

**SAFE FAMILIES FOR CHILDREN**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**SAFE FAMILIES FOR CHILDREN**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Trustees**

Mr Keith Danby, Chairman  
Bishop Paul Butler (resigned 31 December 2020)  
Dr Rachel Tooth  
Mr David Gillam  
Mr John Phillipson  
Mr David Ryan FCA  
Mrs Joanne O'Connor  
Mr Steve Williams

**Company registered number**

08134971

**Charity registered numbers**

1150405 and SCO48207

**Registered office**

4 Diamond Court  
Newcastle upon Tyne  
NE3 2EN

**Chief Executive Officer**

Kat Osborn

**Independent auditor**

Ryecroft Glenton  
Chartered Accountants  
32 Portland Terrace  
Newcastle upon Tyne  
NE2 1QP

**Bankers**

Barclays Bank  
49-51 Northumberland Street  
Newcastle upon Tyne  
NE1 7AF

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**STATEMENTS FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Chairman's report**

This is the Charity's 8th Annual Statement and one which represents significant step changes in the last 12 months, as our Chief Executive, Kat Osborn, who having consulted extensively with stakeholders -internally and externally completed her strategic review setting the goals, objectives, and values for the Charity for the next 3 -5 years.

None of us could have imagined at the start of this new financial year the huge impact the Covid Pandemic would have on our nation in general and particularly our lives. As a charity we wanted to ensure that the support we were giving children and families continued. I am truly in awe of what an amazing job our staff and volunteers did, adapting quickly with innovative ways to connect with and care for the vulnerable and needy. It is quite extraordinary that despite everything that we have faced in this year we have started working with families in 5 new Local Authority areas and supported almost 50% more families across the country. Without doubt this has been our most outstanding year. On behalf of the Trustees, I want to express my sincere appreciation.

As a Board of Trustees, we recognised the need to embrace a more mature approach to 'Good Governance'. We conducted a skills gap analysis and identified areas where we needed expertise. We committed to Trustee Training Days and Retreats and allocating time to learn from other like-minded Charities who demonstrated 'best practice'. In the last two years we have been intentionally looking for new Trustees. In the last year a person joined us as an observer but sadly because of a growing pressure from her 'day job' withdrew her interest. We have now actively started to advertise vacancies.

All existing Trustees completed an NSPCC Safeguarding online course during the period. Others attended the Wrigley's Annual Trustees Conference, albeit this year a Virtual Conference.

In the previous year we had established two 'Working Groups': Finance Committee and Safeguarding and Quality Assurance Group. During the current year we started a 'Service Delivery and HR Group'. Each Group meets at least once between Trustee Meetings. Minutes are taken at all meetings and a 'Dashboard' report included with Trustee Board papers

As Chair I endeavour to meet each Trustee in person for a one-on-one consultation to get their feed-back to understand what they think is 'going well', what they think 'is not working' and what they think 'could be done better'.

In closing my report, I would like to place on record a deep gratitude to Bishop Paul Butler, Bishop of Durham, who has served as a Trustee since December 2016 and he and his wife Rosemary were active volunteers. +Paul was Deputy Chair for over two years but needed to retire as a Trustee in December 2020 to take up a larger portfolio in the House of Lords. We hope he will continue to be involved as a Patron later this year as we establish this Group. Steve Williams will serve as Deputy Chair going forward.

**Keith Danby, Chair**  
18th October 2021



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**STATEMENTS FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Chief Executive Report**

Safe Families for Children (Safe Families), started in the UK in 2012 with a pilot in the North East of England, and today we are working with 39 local authorities in England, Scotland and Wales.

**Why do we exist?**

No one should feel alone. We exist to create relationship and connection because everyone deserves to belong.

**What do we do?**

Safe Families offer hope, belonging and support to children, families and care leavers; we do this primarily, but not exclusively, with and through local churches

**What are our values?**

**Love – *Loving abundantly*** – Supporting with hope, generosity and dignity

**Belonging – *Building community*** – Establishing positive relationships that bring security and connection

**Faith – *Trusting Boldly*** - Believing for lives transformed and in a God who can do more than we can ask or imagine

**Empowerment – *Enabling potential*** – Confident everyone has the ability to thrive

**Humility – *Serving together*** - We know we cannot do it alone, so we invest in strong, honest and honouring partnerships

The year 2020-21 is one that will be engrained in our memories for many years to come but for Safe Families it was a year where we supported more children and families than ever before. Each one of these numbers represents one family, one child, one parent whose story has been changed because of the friendship, practical support, encouragement, or ordinary acts of kindness that they received.

Safe Families is grateful to have the support of a number of sponsors and supporters. We remain grateful for the continued interest and support of Sir Tim and Lady Susie Sainsbury of the Jerusalem Trust, of Jane Oglesby and the Oglesby Charitable Trust, to The Big Lottery for their continued support in Cumbria, Humber and Scotland, to St James Place who continue to support our North East region, Porticus, All Churches Trust, Childhood Trust and The Segelman Trust for their ongoing support towards the core costs of the Charity, and Stewardship, Barclays and The Vardy Foundation for their specific support towards our COVID-19 response.

There are also a large number of other funders and individuals who contribute significant amounts to Safe Families: The Souter Charitable Trust, The Seedfield Trust, The House of Vicryn, The Ardbarron Trust, The 29th May 1961 Charitable Trust, The Archer Trust, The Louis Nicholas Residuary Charitable Trust, to name but a few. Without the generosity and support of these donations, alongside the kind gifts from individuals and churches, we simply could not survive. The Trustees, directors and staff are profoundly grateful.

Although the board of Trustees are ultimately responsible for the charity, they delegate the day to day running of the charity to me as Chief Executive and our Senior Leadership Team (SLT). One of the key things that we have seen over the past 8 years is that isolation is the root of so much of the challenges our families face – a lack of consistent, positive, holding, day to day friendships. I am deeply passionate about the role of Safe Families, and its incredible volunteers, to offer these positive friendships to families. We have seen how these can change the story and outcome for a family; enabling them to thrive together, safe and happy. What is amazing is that as that happens, the volunteers are changed too, and the ripple effect of this into our communities is significant.

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**STATEMENTS FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CONTINUED)**  
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As we look forward, Safe Families will continue to dig into our values to keep loving abundantly, building community, trusting boldly, enabling potential and serving together to offer hope, belonging and opportunity into the lives of children and families across our nations, providing a real alternative for families who are in crisis.

We want to see more opportunities to partner with and serve local churches across the country. We know that what it looks like to lead a church at the moment has changed drastically. But we also know that those living in the neighbourhoods surrounding our churches need that sense of belonging and connection now more than ever. So, we want to partner with churches to transform how children, families and those coming out of care are loved and supported in our communities.

We want to invest into our volunteers. We want to dig in further to this idea of belonging, which will mean different things to different people. For us at its heart it is about being seen, heard, and understood. Out of that we see parents and children begin to believe in themselves, know they are loved and step into their potential as parents, young people or children.

This brings to mind a quote by Gustavo Gutierrez, a Dominican priest who said "You tell me you care about the poor? Then tell me, what are their names?" Relationship, friendship, being known are at the heart of who we are at Safe Families and it is where transformation begins.

And so, I want to finish with expressing my heartfelt thanks for everyone who is and has been a part of this journey – whether as a volunteer, whether you give financially, whether you pray, staff and Trustees.... we literally would not be here without you.

We all are playing our part in doing the little things that change someone else's story. Enabling families to stay together safe, happy, and connected and working to ensure that no one feels alone.

**Kat Osborn, Chief Executive**  
18th October 2021

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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The Trustees present their Annual Report together with the audited financial statements of the charitable company for the year 1 April 2020 to 31 March 2021. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2019).

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

**Structure, Governance and Management**

**CONSTITUTION**

The charitable company is constituted under a Memorandum of Association dated 9 July 2012 and is a registered charity, number 1150405.

The principal objects of the charitable company are:

- The provision of relief and respite to families in crisis arising from poverty, conflict, hardship, homelessness, ill health or addictions.
- Befriending and emotional support to children, parents and carers who are isolated, overwhelmed and not coping.
- The provision of practical help to resource stretched parents and carers.

**METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the charitable company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

**GOVERNANCE**

The Trustees continue work on the Charity's governance model and have welcomed new Trustees to the Board to increase the breadth of expertise among the board members and gear its recruitment of new members to the skills audit conducted last year to identify the profile of prospective new trustees. The three working committees established last year, as well as a newly created committee this year, meet quarterly as a minimum, and report back into quarterly Trustee board meetings. The four areas covered by these committees are as follows: Safeguarding and Quality Assurance; Finance; HR and Performance, and Governance and Nominations.

The Trustees meet 4 times a year either face to face or by Tele/Video Conference.

**POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

Prospective Trustees are invited to attend 2-3 board meetings as an observer prior to their nomination meeting. This gives them the chance to learn more about Safe Families and other board members, whilst also allowing the board to get to know the individual prior to them being officially appointed. During this period, they also have one-to-one meetings with both the Chair and Chief Executive Officer as well as one-to-ones with some of the existing Trustees. New Trustees are also provided with key charity documents to read such as the Staff Handbook, Constitution, Safeguarding Policy, Finance Policy, and minutes from the last 12 months' Trustee Board meetings. Furthermore, new Trustees are provided key financial documents such as the last audited Statutory accounts and latest Management Accounts and reports.

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**TRUSTEES' REPORT (CONTINUED)**  
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**ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The business of the charitable company is managed by the Trustees who may exercise all the powers of the charitable company. There are three sub-committees of the board: Safeguarding, Finance, and Governance and nominations. During the last year we have also formed a 4th sub-committee which is HR and Performance. Each sub-group has a chair and includes at least 2 members of the Trustee board alongside the Chief Executive. Each group has its own terms of reference which determines frequency of meetings, purpose of committee and method of reporting back to the main board. The Governance and nominations committee led on a board skills audit to aid with a review of the composition of the board and provide a framework for the nomination of 3-4 new Trustees over the next 2-3 years.

The day-to-day management of the charity is delegated to the Chief Executive and her Senior Leadership Team. The Senior Leadership Team meets once a month to discuss strategic operational developments.

During the year, the charity was contracted to work with 39 local authorities operating out of four regions. Each region is led by a Programme Director, alongside a team of experienced social and health care professionals and community volunteer managers. Each region is divided into hubs. There are 10 hubs. The chief executive is supported by a small national team.

National Team: Kat Osborn - Chief Executive; Ann Day - Director of Safeguarding and Quality Assurance; Martin Dickson – Director of Church Relations; Matt Jones – Head of Communications and Influence; Ian Maith - Financial Controller and Stuart Main – Head of IT and Solutions.

Midlands Region: Helen Crandley - Programme Director.

Hubs: Central East, Mid Central, Central West

Local Authorities (10): Birmingham, Derby City, Dudley, Leicester City, Lincolnshire, North East Lincolnshire, Nottingham City, Nottinghamshire, Sandwell and Sheffield.

North Region: Mark Buchanan - Programme Director.

Hubs: Scotland, North-East, North-West

Local Authorities (17): Cumbria, Darlington, Hartlepool, North Tyneside, Northumberland, Stockton, Knowsley, Sefton, Lancashire, Manchester City, Salford City, St. Helen's, Wirral, Edinburgh, Midlothian, East Lothian, West Lothian.

South Region with Wales and Northern Ireland: Chris Allcock - Programme Director.

Local Authorities (9): Bournemouth/Christchurch/Poole, Dorset, Somerset, Southampton, Swindon, East Sussex, Cardiff, Caerphilly, Northern Trust.

London: Kirsty Wordsworth – Programme Director

Local Authorities (3): Hammersmith & Fulham, Croydon, Greenwich

At 31st March 2021, we have an ever-expanding team of 129 staff, FTE of 96.6.

**RELATED PARTY RELATIONSHIPS**

All related party transactions are disclosed in note 24 to the accounts.

**RISK MANAGEMENT**

The Trustees have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company and are satisfied those systems and procedures are in place to mitigate our exposure to the major risks.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Objectives and Activities**

**PRINCIPAL ACTIVITIES**

Safe Families offer hope, belonging and support to children, families, and care leavers; we do this primarily, but not exclusively, with and through local churches.

**POLICIES AND OBJECTIVES**

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.

**Equality and Diversity Policy**

Safe Families recognises that our Equality and Diversity Policy is an integral part of our approach to creating belonging for all. This policy underpins all Safe Families activity in achieving our mission to offer hope, belonging and support to children, families, and care leavers; primarily but not exclusively, through local churches.

Safe Families is a Christian charity. Safe Families' policies and protocols are clear that the project is a family support service offered to those in need and that the purpose of the organisation is to create relationship and connection for all because everyone deserves to belong.

The motivation of all those working and volunteering within Safe Families is to make a tangible difference to the lives of those helped, irrespective of whether the family identifies with the Christian faith, another faith, or no faith. Safe Families is not a vehicle to support proselytization.

Families and children will be supported regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

Safe Families is committed to promoting fairness, equality, and diversity in all its activities. This includes the recruitment, training, and development of a diverse group of volunteers able to support a diverse range of families in crisis.

This policy is based on the key principles of equity, equality, inclusion, engagement, and partnership. The policy considers and is compliant with the Equality Act 2010. It covers discrimination based on age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation, as set out in the Equality Act (2010).

Safe Families welcomes the opportunity to work with people from all kinds of social, educational, economic, and cultural backgrounds. We will never knowingly discriminate against any person on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

**STRATEGIES FOR ACHIEVING OBJECTIVES**

In achieving our mission, we have identified 2 key strategic themes which are:

- (1) To release the potential in families and individuals through offering hope & belonging
- (2) To release the potential in the church to offer hope and belonging to all those who need it

We have identified a 2-3-year goal that details the part Safe Families will play in achieving each strategic theme:

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**TRUSTEES' REPORT (CONTINUED)**  
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- (1) Isolated and struggling families, children, and care leavers, are connected with volunteers to build relationships that last; bringing hope and providing the practical and emotional support needed;
- (2) The UK church understands its call to love the vulnerable. It has a clear theological understanding surrounding hospitality and community, and this increased understanding results in action.

For each goal we have identified the challenges that limit us in achieving this and identified an action plan to tackle these.

Alongside this we have two foundational goals that will ensure sustainability for all we do. These are to:

- (a) Ensure Financial Sustainability: Safe Families delivers quality outcomes on a balanced budget, while maintaining a healthy working culture;
- (b) Prioritise Culture: Safe Families has clear values reflected by our culture.

**ACTIVITIES FOR ACHIEVING OBJECTIVES**

Our core model for providing support to families remains the same and is based around the following 3 core volunteer roles

- Host Families who offer short term overnight respite care to children for a couple of nights to a couple of weeks. On advice from the Department for Education, we operate under the legal framework of Section 17 of the Children Act 1989.
- Family Friends who come alongside placing parents/carers offering peer to peer support and mentoring. This relationship can be short-term or long-term depending on the family needs.
- Resource Friends who offer goods and services either to the placing parents/carers, such as meals, clothes, toys, beds, buggies etc. These are all free of charge.

All volunteers go through a seven-step safeguarding training and accreditation process before they are approved. Thereafter, volunteers meet regularly with paid staff for feedback and ongoing training.

Volunteers are central to every aspect of Safe Families work. Safe Families exists to create relationship and connection because everyone deserves to belong. This belonging is offered solely through the dedication, care, and practical actions of our volunteers. We know that the impact of loneliness can be worse for health than smoking 15 cigarettes a day. With almost 5,000 volunteers across the country offering their time as Host Families, Family Friends and Resource Friends, Safe Families can transform how families feel, and build more connected and hopeful communities.

**MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT**

All the charity's activities in the year have been in line with the objects and are undertaken to further the charity's charitable purposes for the public benefit.



**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Achievements and performance**

**GOING CONCERN**

After making appropriate enquiries, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis and the principal uncertainties for the charitable company are set out in the Accounting Policies.

The charitable company's ability to continue as a going concern is governed by its ability to control several principal risks and uncertainties which are set out within the section "Principal Risks and Uncertainties" below.

**Impact of COVID**

Safe Families core business is supporting isolated children and families. The families we support often have multiple and complex needs which are compounded by minimal support networks. As a result, they have been some of those most impacted by Coronavirus. The impact of coronavirus and the measures taken to keep us safe has compounded the traumas that both children and parents were already experiencing. We have seen escalating mental health needs and increasing safeguarding concerns. We have seen increased stress due to financial disadvantage or lack of future employment and feeling disempowered to do anything about it. We have seen the strain on family relationships enforced by proximity and the added pressure of educating, entertaining and keeping children safe with none of the usual respite (family, friends, school etc).

Through 2020-21 Safe Families continued to provide emotional and practical support to children and families. We have continued to take new referrals alongside our pre-existing case load. Due to a combination of new Local Authority growth combined with the needs of families, the total number of active families being supported at any one time by Safe Families has increased by 40% over this reporting period (from 1,003 to 1,409 families).

Safe Families rapidly adapted and put in place policies, procedures and guidance that allowed staff and volunteers to flex how support was provided dependent both on the level of need for the families and the specific government guidelines/tiers as they changed. Where support could be provided remotely during periods of increased restrictions, we would do this; but where the family's needs were escalating and/or restrictions eased we were able to maintain face to face support for families.

Despite the challenges of the pandemic, we were still able to launch new services in 3 London boroughs, Birmingham, Nottinghamshire, East Sussex and Sheffield. It is clear that although Local Authorities face increased financial pressures, the impact and outcomes of Safe Families support to families is well recognised.

We have stayed in regular dialogue with all our referring Local Authorities and have received compliments from them for the way we have operated throughout such challenging circumstances.

While COVID has impacted on some of our fundraising plans for the year (e.g. events, sponsored fundraisers etc.) there have been other areas (e.g., large grants and one-off individual giving) which have exceeded our forecast. This has meant that we are in a strong position and have not needed to utilise reserves to sustain the charity. While the future remains uncertain, we have a strong financial base and a sustainable financial model with which to move forward.

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**TRUSTEES' REPORT (CONTINUED)**  
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**KEY PERFORMANCE INDICATORS**

**WHAT WE HAVE ACHIEVED**

Across the regions we achieved the following metrics, compared to the previous financial years:

	2018-19	2019-20	2020-21
Local authorities	30	34	39
Accredited volunteers	4,161	4,539	4,897
Families supported (cumulative)	3,256	4,212	5,618
Families supported (in year)	1,001	991	1,483
Children benefitted (cumulative)	7,829	9,965	12,151
Children benefitted (in year)	2,365	2,362	3,231
Number of bed nights (cumulative)	5,612	7,231	7,973
Churches and community groups	848	953	1,099

\* In year numbers refer to families and children commencing support in that year. That support may continue into the following year but would only be counted in the year it started.

\* Cumulative numbers refer to the total unique families and children supported. Therefore if a family start support in year a and are then referred again for a new support to start in year c then they would count in both year a and year c for the in year number, but only once in the cumulative number.



## Safe Families UK in numbers



Figures accurate from 1st April 2021

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**THE IMPACT OF OUR WORK**

Over the last 12 months we have evaluation scores for 1,107 families either at closure or review which demonstrate the impact of Safe Families support across 6 important domains that reflect the health and well-being of the families we support. Across every domain over 90% of families supported maintain or increase in their score.

Stage	#	Social Networks	Wellbeing	Confidence	Physical Needs	Family Relationships	Positive Parenting
Maintained/Increased	1107	96%	94%	94%	93%	94%	93%
Decreased		4%	6%	6%	7%	6%	7%

We have also demonstrated the following impact:

- Delivered a decrease of the flow of children into care of between 9 – 16%.
- 88 – 96% of cases have improved or remained at the same level in Children's Services without escalation of need.
- A longitudinal review across cases that have been closed for more than 6 months to both Safe Families and the Local Authority showed that 93% of cases remained closed to Children's Services (review undertaken for cases in Lincolnshire and Sandwell LAs).
- A recent case study on one Local Authority area showed that 70% of volunteers remain as an informal part of the families support network following Safe Families formal case closure.

**FUNDRAISING ACTIVITIES / INCOME GENERATION**

Safe Families undertakes all fundraising activities in line with industry best practice, legal guidelines and in line with our values. We aim to be open with the public about our processes and to explain (where appropriate) if asked for more information. We aim to be honest, acting with integrity about the cause we are fundraising for or the way a donation will be used. We aim to demonstrate respect whenever we have contact, digital or physical with any member of the public.

The charity continues to implement its new fundraising strategy which seeks to diversify our income base. During the financial year, the charity was funded through a blend of its contract work with Local Authorities, external charitable grants and fundraised income. We had a very successful year in terms of large grants with just over £500,000 of COVID specific income. Alongside this we also made progress in developing all our fundraised income streams, including corporate donations, one off and monthly individual giving and community fundraising. Each of these income streams have shown a year-on-year increase.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks to the charity come in two forms; financial and safeguarding, the former due to the uncertainty that occurs with most funding derived from external sources. There is a risk that current funding agreements cease and are not renewed in the long term. The charity insures itself against these risks by working closely with its partners to ensure all parties are content with current arrangements and practices.

The principal risk is identified as being the financing of the growth of the charity. The work of the charity is reported in the Chairman's and Chief Executive's report elsewhere in these financial statements. The growth in activity includes delivery in new locations as well as continuing to service and develop the existing locations.

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These developments require funding, and the geographical spread of locations requires careful management to cover the charity's financial needs, much of which is related to the skilled staff and the volunteers who, together, deliver the charitable activities. Most of the funding of the charity comes from the Local Authorities, but financial support from trusts, churches, and individuals, is an important part of making all this possible.

As with many charities, there is an inbuilt uncertainty about financial provision and the raising of finance is a part of its day-to-day work. The growth of activity has been financed by an increase in income from both Local Authority contracts (+32.3%) and the generous support of an increasing number of donors (+85.2%).

The second principal risk to the charity is safeguarding. Safe Families has a clear, comprehensive safeguarding framework in place in which policy, procedure and guidance are all in line with legislation and the Local Safeguarding Children Boards procedures, all of which are designed to ensure that children and young people using the service are appropriately safeguarded. All staff and volunteers are fully aware of their duty of care to children and young people and vulnerable adults and that safeguarding them is of paramount importance.

We have comprehensive policies and procedures that govern activity and behaviour of all staff and volunteers. All activity is governed by our Quality Standards Framework which provides step by step guidance for the delivery of family support and work with volunteers. The framework sets out best practice that underpins the Safe Families approach in seeking to improve outcomes for children and families and ensure they are being kept safe within the system. The agreed quality standards enable regular audit of practice and case management ensuring consistency of approach and compliance with policies and procedures

We have a robust process in place to monitor our financial position and a finance committee oversees our fiduciary responsibilities to ensure that we have sufficient reserves to operate should there be change in income.

Our business continuity planning is strong and has served us well during the unprecedented COVID 19 period.

**RESERVES POLICY**

The Trustees have considered the Reserves Policy that is appropriate to the charity, given the plans for future activities, and understand the importance of a policy that enables it to meet its developing commitments and obligations. The policy is to work towards unrestricted reserves equivalent to 6 months of the annual core expenditure. Progress towards this target is monitored quarterly by the Finance Committee and reported to the full Trustee Board.

The total funds held by the Charity on 31 March 2021 were £967,521 (2020: £267,522). Of these funds, £65,823 were held in restricted funds (2020: £92,355). The Charity also designated funds for future seed funding and other identified activities that are forecast to require additional funds. The amount of these designated funds totals £293,962, leaving £607,736 of free reserves at the year end. The target reserves required to comply with the charitable company's reserves policy would be circa £360,000 (equivalent to 6 months of annual core expenditure). This year, the free reserves exceeded the target reserves by £247,736 primarily because some grant funding has been received in advance of spending. The charity's forecasts show that this additional reserve will dissipate over the next financial year.

**FINANCIAL REVIEW**

The financial picture is one of increasing financial strength compared to the previous year's accounts. The Charity made a surplus in the year of £699,999 (2020: £167,310) with income of £4,296,501 (2020: £2,831,761) and expenditure of £3,596,502 (2020: £2,664,451). As a result, the Charity was able to increase the level of unrestricted reserves to £607,736 (2020: £175,167).

Income comes from a blend of Local Authority income for supporting children and families; £2,522,105 (2020 - £1,906,067); and donation income from grant-making charities and foundations, churches and individuals of £1,714,136 (2020 - £925,694).

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**FUTURE DEVELOPMENTS**

This last 18 months has been unprecedented, and it feels like we are only just settling into our new normal.

As we look forward, we consider our focus under 5 broad headings:

**Delivering Support and Creating Connection:** We will continue to ensure isolated and struggling families, children and care leavers are connected with volunteers to build relationships that last; bringing hope and providing the practical and emotional support needed. We have an increased focus on the importance of belonging; defined for us as "being seen, heard and understood". We see this as being the really unique offer that Safe Families volunteers can give to families. We also have a new and deeper focus on the impact of trauma on family life and the wellbeing of children and adults.

**Developing our Volunteers:** We will continue to work within local communities to release the potential of the volunteer community there. We have an immediate focus on supporting every one of our volunteers as they navigate this transition into the new normal and ensuring they feel loved and supported by Safe Families.

**Deepening our Church partnerships:** We will invest in our relationships with the churches and community groups that our volunteers are rooted in. We believe these communities are perfectly placed to offer love and belonging to families and want to see the potential in them released.

**Ensuring our Financial Sustainability:** We will deliver quality outcomes on a balanced budget while creating opportunities for growth and innovation. We will continue to deliver on our fundraising strategy, seeing growth across all of our developing income streams.

**Prioritising Culture:** Safe Families has clear values reflected by our culture. Following a staff wellbeing survey, we are formalising our staff wellbeing offer so that there is consistency across the regions and clarity on how as Safe Families we prioritise and support staff wellbeing.

**PAY POLICY FOR SENIOR STAFF**

The senior leadership team is remunerated in line with industry levels, with equal pay across each staff hierarchy level across the organisation.

**INFORMATION ON FUNDRAISING PRACTICES**

The fundraising strategy of the charity is primarily the responsibility of the Chief Executive working closely with the Head of Communications and Influence. Working with the Financial Controller, financial projections are submitted to support applications.

We now have a small fundraising team with 1 part time Fundraising Manager who reports to the Head of Communications and Influence. We also engage with Concannon Consultants who concentrate on smaller, more localised grants.

No staff member or consultant received commission on funds secured.

All data held by the charity is protected by strict and confidential protocols.

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**SAFE FAMILIES FOR CHILDREN**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also directors of Safe Families for Children for the purposes of company law) are responsible for preparing the Trustees report and 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the charitable company will continue in operation.

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

**DISCLOSURE OF INFORMATION TO AUDITOR**

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

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

This report has taken advantage of exemptions available to small companies under the Companies Act 2006.

This report was approved by the Trustees, on 18 October 2021 and signed on their behalf by:

**Keith Danby**  
Chairman of the Trustee Board



**Mr Keith Danby**  
(Chair of Trustees)

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**SAFE FAMILIES FOR CHILDREN**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAFE FAMILIES FOR CHILDREN**

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**Opinion**

We have audited the financial statements of Safe Families for Children (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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



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**SAFE FAMILIES FOR CHILDREN**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAFE FAMILIES FOR CHILDREN**  
**(CONTINUED)**

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**Other information**

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

We have nothing to report in this regard.

**Opinion 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 Trustees' report for the financial Year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

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**SAFE FAMILIES FOR CHILDREN**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAFE FAMILIES FOR CHILDREN**  
**(CONTINUED)**

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**Responsibilities of Trustees**

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

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

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with Trustees and other management, and from our commercial knowledge and experience of the child support services sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including Charities Act 2011 et seq., the Charities (Protection and Social Investment) Act 2016, the Trustees Acts 1925 and 2000 and Charity Commission regulation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured that the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.



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**SAFE FAMILIES FOR CHILDREN**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAFE FAMILIES FOR CHILDREN**  
(CONTINUED)

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships; and
- tested journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to: -


- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

  
**Detlev Anderson (Senior statutory auditor)**  
for and on behalf of  
**Ryecroft Glenton**  
Chartered Accountants  
Statutory Auditor  
32 Portland Terrace  
Newcastle upon Tyne  
NE2 1QP

Date: *19th October 2021*

Ryecroft Glenton are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

# SAFE FAMILIES FOR CHILDREN

(A company limited by guarantee)

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted designated funds 2021	Unrestricted general funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>						
Donations and legacies	3	-	285,252	1,428,884	1,714,136	925,694
Charitable activities	4	-	2,522,105	-	2,522,105	1,906,067
Other income	5	-	60,260	-	60,260	-
<b>Total income</b>		<b>-</b>	<b>2,867,617</b>	<b>1,428,884</b>	<b>4,296,501</b>	<b>2,831,761</b>
<b>Expenditure on:</b>						
Raising funds	6	-	36,460	-	36,460	15,600
Charitable activities	7	-	2,104,626	1,455,416	3,560,042	2,648,851
<b>Total expenditure</b>		<b>-</b>	<b>2,141,086</b>	<b>1,455,416</b>	<b>3,596,502</b>	<b>2,664,451</b>
<b>Net income/(expenditure)</b>		<b>-</b>	<b>726,531</b>	<b>(26,532)</b>	<b>699,999</b>	<b>167,310</b>
Transfers between funds	15	293,962	(293,962)	-	-	-
<b>Net movement in funds</b>		<b>293,962</b>	<b>432,569</b>	<b>(26,532)</b>	<b>699,999</b>	<b>167,310</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		-	175,167	92,355	267,522	100,212
Net movement in funds		293,962	432,569	(26,532)	699,999	167,310
<b>Total funds carried forward</b>		<b>293,962</b>	<b>607,736</b>	<b>65,823</b>	<b>967,521</b>	<b>267,522</b>

The Statement of financial activities includes all gains and losses recognised in the Year.

The notes on pages 23 to 36 form part of these financial statements.

**SAFE FAMILIES FOR CHILDREN**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08134971**

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>	12		
		-	-
<b>Current assets</b>			
Debtors	13	218,929	255,387
Cash at bank and in hand		1,045,120	311,236
		<u>1,264,049</u>	<u>566,623</u>
Creditors: amounts falling due within one year	14	(296,528)	(299,101)
<b>Net current assets</b>		<u>967,521</u>	<u>267,522</u>
<b>Total assets less current liabilities</b>		<u>967,521</u>	<u>267,522</u>
<b>Total net assets</b>		<u>967,521</u>	<u>267,522</u>
<b>Charity funds</b>			
Restricted funds	15	65,823	92,355
Unrestricted funds			
Designated funds	15	293,962	-
General funds	15	607,736	175,167
<b>Total unrestricted funds</b>	15	<u>901,698</u>	<u>175,167</u>
<b>Total funds</b>		<u>967,521</u>	<u>267,522</u>

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

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

The financial statements were approved and authorised for issue by the Trustees on 18 October 2021 and signed on their behalf by:

**Mr Keith Danby**  
 (Chair of Trustees)



The notes on pages 23 to 36 form part of these financial statements.

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**SAFE FAMILIES FOR CHILDREN**  
(A company limited by guarantee)

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	18	<b>733,884</b>	<b>86,818</b>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the Year</b>		<b>733,884</b>	<b>86,818</b>
Cash and cash equivalents at the beginning of the Year		<b>311,236</b>	<b>224,418</b>
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the Year</b>	19	<b>1,045,120</b>	<b>311,236</b>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 23 to 36 form part of these financial statements

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**SAFE FAMILIES FOR CHILDREN**  
(A company limited by guarantee)

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

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**1. General information**

The charitable company is a private company limited by guarantee and is registered in England and Wales. Its registered office is Unit 4, Diamond Court, Newcastle upon Tyne NE3 2EN. The members of the company are the Trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £10 per member of the charitable company.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Safe Families for Children meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

The financial statements have been prepared on the going concern basis. As with many charities, there is an inbuilt uncertainty about financial provision and the raising of finance is a part of its day to day work. The growth of activity has been financed by an increase in income from Local Authority contracts and the generous support of an increasing number of donors. Through the internal reporting and careful strategies, these risks are managed. The going concern basis of accounting remains appropriate. In coming to this conclusion the Trustees have considered the effects of Covid-19 on the organisation, further details of which are provided within the Trustees' Report.

**2.3 Income**

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

Voluntary income is received by way of grants and donations and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charitable company, are recognised when the charitable company becomes unconditionally entitled to the grant. Grants received where conditions specified by the donor have not yet been met by the charity or where the donor has specified the time period in which the expenditure of resources can take place are deferred and recognised once all conditions have been met, or over the time period specified by the donor.

Incoming resources from charitable activities is predominantly income from Local Authorities and is accounted for on a time-accrued basis.

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

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**2. Accounting policies (continued)**

**2.4 Expenditure**

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

Expenditure on raising funds includes all expenditure incurred by the charitable company to raise funds for its charitable purposes.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charitable company's objectives, as well as any associated support costs.

**2.5 Taxation**

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The charity is not registered for VAT. Irrecoverable VAT is included in the costs of those items to which it relates.

**2.6 Tangible fixed assets**

All assets costing more than £1,000 are capitalised.

**2.7 Debtors**

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.8 Cash at bank and in hand**

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

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

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**2. Accounting policies (continued)**

**2.9 Liabilities**

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

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

**2.10 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**2.11 Pensions**

The charitable company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charitable company to the fund in respect of the year.

**2.12 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

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

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



**SAFE FAMILIES FOR CHILDREN**  
(A company limited by guarantee)

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

**3. Income from donations and legacies**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Donations	251,502	1,428,884	1,680,386
Franchise fees	33,750	-	33,750
	<u>285,252</u>	<u>1,428,884</u>	<u>1,714,136</u>
	<u>285,252</u>	<u>1,428,884</u>	<u>1,714,136</u>
	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	290,581	627,704	918,285
	<u>290,581</u>	<u>635,113</u>	<u>925,694</u>
	<u>290,581</u>	<u>635,113</u>	<u>925,694</u>

**4. Income from charitable activities**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Local Authority revenue funding	2,462,105	2,462,105	1,906,067
Revenue funding from other institutions	60,000	60,000	-
<b>Total 2021</b>	<u>2,522,105</u>	<u>2,522,105</u>	<u>1,906,067</u>
	<u>2,522,105</u>	<u>2,522,105</u>	<u>1,906,067</u>

**5. Other incoming resources**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Income from early surrender of lease	60,260	60,260	-
	<u>60,260</u>	<u>60,260</u>	<u>-</u>
	<u>60,260</u>	<u>60,260</u>	<u>-</u>



**SAFE FAMILIES FOR CHILDREN**  
(A company limited by guarantee)

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

**6. Expenditure on raising funds**

**Costs of raising voluntary income**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Fundraiser's fees	16,845	<b>16,845</b>	15,600
Costs of raising voluntary income - wages and salaries	19,615	<b>19,615</b>	-
	<u>36,460</u>	<u><b>36,460</b></u>	<u>15,600</u>

**7. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Provision of services	2,104,626	1,455,416	<b>3,560,042</b>

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Provision of services	2,070,495	578,356	<b>2,648,851</b>

**SAFE FAMILIES FOR CHILDREN**  
(A company limited by guarantee)

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

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>
Provision of services	2,923,109	636,933	<b>3,560,042</b>

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Provision of services	2,200,180	448,671	<b>2,648,851</b>

**Analysis of direct costs**

	<b>Activities 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Staff costs	2,576,610	<b>2,576,610</b>	1,887,942
Travel and accommodation	30,399	<b>30,399</b>	106,870
Recruitment and training of volunteers	18,688	<b>18,688</b>	20,636
Office and telecom	177,332	<b>177,332</b>	148,817
Insurance	1,502	<b>1,502</b>	1,669
Professional fees	3,102	<b>3,102</b>	3,262
Promotions and marketing	49,001	<b>49,001</b>	5,948
Emergency family purchases	66,475	<b>66,475</b>	25,036
	<b>2,923,109</b>	<b>2,923,109</b>	<b>2,200,180</b>

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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Activities 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Staff costs	436,118	<b>436,118</b>	346,857
Travel and accommodation	3,122	<b>3,122</b>	18,845
Hospitality	9	<b>9</b>	16
Office and telecom	58,493	<b>58,493</b>	40,279
Insurance	14,301	<b>14,301</b>	12,627
DCMS Impact Assessment fees	78,000	<b>78,000</b>	-
Professional fees	28,580	<b>28,580</b>	19,301
Promotions and marketing	7,768	<b>7,768</b>	1,397
Bank charges	582	<b>582</b>	349
Governance costs	9,960	<b>9,960</b>	9,000
	<b>636,933</b>	<b>636,933</b>	<b>448,671</b>

Included within support costs are governance costs of £9,960 (2020 - £9,000) in respect of accrued costs for the preparation and audit of the financial statements, inclusive of VAT.

**9. Auditor's remuneration**

The auditor's remuneration amounts to an auditor fee of £8,300 (2020 - £7,500).

**10. Staff costs**

	<b>2021 £</b>	<b>2020 £</b>
Wages and salaries	<b>2,548,584</b>	1,874,515
Social security costs	<b>173,576</b>	122,406
Contribution to defined contribution pension schemes	<b>310,183</b>	237,878
	<b>3,032,343</b>	<b>2,234,799</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Staff costs (continued)**

The average number of persons employed by the charitable company during the Year was as follows:

	<b>2021 No.</b>	<b>2020 No.</b>
Operational	<b>107</b>	<b>80</b>
Finance, administration and IT	<b>6</b>	<b>4</b>
Management	<b>3</b>	<b>2</b>
	<b>116</b>	<b>86</b>

The average headcount expressed as full-time equivalents was: 97

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2021 No.</b>	<b>2020 No.</b>
In the band £60,001 - £70,000	<b>1</b>	<b>1</b>

Payments of £13,373 (2020 - £13,373) were made to a money purchase pension scheme in respect of this individual.

**11. Trustees' remuneration and expenses**

During the Year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the Year ended 31 March 2021, expenses totalling £25 were reimbursed or paid directly to 1 Trustee (2020 - £1,868) for travel and accommodation incurred whilst conducting the business of the charity.

**12. Tangible fixed assets**

	<b>Computer equipment £</b>
<b>Cost or valuation</b>	
At 1 April 2020	<b>10,684</b>
At 31 March 2021	<b>10,684</b>

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**12. Tangible fixed assets (continued)**

	Computer equipment £
<b>Depreciation</b>	
At 1 April 2020	10,684
At 31 March 2021	<u>10,684</u>
<b>Net book value</b>	
At 31 March 2021	<u>-</u>
At 31 March 2020	<u>-</u>

**13. Debtors**

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	142,738	201,227
Other debtors	67,680	2,826
Prepayments and accrued income	8,511	51,334
	<u>218,929</u>	<u>255,387</u>

**14. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	7,433	16,355
Other taxation and social security	67,318	42,375
Other creditors	36,459	28,307
Accruals	185,318	212,064
	<u>296,528</u>	<u>299,101</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Statement of funds**

**Statement of funds - current Year**

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
COVID-19 fund	-	-	-	141,962	141,962
Development fund	-	-	-	152,000	152,000
	-	-	-	293,962	293,962
<b>General funds</b>					
General Funds - all funds	175,167	2,867,617	(2,141,086)	(293,962)	607,736
<b>Total Unrestricted funds</b>	175,167	2,867,617	(2,141,086)	-	901,698
<b>Restricted funds</b>					
Family Resources and Hub funds	92,355	1,428,884	(1,455,416)	-	65,823
<b>Total of funds</b>	267,522	4,296,501	(3,596,502)	-	967,521

**Designated Funds**

During the year, the charitable company set aside funds from its unrestricted general reserves in two areas where future expenditure is forecast to exceed income receivable:

The **COVID-19 fund** relates to forecast future costs that the charitable company will incur to deal with the elongation of the time period that SFFC has to spend with families over the pandemic.

The **Development fund** is set up to allow the charitable company to seed-fund new areas of work.

**Restricted Funds**

**Family Resources and Hub Funds** arise through donations received from individuals and Trusts to provide resources for families we are supporting or that are received within a particular geographical area to be spent only within that area. These funds include £4,000 of monies received in respect of Safe Families for Children Wales which amalgamated with this charity in 2019.

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**15. Statement of funds (continued)**

**Statement of funds - prior Year**

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2020 £</i>
<b>Unrestricted funds</b>				
General Funds - all funds	64,614	2,196,648	(2,086,095)	175,167
<b>Restricted funds</b>				
Family Resources and Hub funds	35,598	627,704	(570,947)	92,355
Safe Families for Children Wales	-	7,409	(7,409)	-
	35,598	635,113	(578,356)	92,355
<b>Total of funds</b>	<b>100,212</b>	<b>2,831,761</b>	<b>(2,664,451)</b>	<b>267,522</b>

**16. Summary of funds**

**Summary of funds - current Year**

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
Designated funds	-	-	-	293,962	293,962
General funds	175,167	2,867,617	(2,141,086)	(293,962)	607,736
Restricted funds	92,355	1,428,884	(1,455,416)	-	65,823
	267,522	4,296,501	(3,596,502)	-	967,521

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**16. Summary of funds (continued)**

**Summary of funds - prior Year**

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2020 £</i>
General funds	64,614	2,196,648	(2,086,095)	175,167
Restricted funds	35,598	635,113	(578,356)	92,355
	<u>100,212</u>	<u>2,831,761</u>	<u>(2,664,451)</u>	<u>267,522</u>

**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Current assets	1,198,226	65,823	1,264,049
Creditors due within one year	(296,528)	-	(296,528)
<b>Total</b>	<u>901,698</u>	<u>65,823</u>	<u>967,521</u>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Current assets	474,268	92,355	566,623
Creditors due within one year	(299,101)	-	(299,101)
<b>Total</b>	<u>175,167</u>	<u>92,355</u>	<u>267,522</u>



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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	699,999	167,310
<b>Adjustments for:</b>		
Decrease/(increase) in debtors	36,458	(127,704)
(Decrease)/increase in creditors	(2,573)	47,212
<b>Net cash provided by operating activities</b>	<b>733,884</b>	<b>86,818</b>

**19. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand	1,045,120	311,236
<b>Total cash and cash equivalents</b>	<b>1,045,120</b>	<b>311,236</b>

**20. Analysis of changes in net debt**

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	311,236	733,884	1,045,120
	<b>311,236</b>	<b>733,884</b>	<b>1,045,120</b>

**21. Pension commitments**

The company contributes to a defined contribution pension scheme for its employees. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £310,183 (2020 - £237,878). Contributions of £32,064 (2020 - £22,211) were payable to the fund at the balance sheet date and are included in creditors.

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**SAFE FAMILIES FOR CHILDREN**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Operating lease commitments**

At 31 March 2021 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Within 1 year	32,430	23,971
Between 1 and 5 years	23,738	15,108
	<u>56,168</u>	<u>39,079</u>

**23. Trustees' benefits: advances, credit and guarantees**

Keith Danby was the charity's CEO to October 2018. He became the Executive Chair of Trustees since his resignation from that role. As agreed with the Charity Commission, during this transitional period, Mr Danby has fulfilled the role as a paid Trustee with the remit of concentrating on 4 key areas: lead on a number of exploratory negotiations with new Local Authorities; fundraising; strategic finance and long-term cashflow; and Board governance.

Mr Danby has received remuneration from the charity, in the amount of £nil (2020 - £5,100) and repayment of expenses of £nil (2020 - repayment of expenses £1,868).

**24. Related party transactions**

The charity made purchases of £12,090 (2020 - £14,256) from Pure Panel Management Limited, a company which is related by a common Trustee. There was £Nil owed to Pure Panel Management Limited at the year end (2020 - £Nil).

The charity received donations of £2,600 (2020 - £6,250) and recharged expenses of £431 (2020 - £Nil) from Beechmount Trust, a charity which is controlled by a Trustee of this charity.

The charity made purchases of £Nil (2020 - £6,529) and recharged expenses of £770 (2020 - £Nil) from Rosegate Consultancy, a company which is related by a common Trustee. There was £Nil owed to Rosegate Consultancy at the year end (2020 - £218).

The charity received donations of £9,000 (2020 - £5,000) from The Seedfield Trust, a charity which is related by a common Trustee.

Key management personnel remuneration: The key management personnel are the Trustees and the 10 members of the senior management team. Trustees do not receive remuneration. The total remuneration for the senior management team for the year totalled £557,113 (2020 - £607,639).