<u>115,283</u>	<u>112,392</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other loans (see note 16)	3,740	11,967
Hire purchase (see note 17)	3,231	3,231
Trade creditors	7,541	9,782
Social security and other taxes	5,000	5,774
Other creditors	119,098	54,978
Accrued expenses	19,128	22,176
	<u>157,738</u>	<u>107,908</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Other loans (see note 16)	9,119	12,858
Hire purchase (see note 17)	10,072	13,303
Trade creditors	5,836	9,335
Other creditors	-	193,490
	<u>25,027</u>	<u>228,986</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>3,740</u>	<u>11,967</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>3,541</u>	<u>3,740</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>5,578</u>	<u>9,118</u>

PHOENIX COMMUNITY CARE LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

17. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Net obligations repayable:		
Within one year	3,231	3,231
Between one and five years	10,072	13,303
	<u>13,303</u>	<u>16,534</u>

18. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	280,826	(188,762)	92,064
Restricted funds			
Sport for Good	4,302	(2,131)	2,171
Tumaini Project	-	517	517
	<u>4,302</u>	<u>(1,614)</u>	<u>2,688</u>
TOTAL FUNDS	<u>285,128</u>	<u>(190,376)</u>	<u>94,752</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,451,867	(1,640,629)	(188,762)
Restricted funds			
Sport for Good	6,216	(8,347)	(2,131)
Sure 24	66,682	(66,682)	-
Tumaini Project	21,951	(21,434)	517
Bookshine	700	(700)	-
Romania	20,150	(20,150)	-
	<u>115,699</u>	<u>(117,313)</u>	<u>(1,614)</u>
TOTAL FUNDS	<u>1,567,566</u>	<u>(1,757,942)</u>	<u>(190,376)</u>

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	182,806	98,020	280,826
Restricted funds			
Sport for Good	-	4,302	4,302
TOTAL FUNDS	<u>182,806</u>	<u>102,322</u>	<u>285,128</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,521,991	(1,423,971)	98,020
Restricted funds			
Sport for Good	9,325	(5,023)	4,302
TOTAL FUNDS	<u>1,531,316</u>	<u>(1,428,994)</u>	<u>102,322</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.19 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	182,806	(90,742)	92,064
Restricted funds			
Sport for Good	-	2,171	2,171
Tumaini Project	-	517	517
	<u>-</u>	<u>2,688</u>	<u>2,688</u>
TOTAL FUNDS	<u>182,806</u>	<u>(88,054)</u>	<u>94,752</u>

PHOENIX COMMUNITY CARE LIMITED

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,973,858	(3,064,600)	(90,742)
Restricted funds			
Sport for Good	15,541	(13,370)	2,171
Sure 24	66,682	(66,682)	-
Tumaini Project	21,951	(21,434)	517
Bookshine	700	(700)	-
Romania	20,150	(20,150)	-
	<u>125,024</u>	<u>(122,336)</u>	<u>2,688</u>
TOTAL FUNDS	<u>3,098,882</u>	<u>(3,186,936)</u>	<u>(88,054)</u>

19. RELATED PARTY DISCLOSURES

Included in trade and other creditors are amounts due to/(from) the following related parties whose directors and members are also trustees of Phoenix Community Care Limited.

	2021 £	2020 £
Sunflower Properties Limited	5,976	16,447
Phoenix Community Care Management LLP	(10,118)	(3,127)
New Living Ministries	Nil	526
Phoenix Community Care (GRP) LLP	Nil	7,138

	2021 £	2020 £
A & P Hawkes	92,999	199,491
C Mayer	(1,630)	(1,380)
G Hawkes	(294)	(294)

Included in trade and other debtors are amounts due (to)/from the following related parties whose directors and members are also trustees of Phoenix Community Care Limited.

	2021 £	2020 £
New Living Ministries	(400)	Nil
Phoenix Community Care (GRP) LLP	(520)	Nil
A & P Kelly	110	2,957

PHOENIX COMMUNITY CARE LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

19. RELATED PARTY DISCLOSURES - continued

During the period rent for properties was paid to related parties as follows:

	2021	2020
	£	£
P A Hawkes	Nil	18,600
A & P Kelly	54,252	50,757
New Living Ministries	14,400	19,200
Sunflower Properties Limited	171,584	156,044

During the period the following management charges were issued by the following related parties:

	2021	2020
	£	£
Phoenix Community Care Management LLP	53,717	84,984
Phoenix Community Care (GRP) LLP	60,000	59,040

During the period the following management charges were issued to the following related parties:

	2021	2020
	£	£
Sunflower Housing Limited	9,000	9,000
Sunflower Properties Limited	22,000	18,000

20. COVID-19 PANDEMIC

The COVID-19 pandemic started prior to the year end. The staff of the charitable company worked remotely for 3 months during the first lockdown. The charitable company was able to continue to deliver the majority of its services remotely. There has been no significant impact on the finances of the charitable company and the trustees have considered the balance sheet at the year end and they are of the opinion that no adjustments are required.

21. MEMBERS LIABILITY

The charitable company is limited by guarantee and therefore has no share capital, under the provision of the Companies Act. The liability of each member of the charitable company is limited to £1. At 31 March 2021 there were 7 members (2020 - 7).

PHOENIX COMMUNITY CARE LIMITED

**Detailed Statement of Financial Activities
for the Year Ended 31 March 2021**

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	116,676	140,016
Gift aid	16,235	-
Grants	21,552	9,325
	154,463	149,341
Investment income		
Deposit account interest	5	22
Charitable activities		
Management fees	31,000	27,000
Reimbursed income	39,557	47,300
Foster care, service & benefit	1,334,706	1,284,614
Training & teaching services	7,835	21,450
	1,413,098	1,380,364
Other income		
Gain on sale of tangible fixed assets	-	1,589
Total incoming resources	1,567,566	1,531,316
EXPENDITURE		
Raising donations and legacies		
Fund raising expenses	216	4,942
Charitable activities		
Wages	211,924	147,168
Social security	7,490	9,849
Pensions	4,001	3,172
Foster care payments	446,601	403,573
Charitable events	7,610	7,575
Staff training & welfare	3,489	4,517
Rent	240,236	226,001
	921,351	801,855
Other		
Gifts & donations	139,993	168,817

This page does not form part of the statutory financial statements

PHOENIX COMMUNITY CARE LIMITED

**Detailed Statement of Financial Activities
for the Year Ended 31 March 2021**

	2021 £	2020 £
Support costs		
Management		
Trustees' salaries	93,312	68,912
Trustees' social security	7,693	6,930
Trustees' pensions paid	1,825	1,668
Rates and water	2,581	2,220
Insurance	19,669	10,407
Light and heat	457	981
Telephone	8,208	5,004
Postage and stationery	3,343	4,123
Advertising	-	1,255
Sundries	623	1,154
Accountancy fees	11,624	12,950
Audit fees	3,720	3,720
Information & publications	50	14
Cleaning	7,876	1,072
Entertaining	465	973
Motor vehicle expenses	7,328	11,517
Service charges	113,717	144,024
Dues & subscriptions	4,423	9,068
Legal & professional	324	5,740
Office rent	29,267	38,604
Travel & subsistence	2,285	7,007
Software	17,420	14,504
Repairs & maintenance	55,731	50,073
	391,941	401,920
Finance		
Bank charges	313	756
Freehold property	-	32,134
Plant and machinery	608	759
Fixtures and fittings	937	1,089
Motor vehicles	10,676	15,872
Loss on sale of tangible fixed assets	291,102	-
Other interest	805	850
	304,441	51,460
Total resources expended	1,757,942	1,428,994
Net (expenditure)/income	(190,376)	102,322

This page does not form part of the statutory financial statements



PHOENIX COMMUNITY CARE LIMITED

AUDIT SUMMARY
FOR THE YEAR ENDED
31ST MARCH 2021



The Trustees
Phoenix Community Care Limited
Room 41-42
639 Enterprise Centre
High Road
London, N17 8AA

SFA/A735501

16th December 2021

Dear Trustees

In accordance with our normal practice, we have set out in section 1 of this report those matters arising from the audit which we are required to bring to your attention in accordance with International Auditing Standard 260. Section 2 details some emerging issues that are relevant to the Charity. In section 3 of this report, we have set out the Trustees' representations on which we are placing reliance for the purpose of our audit.

As you will appreciate, our audit procedures are designed primarily to enable us to form an opinion on the accounts as a whole. Our procedures include such tests of the accounting records and internal control systems as are, in our opinion, necessary for audit purposes. Consequently, whilst our procedures may identify certain weaknesses, they should not be relied upon to reveal all systems weaknesses which may exist.

This report has been prepared for your sole use and we assume no responsibility to any other party in respect of its contents. The report should not be disclosed to any third party without our prior written consent.

In conclusion we would like to take this opportunity of expressing our appreciation to all your staff particularly Angela Kelly (Trustee) for her assistance and co-operation during the course of our audit.

If you have any queries on any of the points in this letter, please do not hesitate to contact us.

Yours sincerely,

Knox Cropper LLP

PHOENIX COMMUNITY CARE LIMITED

Section 1	Matters Arising from the Audit
Section 2	Emerging issues
Section 3	Letter of representation

PHOENIX COMMUNITY CARE LIMITED**MATTERS ARISING FROM THE AUDIT****General**

The purpose of our audit is to gather sufficient evidence to allow us to conclude that the transactions and balances disclosed in the accounts are unlikely to be materially misstated, to establish that disclosures reflected in the accounts comply with the requirements of legislation and relevant accounting standards, to assess whether the accounting policies adopted are appropriate and consistently applied and to assess whether judgements exercised and estimates made in the preparation of the accounts were both prudent and even handed.

Audit Report

We have completed the audit to our satisfaction and intend to issue an unqualified audit opinion on the accounts. The text of the audit report is in accordance with the standard text for unqualified audit reports issued by the Auditing Practices Board.

Accounting Policies and Disclosures

The accounting policies adopted by the Charitable Company are consistent with those adopted in previous years and are appropriate to the Charitable Company's operations. We also report that adequate consideration was given to the potential impact of changes in legislation and accounting standards which arose during the year. No changes arose during the current year which affected the accounts and therefore the form and content of the accounts are consistent with the preceding year.

Accounting Systems and Internal Controls**Points raised in our management letter last year and current position****Fixed asset register**

A fixed asset register is not maintained. This makes it difficult to account for assets accurately. We obtained a list of asset additions for 2017 to 2020 but there was no record of individual assets prior to 2017. From the assets we were able to identify we were able to confirm that the net book value of the assets disclosed in the accounts was materially correct.

Current position

This has not been produced for the 2021 year end and, therefore, the point is still valid for the current year and the recommendation below is still relevant.

Recommendation

A fixed asset register should be produced for the 2022 year end, which contains the individual assets on a line by line basis, the depreciation charged to the individual assets and the NBV of each asset at the start of the year and the end of the year. This will enable disposals of assets to be correctly accounted for because the individual disposal can be entered against the asset held in the register.

Expenditure controls

We saw evidence that some of the expenditure items tested had been approved. There are a number of invoices incurred that are for regular services, which we understand have been approved on the commencement of the contract. However, it is good practice to evidence the approval of all invoices received.

Current position

We can confirm that all invoices tested contained evidence of approval.

Payroll controls

During our audit testing we found that the payroll information and changes are sent to the external accountants by Angela. Once processed the payroll is then checked by Angela before it is paid. There does not appear to be a secondary authorisation of the payroll.

Current position

We can confirm that the payroll reports tested contained evidence of approval.

Points from the current year's audit**Contracts of employment**

During our payroll testing we found that there were several contracts of employment that had not been signed by the employee.

Recommendation

A review of the personnel files should be undertaken to ensure that they contain a signed contract of employment for each employee.

Capitalisation policy

As part of our audit work, we check the fixed asset additions to ensure they are valid and should be capitalised. We also check expenditure for any items that have not been capitalised which should have been. During our testing we found that there is no consistency as to when items are capitalised and included in fixed assets. There was a fixed asset addition in fixtures and fittings of £330 but there were 2 computers purchased for £999 and £1,100, which were not included in fixed assets.

Recommendation

A capitalisation policy could be introduced and implemented to ensure there is consistency when deciding what items and amounts should be capitalised and depreciated in the accounts.

Unadjusted Errors

Below is a summary of the unadjusted misstatements identified during our audit work.

Description	£
Deficit per the accounts	190,376
Missing prepayments – Insurance and CHARMS	(11,030)
Deferred income not adjusted	23,483
Deficit if adjustments were made	<u>202,829</u>

The above misstatements are not material to the accounts and we confirm that no other misstatements were detected during the audit which remain uncorrected in the financial statements other than matters which are both individually and cumulatively clearly trifling.

Professional Ethics and Independence

We confirm our compliance with Ethical Standards issued by the Auditing Practices Board and there are no matters in relation to our audit engagement which we consider should be brought to your attention.

EMERGING ISSUES**Charity Governance Code Update**

The Charity Governance Code has been refreshed in December 2020. The code, which is endorsed by the charity commission although not compulsory, sets out the seven principles of good governance, with separate versions for small and large charities. The main changes relate to the Diversity principle and to the Integrity principle:

- a) The Diversity principle has been renamed the Equality, Diversity and Inclusion principle and there is a greater focus on the Trustees defining the importance of this principle for their charity and then establishing and monitoring targets and publicising progress.
- b) The updated Integrity principle emphasises the importance of understanding safeguarding responsibilities and establishing robust procedures including processes whereby concerns can be raised.

Timeline for updating the Charity SORP

The next update of the charity SORP is expected to be published in Autumn 2023, coming into effect for accounting periods beginning on or after 1 January 2024. A new framework for consultation is now in place with the SORP making body and the SORP Committee engaging with stakeholders through the recruitment of volunteer engagement partners representing various strands of the consultation.

LETTER OF REPRESENTATION

Phoenix Community Care Limited
Rooms 41-42
639 Enterprise Centre
High Road
London, N17 8AA

Messrs. Knox Cropper LLP
Chartered Accountants
153-155 London Road
Hemel Hempstead
HP3 9SQ

Dear Sirs

We confirm, to the best of our knowledge and belief, and having made appropriate enquiries of other trustees and officials of the charitable company, the following representations given to you in connection with your audit of the charity's financial statements for the year ended 31st March 2021.

1. GENERAL

We acknowledge as directors and trustees our responsibility under the Charities Act for preparing financial statements which give a true and fair view and for making accurate representations to you. We also acknowledge our responsibility for the design and implementation of internal controls to prevent and detect error and fraud.

2. RECORDS

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the charity have been properly reflected in the accounting records. All other records and related information, including minutes of trustees' meetings have been made available to you. We confirm that, so far as each trustee is aware, there is no relevant audit information of which you have not been made aware.

3. GOING CONCERN

We believe that the charitable company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support has been considered for the next twelve months and working capital will be more than adequate for the charitable company's needs. We believe that no further disclosures relating to the charitable company's ability to continue as a going concern need to be made in the financial statements.

4. LAW AND REGULATIONS

We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the charitable company conducts its business. The charitable company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no communication with Regulatory Authorities during the year or subsequently concerning non-compliance with financial and regulatory matters other than those disclosed to us.

5. LOANS AND ARRANGEMENTS

The charity has not had, nor entered into at any time during the year, any arrangement, transaction or agreement to provide credit facilities (including loans, quasi-loans or credit facilities) for trustees, nor to guarantee or provide security for such matters except as disclosed in the accounts. No remuneration or reimbursement for expenses was paid to the trustees except as disclosed in the financial statements.

6. INTERNAL CONTROLS

There have been no irregularities or allegations thereof involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements.

7. POST-BALANCE SHEET EVENTS

There have been no events since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto. Should further material events occur, which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, we will advise you accordingly.

8. CONTINGENT LIABILITIES

We are not aware of any litigation pending at 31st March 2021 or other matters giving rise to potential liabilities or guarantees except as disclosed in the financial statements.

9. TRANSACTIONS WITH RELATED PARTIES

We confirm that we have disclosed to you all related party transactions relevant to the Charitable Company and that we are not aware of further related party matters that require disclosure other than those already disclosed in the accounts.

10. FIXED ASSETS

We confirm that the Charity has satisfactory title to all fixed assets disclosed in the accounts and that no provision for impairment is required.

Yours faithfully

Signed on behalf of the Board

Date: