

# ADOPTION UK CHARITY

England & Wales · Charity number 1160647

## Details

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**Status** Registered

**Legal form** Charitable company

**Company number** [09454981](#)

**Registered** 2015-02-26

**Register** [View on the Charity Commission register](#)

## Contact

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**Website** [www.adoptionuk.org](http://www.adoptionuk.org)

## Activities

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**Objects:** (A)TO ADVANCE THE EDUCATION OF THE PUBLIC ABOUT ALL ASPECTS OF THE LEGAL ADOPTION OF CHILDREN. (B)TO PROMOTE THE CARE AND WELFARE OF POTENTIAL AND EXISTING ADOPTIVE CHILDREN WITH PARTICULAR REGARD TO SUCH CHILDREN WHO HAVE SPECIAL NEEDS PARTICULARLY BY FACILITATING THEIR ADOPTION BY SUITABLE PERSON WHO ARE ABLE TO MEET THOSE NEEDS (FOR FURTHER DETAILS SEE CLAUSE 4 OF THE DECLARATION OF TRUST).

**Activities:** Adoption UK is a membership organisation providing support, community and advocacy for all those parenting or supporting children who cannot live with their birth parents. We connect adoptive families, provide information and signposting on a range of adoption-related issues and campaign for improvements to adoption policy and legislation at the highest levels.

## Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training
- **Who:** Children/young People

## Geography

- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£4,181,080	£4,572,454	£388,900	147
2024-03-31	£4,091,730	£4,021,528	£780,274	122
2023-03-31	£3,927,934	£3,570,670	£710,072	127
2022-03-31	£3,452,791	£3,595,370	£352,808	135
2021-03-31	£3,070,970	£2,867,774	£495,387	119

## Trustees

Name	Role	Appointed
<b>Michael Victor REBEIRO</b>	Chair	2020-09-04
Anju MAHBUBANI		2021-06-23
Anna JAQUES		2021-06-23
Anwen Mai Aspden		2024-04-22
Daniella STUART		2022-07-27
Dr Tony Eastwood		2019-09-26
Justin North		2024-03-27
Melissa Shackleton		2019-03-28

**ADOPTION UK CHARITY**

England & Wales - Charity number 1160647

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# Accounts

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AUDITED ACCOUNTS  
2024-25

**Adoption UK Charity**

Company number 09454981

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# About us

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Adoption UK is the leading charity for adopted people and others unable to grow up with their birth parents, and for their families. With a vibrant and engaged membership we are the largest voice of the adoption community in the UK. We work with adopted and care experienced people, adopters, kinship & foster carers, professionals and decision makers in England, Scotland, Wales and Northern Ireland.

## Why we are needed

Adoption and other forms of permanence like kinship care have transformed the lives of millions of children in the UK. And adopted and other care experienced people have just as much potential as anyone else in life, but they have many barriers in their way. Many of today's adopted and care experienced children have suffered violence, neglect and abuse in their earliest years and this can have lasting impacts on their relationships, learning and health. Growing up away from birth parents also creates lifelong challenges. That's why adopted and care experienced people must be able to access the support they need throughout their lives.

In order to raise adopted children and young people, adoptive parents need support too. Most families tell us they would encourage others to adopt, but adopting and supporting a child who has experienced trauma takes resilience, understanding and the right support from the start.

Adult adoptees face many barriers to accessing information about their lives and good quality, lifelong support which is compounded by low public and professional understanding of adoption. Adoption and early life trauma have lifelong impacts. We are committed to lifelong support.

## What we do

Adoption UK's mission is to secure the right support at the right time for children who are unable to grow up with their birth parents, from childhood into adulthood.

We offer expert information & advice, provide connection through community support, and deliver peer support and psychology-led therapeutic services. In campaigning for improvements to policy and practice, we draw on our growing evidence base about the experience of adopted and care experienced people, and the families who raise them.

Our work involves:

### **Information and advice**

We provide information, advice and learning on a range of subjects that impact our community, including early childhood trauma, education, kinship care and FASD. We provide a one-stop information service for those interested in adoption through our website and social media. We also run a UK-wide information and support line, open to all. Our membership services for adoptive families and adopted people also provide news and information through our online members' hub, lending library, newsletters and for adoptive families - our bi-monthly membership magazine, Adoption Today. We also provide information and advice on Kinship Care and Fetal Alcohol Spectrum Disorder (FASD). We provide a range of learning and development opportunities and courses which provide information and advice across a wide range of subjects in adoption, including on specialist parenting skills, and training for schools to understand adoption and care experience.

### **Connecting people**

We bring people together within active and supportive communities, so that lifelong connections can be made. We provide safe spaces for people to connect with others in the same boat, including regional and specialist community groups and events. We provide these services for adopters, young adopted people, adult adoptees, kinship carers and families affected by FASD.

### **Providing direct support**

We provide support through our therapeutic services, specialist community groups and peer support,

helping people wherever they are on their journey. Our expert Psychology and Therapy Hub. The hub is a Multi-Disciplinary team, supporting adopters, kinship carers, long term foster carers, adopted young people and adult adoptees. We also provide bespoke packages of therapeutic support.

## Influencing change

We use our knowledge and research to influence policy and legislation across the UK. We campaign for lifelong support, alongside those whose lives are affected by adoption and care experience. Through our policy work and campaigning we are raising public, political and professional awareness of modern adoption, including the needs and rights of adopted children and young people and their families, and of adult adoptees. We influence policy and legislation across the UK on a range of matters that impact on the lives of adoptees and their families including adoption support, health and education, and on issues relating to kinship care and FASD.

Adoption UK engages with adopted people, those with care experience, adopters, kinship and foster carers, key sector groups, civil servants, ministers and other stakeholders to advise on draft legislation and push for changes in law, policy and practice. Our Adoption Barometer report is widely used by policy makers to support the case for change.

## How our activities deliver public benefit

Our work delivers clear public benefit through supporting those who are or were unable to live with their birth parents, in childhood and in adulthood – giving them an equal chance to thrive. We support people individually and we support their families, helping everyone to deal with the effects of early trauma. Adoptive parents, carers and their families, as well as practitioners that work with them, benefit from the support we offer in carrying out their therapeutic role.

We provide information, advice, support and training to prospective adopters, adoptive parents and others delivering permanence to children who cannot live with their birth parents. Our information and services are rooted in the personal experiences of those we work with so that, as an organisation, we are at the centre of a self-help network of peer support.

These networks:

- Enable adopted young people and adult adoptees to come together with their peers, build peer support and influence policy and practice.
- Help parents and carers to explore the unique social, emotional and developmental needs of their children and promote effective parenting practice based on a combination of personal experiences and current theories of trauma, attachment and child development.

# What drives us



## Vision

A society in which every child and young person who is unable to grow up with their birth parents can thrive in childhood and has an equal chance of a bright future as an adult.

## Purpose

To secure the right support at the right time for children and young people who are unable to grow up with their birth parents, from childhood into adulthood.

## Values

### We are open

- We champion everyone unable to grow up with their birth parents, and the families who raise and care for them.
- We value equity, diversity and inclusion.
- We're honest about the realities of adoption and permanence and about what needs to change. We stand up for great ideas and good decisions.

### We are stronger together

- We pioneer peer support in adoption and permanence. We bring together peer support and professional expertise.
- We work constructively with others. We enable people to build and strengthen their networks.
- We work hand in hand with people with lived experience to build an expert case for better support together.

### We are determined

- We won't stop until everyone who is unable to grow up with their birth parents has an equal chance to thrive.
- We will empower every adopted and care experienced person, and every adoptive and kinship care family to ask for, and get, what they need.

Together, our community is a powerful force for change.

# Our Strategy

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## We provide information, advice and training

We aspire to be the leading source of accurate and up-to-date information and advice for adopted people and their families. We empower people by providing accurate, up-to-date and relevant advice and information through our helpline, website, factsheets and resources. We provide high quality and popular training courses to help people provide the right support for children and young people affected by early childhood trauma.

Our webinars and training help to educate and inform on topics as diverse as therapeutic parenting, FASD, the lifelong impacts of adoption, the experiences of trauma, parenting siblings and many more.

We are also a trusted source of information and advice for professionals working with adopted people, including schools and adoption agencies.

## We connect people

We create safe spaces for people to build their own networks of support. Through our support groups and events, both online and face to face, we bring people together to have fun, to offload and to support each other. We build connections that often last a lifetime. We help people find others who understand their experiences and create spaces where they can be themselves.

## We provide direct support

We provide a powerful combination of professional expertise and peer support directly to children, young people and their families. This includes mentoring, peer support, and specialist therapeutic services.

## We change the system

We work hand in hand with those with lived experience to bring about changes to policy and practice that will translate into real improvements in the lives of care experienced people and their families. We influence politicians, policymakers and practitioners to create the change we want to see in the adoption and care system. We aim to centre the voices of those who are unable to live with their birth parents, ensure they are listened to by those with the power to change things for the better.

## Working with adopted people

The world of adoption is changing and modernising and we are changing with it. We are listening to the voices of adopted and care experienced people and to those who care for them, to understand how we can fulfil our vision and make the biggest difference for the families who need our support.

We provide direct support to adopted children and young people to enable them to have an equal chance of a bright future.

We also work in partnership with adult adoptees to raise awareness of the lifelong challenges involved in adoption, and to provide information, connection and support.

# Reference and administrative details

## Trustees

The trustees who served during the period under review and up to the date of approval of the financial statements were:

<b>Mike Rebeiro</b>	Chair of Trustees
<b>Anna Jaques</b>	Joint Vice Chair of Trustees; chair of People and Culture Committee
<b>Melissa Shackleton</b>	Joint Vice Chair of Trustees
<b>Tony Eastwood</b>	Chair of Finance and Scrutiny Committee
<b>Anju Mahbubani</b>	Trustee
<b>Dani Stuart</b>	Trustee
<b>Siobhan Rhodes</b>	Trustee
<b>Justin North</b>	Trustee
<b>Anwen Aspden</b>	Trustee, appointed 22 April 2024
<b>Jordina Walker</b>	Trustee, resigned 25 June 2024
<b>Wesley Graham</b>	Trustee, resigned 19 June 2025
<b>Anuradha Parekh</b>	Trustee, resigned 05 December 2024

## Officers

<b>Emily Frith</b>	Chief Executive
<b>William Joel Sadler</b>	Director and Chief Operating Officer. No voting rights on the Board of Trustees.
<b>Jacque Joy</b>	Company Secretary
<b>Bank</b>	HSBC, 15 Church Street, Rugby, Warwickshire CV21 3PN
<b>Accountant</b>	TC-Group, Star House, Star Hill, Rochester, Kent, ME1 1UX
<b>Solicitor (charity)</b>	Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES
<b>Auditors</b>	Thomas Coombs Limited, Chartered Accountants, 3365 The Pentagon, Century Way, Thorpe Park, Leeds LS15 8ZB

## Company details

<b>Registered charity number (England and Wales)</b>	1160647
<b>Registered charity number (Scotland)</b>	SC037892
<b>Company registration number (England and Wales)</b>	09454981

## Offices

<b>Registered head office</b>	Bloxham Mill, Barford Road, Bloxham, Oxfordshire OX15 4FF
<b>Northern Ireland</b>	63-75 Duncairn Gardens, Belfast, BT15 2GB
<b>Scotland</b>	Great Michael House, 14 Links Place, Edinburgh, EH6 7EZ
<b>Wales</b>	Office 9, Big Yellow, 65 Penarth Road, Cardiff CF10 5DL (until 31 August 2024) Office 9, House 1, The Maltings, East Tyndall Street, Cardiff Bay, Cardiff, CF24 5EZ (from 12 August 2024) Suite 8F, Trigg House, Warren Drive, Prestatyn, LL97HT

# Structure, governance and management

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## Trustees

The trustees are responsible for Adoption UK Charity. As stated by the Charity Commission, their responsibilities are to ensure the charity is carrying out its purposes for the public benefit, comply with the charity's governing documents and the law, act in the charity's best interests, manage the charity's resources responsibly, act with reasonable care and skill, and ensure the charity is accountable. The trustees agree an outline plan and budget annually.

In planning the activities, the trustees have had regard to the guidance on public benefit issued by the Charity Commission.

Trustees are appointed by existing trustees. The induction and training of trustees includes:

- Reading an induction pack. This includes: the Charity Commission's booklet, The essential trustee: what you need to know, what you need to do (CC3); our Memorandum and Articles of Association; our key policies and procedures; our most recent annual accounts/report; our most recent strategic plan; and other relevant documents.
- Meeting with the chair of trustees and Chief Executive. The nature of this meeting will largely depend on what was covered during the recruitment process. But it will be an opportunity for new trustees to ask questions about Adoption UK and discuss more about their role as a trustee.
- Getting to know the team. Within approximately three months of becoming a trustee, we will arrange for them to meet with senior leaders. Trustees are all encouraged to attend Adoption UK conferences and national employee events as appropriate – but particularly if these events occur during their first year of tenure.
- Updates from the Charity Commission. As part of our endeavour to not only be compliant but be an example of good practice, we ask trustees to commit to reading, and disseminating as necessary, updates from the Charity Commission. The Trustees have recently reviewed our practices using the 'Charities Governance Code', agreeing some governance changes and are about to review the potential impact of the Charities Act 2022.

The governing documents of Adoption UK are our Memorandum and Articles of Association, updated 20 June 2024, and the charity is constituted as a company limited by guarantee.

## Leadership

The Trustees delegate certain duties and responsibilities to the Chief Executive, who is supported by a team of senior leaders. Our Chief Executive is Emily Frith.

Emily is supported by a Senior Leadership Team comprised of our Chief Operating Officer (Joel Sadler), Director of Public Affairs and Communications (role ceased 30 September 2025, a new role of Director of Fundraising, Marketing and Communications will begin in January 2026), Director and Service Manager Wales (Rebekah Burns from 29 April 2024 until 09 January 2025), Scotland Director (Fiona Aitken), Northern Ireland Director (EJ Havlin), Director of Quality Assurance and Wales (Jane White) and Head of England Service Delivery (Samantha Parkin) who are responsible for day-to-day decision making.

The role of the senior leadership team is to support the CEO in the delivery of the strategy decided by the board of and includes appointing employees and volunteers and decisions regarding expenditure – as long as employee and volunteer appointments and expenditure are in-line with our strategy – budget, and delegated authority agreed by trustees.

Remuneration of senior employees is reviewed annually by the trustees as part of budget setting and all employee roles are subject to independent salary benchmarking, by reference to the charity sector.

## External engagement

Adoption UK recognises the importance of engaging with key stakeholders in the sector and other

experts, as well as our service users. We operate theme based advisory boards, seeking to engage with a broad range of stakeholders on key matters such as Youth Services, FASD, Kinship, Adopted Adults, Equity, Diversity and Inclusion.

## Risk management

The organisation has a low appetite for reputational and financial risk. The trustees and senior leadership team consider the risks to Adoption UK Charity on a regular basis, reflecting on internal and external changes, and assess whether existing practices, processes, systems and reporting mechanisms are effective and adequate to minimise risk and mitigate the impacts should risk events occur. The senior leadership team and trustees are informed about risk management using a risk register as a dashboard. Assessment of risk is also built into the development and ongoing monitoring of each service delivery programme. The main risks detailed in the register and our plans to manage them are:

## Employee and volunteer wellbeing

Trustees and senior leaders monitor and manage the potential wellbeing and health risks to employees, volunteers and our services, with most employees work wholly from home or in hybrid arrangements. We deliver many of our services for families via video or audio channels to ensure equality of access, with web-based resources for members and service users; however, most of our youth provision and much of our community engagement is face to face. Our flexible, responsive and accessible approach to activities has allowed us to retain most grants and funding streams and attract new sources of funding to provide sustainable services in most aspects of our provision.

Trustee oversight and scrutiny of employee and volunteer matters, including wellbeing, sits within the remit of our People and Culture Committee, which meets quarterly and reports to the full Board of Trustees. Our annual employee survey and on-going employee and volunteer engagement activities inform about our progress, workforce needs and our future workforce development, support and remuneration and benefits plans. In May of 2025 we launched a Senior Managers Forum, this is designed for senior managers who are not part of the Senior Leadership Team (SLT) to meet regularly and operate to give managers a stronger voice in AUK operational discussions and decision-making.

## Mission drift

Trustees regularly review the activities of the charity in the context of the values, purpose and mission of the organisation. In June 2024 our Board of Trustees agreed a restatement our Charitable Objects to better reflect the planned direction of travel for the organisation; this was needed to ensure that the organisation was aligned with the changing landscape of the adoption and permanence sector, which is making increased use of kinship care, long-term foster care/continuing care arrangements for children unable to live with their birth parents.

Last year, we changed our Ofsted registration to allow us to directly deliver services to children and young people in England, following the success of programmes in Northern Ireland, Scotland and Wales and an Ofsted inspection in June 2025 judged us to be outstanding in all areas.

## Loss of operational capacity

Following significantly growth between 2021 and 2024, like many charities during 2024 and 2025, the impacts of budgetary challenges for funders and commissioners, changes to Employer NI contributions and increased competition for funding across the charitable sector have squeezed our budgets, with a 31 March 2025 year end deficit of £391,374. In response we undertook some organisational changes, seeking to reduce unfunded operations, reduce overheads and indirect costs and improve efficiency, these actions have reduced our headcount by 30% during 2025. However, in order to mitigate against further loss of operational capacity, we continue to invest in income generation capacity and expertise, recruiting additional grant writing capacity and a new role of Director of Fundraising, Marketing and Communications, which we expect to start from early 2026.

## Financial risk

Our reserves policy states that Adoption UK Charity should have sufficient funds to meet its financial commitments, to demonstrate future sustainability and security, to ensure that we can manage future unforeseen financial difficulties, and to ensure that excessive funds are not held without any identifiable reason or for any unidentifiable purpose. Our aim of holding between three and six-months' worth of operating costs as reserves has not been possible over the last six years; with this policy target being updated every two to three years, including an assessment of income risk. This approach offers Trustees greater transparency and detail about the risks associated with each secured form of income, any grant and contract renewals and any proposed income targets.

## External factors

Our work is impacted by the continually changing landscape of fostering and adoption in the UK – as a result of legal precedence, government policy, legislative change and social work practice. We make sure we stay on top of what is happening and are creating an organisation that, while having a clear direction, remains agile so we can effectively respond to these changes. A broad funding base is a vital factor in ensuring our resilience in an ever-changing landscape and to this end we are developing a varied and sustainable approach to income generation.

## Governance and compliance

The Charity is committed to meeting all of the requirements of the Charity Commission, Companies House, Care Inspectorate Wales, Ofsted and other relevant regulatory bodies. We are committed to being a model of good practice in governance and compliance, with the Board supported by trustee-led sub-committees for finance and for people and culture; and we have an equality, diversity and inclusion advisory group. We ensure we are aware of the impact of changes to legislation and guidelines and, as our activities develop, we actively check whether that introduces the need for us to comply with additional legislation or guidelines.

## External changes

Along with most other charities and organisations operating in the adoption sector we are conscious of the risks and impacts that can emerge from legislative change and public funding decisions. We are proactive in not just horizon scanning, but in actively engaging with the UK and devolved governments to influence and drive change in the agenda. In order not to be overly reliant on a small number of government grants and local authority income, we continue to diversify our activities and income streams. We are also investing in strengthening our capacity and expertise to grow unrestricted funding and mitigating those risks.

## Health, safety and environment

As an employer and provider of services to the adoption community, we understand areas of risk including workload and working hours, travel/commuting, working environments, travel and manual handling. We aim to mitigate these risks through policies and guidelines, training, good line management and peer-to-peer accountability.

## Safeguarding

We have an approved safeguarding policy which is reviewed regularly and is part of the induction process. This is supported by a newly appointed Director of Quality Assurance, who is also our registered manager for regulated services in England and is the organisation's safeguarding lead. We operate with a contingent of safeguarding contacts to ensure 24-hour cover. There is an annual refresher of awareness training.

# Financial review

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## Financial position at the end of March 2025

We are pleased that we were able to increase our income by 2.18% compared to the prior year, although our costs over the same period increased by 13.7%.

The income for the year ending 31 March 2025 was £4,181,080, expenditure being £4,572,454 resulting in an operational deficit of £391,374 for the year.

There were no restricted reserves, with total reserves falling to £388,900 and our free reserves position is £324,465, down from £659,677 in 2024.

Notable sources of income during the year included:

- Year 5 of the £270,000 per annum contract with Scottish Government to deliver the Scotland Kinship Care Advice and Support Service.
- Collective Scottish Government, Welsh Government and England ASGSF funding of around £1,000,000 to deliver year 6 of our Adoption Pathways (formerly TESSA) service in England, Scotland and Wales.
- Scottish Government and associated funding of £243,860 for our Fetal Alcohol Spectrum Disorder (FASD) service.
- Membership Income of £209,848, supplemented by from £110,959 from year 2 of the National Lottery Community Fund grant, which started in September 2023.

## Reserves policy

Our reserves policy is to ensure that Adoption UK Charity has sufficient funds to meet its financial commitments, to demonstrate that we are sustainable into the future, to ensure that we can manage future unforeseen financial difficulties and to ensure that excessive funds are not held without any identifiable reason or for any unidentifiable purpose.

Trustees reviewed the charity's policy for the appropriate level of unrestricted reserves required at our November 2023 Board of Trustees meeting, taking into account the changed risk factors and planned expenditure.

It is the trustees' general view that the desirable level of free reserves is six months of operating cost, with additional consideration of a risk-based approach that considers known income for the year ahead and the security of that income. Based on the risk-based calculations the trustees consider that for 2025-26, the desirable free reserves level would remain at approximately £1,000,000. Our unrestricted free reserves are £324,464, well short of the policy target.

While this means that the charity's reserves position at the end of the year remains significantly lower than our updated policy target, and our short- and long-term loan commitments remain low at £10,000 and £5,833 respectively (both relating to a bounce back loan), the total amount due to creditors within one year rose by £113,762. See note 11 in the notes to the financial statements for further information.

## Fundraising

Our fundraising plans are approved by the trustees and monitored by the senior leadership team. Although our income (see more details below) is derived from a number of sources, a significant proportion of our income comes from grant giving trusts and foundations, as well as central government grants and contracts. In addition, we operate a subscription membership offer and we work in partnership with agencies and local authorities, who commission our services and support programmes. Our fundraising activities are primarily conducted by our employees and volunteers – from time-to-time drawing on the expertise of advisors.

## Our approach to fundraising

During the year, less than 5 per cent of Adoption UK's income was generated from our general fundraising activities – often thanks to members and supporting individuals raising income at Adoption UK events or by organising their own events and activities.

We do not employ the services of any fundraising agencies or third parties, nor do we run telephone or door-to-door fundraising campaigns. Our relationship with our supporters is very important to us and the charity does not wish for them to feel under any pressure to donate.

We have a close relationship with our fundraisers and support them in delivering their events and complying with the relevant codes of practice. Where we work with commercial participators, contracts are exchanged so we can ensure compliance with the code of fundraising practice, applicable laws and adherence to best practice.

In 2024-25 we have invested in a review of our fundraising and partnerships team priorities, capacity and expertise and have recruited to a new role of Director of Fundraising, Marketing and Communications (due to start early 2026) and have restructured to align our marketing and communications functions without income generation team. These changes will further enhance our income generation activities, with particular focus on both diversifying our income and growing unrestricted funding.

We received no complaints about our fundraising practices in the year to 31 March 2025, nor to date.

## Fundraising practices

As part of our commitment to best practice, we adhere to the standards set by the Fundraising Regulator and the Institute of Fundraising. We aim to ensure that our fundraising is respectful, open, honest and accountable to the public. Adoption UK is registered with the Fundraising Regulator.

We have a clearly documented complaints procedure in place, enabling any concerns regarding our fundraising activities to be responded to quickly. During the year, there have been no instances of non-compliance with the requirements of the fundraising code of practice and no complaints have been received by the charity regarding fundraising activities.

Our fundraising policy clearly states the steps that should be followed to protect vulnerable people and ensure that anyone who wants to support the charity has the relevant capacity to make the decision to donate.

## Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. With current committed income streams and costs forecast up to 31 March 2027, trustees have taken steps to restructure the organisation that has assured a very positive 2026-27 budget, which carries high confidence in delivering significant contributions to reserves.

The trustees have considered the impact of the financially challenging year ending 31 March 2025, the consolidation work, restructuring and forecast outturn for the year ending 31 March 2026 and the likely impacts on income and expenditure as a consequence of on-going UK economic uncertainty and inflationary pressures.

Income grew again in 2024-25, by 2.18% to reach £4,181,080 and is expected to be just under £4m in the year ending March 2026, which demonstrates some resilience to the impact of a competitive and challenging fundraising environment. Trustees are being prudent in their assumptions on continued growth and, having regard to the emerging external economic challenges for the third sector, the wider economy and for our staff, made budget adjustments linked to a business change plan that incorporates restructuring of some services and departments, as well as driving a reduction in current and future unrestricted spend, including overheads and indirect costs.

These adjustments, restructuring and adjusted fundraising plans have delivered a 2026-27 budget that delivers reserves growth and elimination of debt and in improved cashflow position.

As of 31 March 2025, the charity had net current assets of £330,298 (2024: £714,142) and our unrestricted reserves fell to £388,900 (2024: £741,642), which are below our reserves policy risk adjusted target of £1,000,000.

Trustees have considered forecasts and projections and based on the recent income growth, the level of reserves, the delivered and forecast reductions in our unrestricted costs, overheads and indirect costs, our cash position, our forecast 2025-26 outturn and our managed pipeline of additional income opportunities. They have prepared the financial statements on a going concern basis, but have identified that there is a material uncertainty that may cast doubt on the charity's ability to continue to operate as a going concern if the timing and level of future income does not align with expectations.

## Statement of the board's responsibilities

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The trustees (who are also directors of Adoption UK Charity for the purposes of company law) are responsible for preparing the trustees' annual report (including the strategic report) and the financial statements, in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial period that 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 laid out by the 'Accounting and Reporting by Charities: Statement of Recommended Practice 2015' (Charities SORP)
- make judgements and estimates that are reasonable and prudent
- state whether FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' has been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charitable company. These records should also enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, as amended by The Charities Accounts (Scotland) Amendment (No 2) Regulations 2014.

Trustees 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 board of trustees is aware:

- there is no relevant audit information of which the company's auditors are unaware and
- they have taken all the steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The trustees' annual report is approved by the trustees of the charity. The strategic report, which forms part of the annual report, is approved by the trustees in their capacity as directors in company law of the charity.

By order of the board of trustees on 04 December 2025 and signed on its behalf:

Mike Rebeiro, Chair of Trustees

29 January 2026

# Independent auditors' report

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## To the Members of Adoption UK Charity

### Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2025 and of its incoming resources and application of resources, including its income and expenditure, 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, 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 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.

### Material uncertainty related to going concern

We draw attention to Note 1 (d) in the financial statements, which indicates that in the 9 months ending 31st December 2025 the charitable company has made a deficit of £568,995. As of 31st December 2025 the charitable company's current liabilities exceeded its total assets by £180,094. As stated in Note 1 (d), these events or conditions, along with other matters as set forth in Note 1 (d), indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

### **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 trustees' report, which includes the strategic report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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

In the light of 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 trustees' report.

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

- adequate and proper 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 trustees' responsibilities statement set out on page 22, 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 Acts 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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our knowledge of the business and sector, enquiries of directors and management, and review of regulatory information and correspondence. We communicated identified laws and regulations throughout the audit team and remained alert to any indication of non-compliance through the audit.

We discussed with directors and management the policies and procedures in place to ensure compliance with laws and regulations and otherwise prevent, deter and detect fraud.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations identified as potentially having a material effect on the financial statements. Our procedures included review of financial statement information and testing of that information, enquiries of management and examination of documents, analytical procedures to identify unusual or unexpected relationships that may indicate fraud, and procedures to address the risk of fraud through director or management override of controls.

At the completion stage of the audit, the engagement partner's review included ensuring the audit team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

The primary responsibility for the prevention and detection of fraud rests with those charged with governance and management, and we cannot be expected to detect non-compliance with all laws and regulations. There are inherent limitations in the audit procedures described above and the further removed non-compliance of laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. In addition, the risk of not detecting a material misstatement relating to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

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 Report of the Auditors.

### **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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Shaun Pullan ACCA (Senior Statutory Auditor)**

**for and on behalf of Thomas Coombs Limited**

**3365 The Pentagon**

**Century Way**

**Thorpe Park**

Adoption UK Charity Company Number 09454981

**Leeds**

**LS15 8ZB**

**Date 29th January 2026**

# Statement of financial activities

Incorporating the income and expenditure account for the year ending 31 March 2025

		Unrestricted 2025	Restricted 2025	Total 2025	Total 2024
	Notes	£	£	£	£
Income from:					
Donations and legacies	2	124,588	-	124,588	530,036
Charitable activities					
External Communications		2,783	-	2,783	4,464
Membership Services		209,848	-	209,848	238,995
Adoption Support Services		1,147,655	2,597,952	3,745,607	3,263,854
Other trading activities		91,449	-	91,449	47,688
Investments		6,805	-	6,805	6,693
<b>Total Income</b>		<b>1,583,128</b>	<b>2,597,952</b>	<b>4,181,080</b>	4,091,730
Expenditure on:					
Fundraising	3	249,401	-	249,401	177,280
Charitable activities					
External Communications	3	437,436	-	437,436	385,625
Membership Services	3	262,562	-	262,562	265,078
Adoption Support Services	3	986,471	2,636,584	3,623,056	3,193,545
<b>Total Expenditure</b>		<b>1,935,870</b>	<b>2,636,584</b>	<b>4,572,454</b>	<b>4,021,528</b>
Net income for the year and net movement in funds	4	(352,742)	(38,632)	(391,374)	70,202
Transfers between funds		-	-	-	-
Net income before other recognised gains and losses		(352,742)	(38,632)	(391,374)	70,202
Net movement in funds		(352,742)	(38,632)	(391,374)	70,202
Reconciliation of funds:					
Total funds brought forward		741,642	38,632	780,274	710,072
<b>Total funds carried forward</b>		<b>388,900</b>	<b>-</b>	<b>388,900</b>	<b>780,274</b>

The company's income and expenditure all relate to continuing operations. The company has no recognised gains or losses other than shown above. Movements in funds are disclosed in Note 14a to the financial statements. The accompanying notes form an integral part of these financial statements.

# Balance sheet

(as at 31 March 2024)

	Notes	2025 £	2025 £	2024 £	2024 £
<b>Fixed Assets:</b>					
Tangible Assets			61,939		77,596
Intangible Assets			2,496		4,369
	9		64,435		81,965
<b>Current Assets:</b>					
Stock		1,650		2,129	
Debtors	10	547,542		642,351	
Cash at bank and in hand		172,930		347,723	
		722,121		992,203	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	11	(391,823)		(278,061)	
<b>Net current assets</b>			<b>330,298</b>		<b>714,142</b>
Total assets less Current Liabilities			394,733		796,107
Creditors: amounts falling due after one year	12		(5,833)		(15,833)
<b>Total net assets</b>			<b>388,900</b>		<b>780,274</b>
<b>The funds of the charity:</b>					
Restricted income funds			-		38,632
Unrestricted income funds:					
Designated funds			-		-
General funds			388,900		741,642
<b>Total charity funds</b>	14a		<b>388,900</b>		<b>780,274</b>

The accompanying notes form an integral part of these financial statements. The accounts on pages 20 to 38 were approved and authorised for issue by the Board of Trustees on 04 December 2025 and signed on its behalf by:

Mike Rebeiro,  
Chair of Trustees  
29 January 2026

# Statement of cash flows

(as at 31 March 2024)

	Notes	2025 £	2025 £	2024 £	2024 £
Cash flows from operating activities:					
Net cash provided by / used in operating activities	15		(155,103)		213,453
Cash flows from investing activities:					
Dividends, interest and rents from investments		6,805		6,693	
Purchases of fixed assets		(26,495)		(73,563)	
Net cash used in investing activities			(19,690)		(66,870)
Change in cash and cash equivalents in the year			(174,794)		146,583
Cash and cash equivalents at the beginning of the year			347,723		201,140
Cash and cash equivalents at the end of the year			<b>172,929</b>		<b>347,723</b>

# Notes to the financial statements

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(For the year ended 31 March 2025)

## 1 ACCOUNTING POLICIES

### a. Statutory information

Adoption UK Charity is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is Bloxham Mill, Barford Road, Bloxham, Oxfordshire, OX15 4FF.

### b. Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements. The financial statements have been prepared in accordance with the '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 (FRS102) including Update Bulletin 2, (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. All financial reporting is in Sterling and rounded to the nearest pound £.

### c. Public benefit entity

Adoption UK constitutes a public benefit entity as defined by FRS 102.

### d. Going concern – material uncertainty

The trustees have prepared the financial statements on the going concern basis.

In making this assessment, the trustees have considered the charity's current financial position, including results since the year end, together with cash flow forecasts and anticipated funding over at least the twelve months from the date of approval of these financial statements.

In the 9 months ending 31st December 2025, the charity incurred operating deficit of £568,995, and at that date the charity has a net liabilities position (a negative balance sheet) of £180,094. In addition, as is affecting the charity sector in general, there is uncertainty over the timing and level of future grant income given the prevailing economic environment and fundraising climate. Accordingly, a material uncertainty exists which may cast significant doubt on the charity's ability to continue as a going concern, and therefore the charity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements do not include any adjustments that would result if the charity were unable to continue as a going concern.

The trustees have taken and are continuing to take actions that significantly mitigate these risks. While the trustees believe that these actions provide a strong and reasonable basis for the preparation of the financial statements on a going concern basis, the outcome of fundraising activity and the securing of future grants are not wholly within the charity's control.

These actions include:

- Having implemented organisational change, including redundancies and further cost reduction measures, which have secured forecast savings of over £292,569 by 31 March 2026; changes which will result in a further £428,819 reduced spend by 31 March 2027;
- Investing in fundraising leadership and additional fundraising capacity to grow existing and develop new income streams and increase voluntary income;
- agreeing a Time to Pay arrangement with HMRC to manage short-term cash flow pressures; and

## Notes to the Financial Statements (continued)

- ongoing monitoring of cash flow and active engagement with funders and stakeholders to secure and diversify future funding.

The trustees anticipate that as a result of these actions the expected results at 31st March 2026 will be a surplus of £174,509 and a further surplus of £261,207 at 31st March 2027.

### e. Income

Income from legacies, adoption support services contracts and other contracts is recognised when the charitable company has entitlement to the funds and, in the case of contracts, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charitable company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Income from grants and contracts received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income received from donations and general fundraising activity is recognised on the date received.

### f. Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. Designated funds are used for the purposes proposed and agreed by Adoption UK, with expenditure charged to those designated funds.

### g. Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in attracting third party voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services, events and other training activities undertaken to further the purposes of the charitable company and their associated support costs.
- Other expenditure represents those items not falling into any other heading.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### h. Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis, which are an estimate: based on employee time attributable to each activity.

Where information about the aims, objectives and projects of the charitable company is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

## Notes to the Financial Statements (continued)

Support and governance costs are reallocated to each of the activities on the following basis, which is an estimate, based on employee time attributable to each activity.

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

### i. Operating leases

Rental charges are charged on a straight-line basis over the term of the lease.

### j. Fixed assets

Items of equipment are capitalised where the combined purchase price exceeds £500. Depreciation and amortisation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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

- Computer equipment                      Three years straight line
- Office equipment                            Four years straight line
- Fixtures and fittings                        Five years straight line
- Leasehold improvements                    Five years straight line
- Intangible Assets                            Four years straight line

### k. Stocks

Stocks are publications stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

### l. Debtors

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

### m. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

### n. Creditors and provisions

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

### o. Pensions

All qualifying employees are invited to join the charitable company's defined contribution scheme. For Adoption UK Charity Company Number 09454981

## Notes to the Financial Statements (continued)

those employees who are 'opted in' to the defined contribution scheme, the charitable company contributes a current equivalent of three per cent of gross salary into the scheme. The charitable company's contribution is charged to the statement of financial activities in the financial year. The charitable company has no liability under the scheme other than for the payment of those contributions.

### **p. Critical accounting estimates and areas of judgement**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have the most significant effect on amounts recognised in the financial statements:

- Depreciation and amortisation charges are based on the estimated useful life of the assets held.

## Notes to the Financial Statements (continued)

### 2a INCOME FROM DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	Total 2025 £	Total 2024 £
Donations	114,754	-	114,754	102,624
Legacies	-	-	-	424,970
Gift aid	9,834	-	9,834	2,442
<b>Total</b>	<b>124,588</b>	<b>-</b>	<b>124,588</b>	<b>530,036</b>

### 2b INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted £	Restricted £	Total 2025 £	Total 2024 £
Training income	71,482	-	71,482	30,386
Event income	19,967	-	19,967	17,302
<b>Total</b>	<b>91,449</b>	<b>-</b>	<b>91,449</b>	<b>47,688</b>

### 2c INCOME FROM INVESTMENT ACTIVITIES

	Unrestricted £	Restricted £	Total 2025 £	Total 2024 £
Interest	6,805	-	6,805	6,693
<b>Total</b>	<b>6,805</b>	<b>-</b>	<b>6,805</b>	<b>6,693</b>

### 2d INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	Total 2025 £	Total 2024 £
Membership	209,848	-	209,848	238,995
Adoption support contracts	699,683	-	699,683	992,863
Grants	447,972	2,597,952	3,045,924	2,270,991
Publication sales	2,783	-	2,783	4,464
<b>Total</b>	<b>1,360,286</b>	<b>2,597,952</b>	<b>3,958,238</b>	<b>3,507,313</b>

### 3 ANALYSIS OF EXPENDITURE (current year)

	Charitable activities						2025 Total £	2024 Total £
	Fundraising	External Comms	Membership Services	Adoption Support Services	Governance costs	Support costs		
	£	£	£	£	£	£		
<b>Workforce Costs (Note 5)</b>	192,607	260,683	166,412	2,654,725	-	306,422	<b>3,580,849</b>	<b>3,027,093</b>
<b>Other workforce costs</b>	195	-	-	4,153	-	23,807	<b>28,155</b>	<b>43,300</b>
<b>Trustees' meeting expenses and other costs</b>	-	-	-	-	2,925	-	<b>2,925</b>	<b>8,239</b>
<b>Online and publication costs</b>	-	59,855	-	-	-	-	<b>59,855</b>	<b>44,903</b>
<b>Fundraising, events and PR costs</b>	106	845	240	1,689	-	-	<b>2,880</b>	<b>10,154</b>
<b>Partnership, groups and training costs</b>	2,652	4,805	15,026	84,594	2,651	36,468	<b>146,196</b>	<b>129,126</b>
<b>Premises and office costs</b>	12,155	29,379	36,999	155,281	-	277,268	<b>511,082</b>	<b>593,885</b>
<b>Professional fees</b>	-	8,755	-	117,049	17,001	97,707	<b>240,512</b>	<b>162,828</b>
	207,715	437,436	218,677	3,017,491	22,577	741,672	<b>4,572,454</b>	<b>4,021,528</b>
<b>Support costs</b>	40,454	70,954	42,589	587,675	-	(741,672)	-	-
<b>Governance costs</b>	1,232	2,160	1,296	17,889	(22,577)	-	-	-
<b>Total expenditure</b>	<b>249,401</b>	<b>385,625</b>	<b>262,562</b>	<b>3,623,056</b>	<b>-</b>	<b>-</b>	<b>4,572,454</b>	<b>4,021,528</b>

### 3a. ANALYSIS OF EXPENDITURE (prior year)

	Charitable activities						2024 Total £
	Fundraising	External Communications	Membership Services	Adoption Support Services	Governance costs	Support costs	
	£	£	£	£	£	£	
<b>Workforce Costs (Note 5)</b>	126,892	224,542	171,799	2,164,429	-	339,431	<b>3,027,093</b>
<b>Other workforce costs (Note 5)</b>	2,400	206	-	21,592	-	21,102	<b>45,300</b>
<b>Trustees' meeting expenses and other costs</b>	-	-	-	-	8,239	-	<b>8,239</b>
<b>Online and publication costs</b>	-	44,892	-	11	-	-	<b>44,903</b>
<b>Fundraising, events and PR costs</b>	2,529	2,462	-	4,969	-	194	<b>10,154</b>
<b>Partnership, groups and training costs</b>	3,016	6,122	5,894	110,397	-	3,697	<b>129,126</b>
<b>Premises and office costs</b>	2,896	22,636	35,357	243,987	-	289,009	<b>593,885</b>
<b>Professional fees</b>	4,751	9,077	-	21,349	28,985	98,666	<b>162,828</b>
	142,484	309,937	213,050	2,566,734	37,224	752,099	<b>4,021,528</b>
<b>Support costs</b>	33,155	72,119	49,574	597,251	-	(752,099)	-
<b>Governance costs</b>	1,641	3,569	2,454	29,560	(37,224)	-	-
<b>Total expenditure</b>	<b>177,280</b>	<b>385,625</b>	<b>265,078</b>	<b>3,193,545</b>	<b>-</b>	<b>-</b>	<b>4,021,528</b>

## Notes to the Financial Statements (continued)

### 4 NET INCOME FOR THE YEAR

This is stated after charging:

	2025	2024
	£	£
Depreciation	44,025	33,168
Operating lease rentals:		
Property	72,404	72,808
Other	2,399	1,688
Auditors' remuneration (excluding VAT):		
Current auditors: March 2025	15,914	-
Current auditors: March 2024	-	15,450
Previous auditors: March 2023	-	12,845

### 5 ANALYSIS OF WORKFORCE COSTS, KEY MANAGEMENT COSTS AND TRUSTEE EXPENSES

Workforce costs were as follows:

	2025	2024
	£	£
Salaries and wages	3,198,474	2,720,262
Temporary/agency employees	7,549	13,151
Redundancy and termination costs	8,109	-
Social security costs	281,432	235,715
Employer's contribution to defined pension schemes	85,285	71,116
Recruitment	7,197	8,373
Other forms of employee benefits	20,958	23,776
	<b>3,609,004</b>	<b>3,072,393</b>

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

	2025	2024
	No.	No.
£60,000 - £69,999	2	1
£70,000 - £79,999	1	1
£80,000 - £89,999	1	1

The total employee benefits including pension contributions of the key management personnel were £591,608 (2024 - £605,688). Key Management Personnel comprised CEO, COO and members of the Adoption UK Charity Company Number 09454981

## Notes to the Financial Statements (continued)

Senior Leadership Team.

The trustees were not paid or received any other benefits from employment with the charitable company in the year. No trustee received payment for professional or other services supplied to the charitable company. For purposes of ongoing regulatory requirements, the Chief Operating Officer also holds the position as a director of the charity; however, they are not paid for their role as a director, being remunerated only for their employee role.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £2,180 (2024 - £2,359).

### 6 EMPLOYEE NUMBERS

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

	2025	2024
	No.	No.
Fundraising	5.3	3.5
External Communications	7.0	6.7
Membership Services	6.5	6.8
Adoption Support Services	114.6	99.4
Support	14	5.6
	<b>147.4</b>	<b>122.0</b>

Of the average number of employees listed, the average number of full-time equivalent employees was 92 (2024 – 78).

### 7 RELATED PARTY TRANSACTIONS

There were 2 x £120 transactions for lived experience speaker fees for the son of a trustee in 2025 (2024 – none)

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

### 8 TAXATION

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

## Notes to the Financial Statements (continued)

### 9 FIXED ASSETS

	Intangible Assets	Office Equipment	Computer Equipment	Fixtures and Fittings	Total
	£	£	£	£	£
<b>Cost</b>					
Balance brought forward	83,946	1,750	204,970	3,367	<b>294,033</b>
Additions in year	-	-	26,495	-	<b>26,495</b>
Disposals in year	-	-	(85,335)	(1,687)	<b>(87,022)</b>
At the end of the year	83,946	1,750	146,130	1,680	<b>233,506</b>
<b>Depreciation</b>					
Balance brought forward	79,577	1,750	127,796	2,945	<b>212,068</b>
Charge for the year	1,873	-	41,730	422	<b>44,025</b>
Eliminated on disposal	-	-	(85,335)	(1,687)	<b>(87,022)</b>
At the end of the year	81,450	1,750	84,191	1,680	<b>169,071</b>
<b>Net book value</b>					
As at 31 March 2025	2,496	-	61,939	-	<b>64,435</b>
As at 31 March 2024	4,369	-	77,174	422	<b>81,965</b>

All of the above assets are used for charitable purposes

### 10 DEBTORS

	2025	2024
	£	£
Debtors in the course of activities	65,961	211,118
Other debtors	8,785	6,897
Prepayments	39,287	42,520
Accrued income	433,509	381,816
	<b>547,542</b>	<b>642,351</b>

## Notes to the Financial Statements (continued)

### 11 CREDITORS: amounts falling due within one year

	2025	2024
	£	£
Creditors in the course of activities	40,175	29,649
Taxation and social security	74,712	82,630
Pensions	17,062	37,450
Other Creditors	56,150	-
Accruals	22,020	61,154
Deferred income	171,704	57,178
Bounceback Loan	10,000	10,000
	<b>391,823</b>	<b>278,061</b>

### 12 CREDITORS: amounts falling due more than one year

	2025	2024
	£	£
Bounceback Loan	5,833	15,833
	<b>5,833</b>	<b>15,833</b>

The Bounceback loan was the government backed Covid-19 support loans to help businesses impacted by the pandemic. This unsecured loan is repayable over 5 years at a fixed rate of 2.5% interest

### 13 DEFERRED INCOME

Deferred income comprises contracts, training and other income where the activity to deliver services funded by this income does not occur until the following year.

	2025	2024
	£	£
Balance at the beginning of the year	57,178	61,455
Amount released to income in the year	(57,178)	(61,455)
Amount deferred in the year	171,704	57,178
Balance at the end of the year	<b>171,704</b>	<b>57,178</b>

## Notes to the Financial Statements (continued)

### 14a MOVEMENTS IN FUNDS (CURRENT YEAR)

	At 01 April 2024	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2025 £
<b>Restricted funds</b>					
Adoption Pathways (Wales)	-	462,992	(462,992)	-	-
National Lottery Community Fund	-	110,959	(110,959)	-	-
Wales Access to Records	26,442	55,927	(82,369)	-	-
Health & Social Care Board (NI)	-	81,905	(81,905)	-	-
Scottish Government (FASD Project)	-	243,860	(243,860)	-	-
Wales Adoption Services Grant	-	202,228	(202,228)	-	-
NAS CYPS Grant (Wales)	-	168,933	(168,933)	-	-
National Lottery Education Project	-	86,839	(86,839)	-	-
Corra Foundation (Brothers & Sisters)	12,190	98,000	(110,190)	-	-
National Lottery Adoption Alliance	-	138,290	(138,290)	-	-
Scottish Government Foundations for Families	-	414,292	(414,292)	-	-
Scottish Government Pathways	-	442,820	(442,820)	-	-
National Lottery Improving Lives	-	53,315	(53,315)	-	-
Moondance	-	37,592	(37,592)	-	-
<b>Total restricted funds</b>	<b>38,632</b>	<b>2,597,952</b>	<b>(2,636,584)</b>		
<b>Designated funds</b>					
John Lewis	-	36,210	(43,768)	7,558	-
<b>Total designated funds</b>		<b>36,210</b>	<b>(43,768)</b>	<b>7,558</b>	
<b>Unrestricted funds</b>					
Fundraising	-	124,588	(249,401)	-	<b>(124,813)</b>
Membership	-	209,848	(262,562)	-	<b>(52,714)</b>
Trading income including adoption support	-	101,037	(437,436)	(7,558)	<b>(343,957)</b>
Other including core grants	-	1,111,445	(942,703)	-	<b>168,742</b>
Other	741,642	-	-	-	<b>741,642</b>
<b>Total unrestricted funds</b>	<b>741,642</b>	<b>1,546,918</b>	<b>(1,892,102)</b>	<b>(7,558)</b>	<b>388,900</b>
<b>Total funds</b>	<b>780,274</b>	<b>4,181,080</b>	<b>(4,572,454)</b>		<b>388,900</b>

## Notes to the Financial Statements (continued)

### 14b MOVEMENTS IN FUNDS (Prior year)

	As at 01 April 2023	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2024 £
<b>Restricted funds</b>					
NAS Pathways	-	351,935	(351,935)	-	-
National Lottery Community Fund	-	174,852	(174,852)	-	-
Wales Access to Records	-	56,177	(29,735)	-	26,442
Health & Social Care Board (NI)	-	73,992	(73,992)	-	-
Scottish Government (FASD Project)	-	195,544	(195,544)	-	-
Wales 3 <sup>rd</sup> Sector Grant	-	147,325	(147,325)	-	-
National Adoption Service CYPS	-	100,000	(100,000)	-	-
Wales People & Places	-	90,524	(90,524)	-	-
Corra Foundation (Brothers & Sisters)	6,002	98,000	(91,812)	-	12,190
Scottish Government- Foundations for Families	-	430,906	(430,906)	-	-
Scottish Gov Pathways TESSA	-	445,558	(445,558)	-	-
Barclays Charity Trust	14,807	-	(14,807)	-	-
Waterloo	20,066	-	(20,066)	-	-
<b>Total restricted funds</b>	<b>40,875</b>	<b>2,164,813</b>	<b>(2,167,056)</b>	<b>24,800</b>	<b>38,632</b>
<b>Designated funds</b>					
John Lewis	18,970	-	(18,970)	-	-
<b>Total designated funds</b>	<b>18,970</b>	<b>-</b>	<b>(18,970)</b>	<b>-</b>	<b>-</b>
<b>Unrestricted funds</b>					
Fundraising	-	530,036	(177,280)	-	352,756
Membership	-	238,995	(265,078)	-	(26,083)
Trading income including adoption support	-	58,845	(385,625)	-	(326,780)
Other including core grants	-	1,099,041	(1,007,520)	-	91,521
Other	650,227	-	-	-	650,227
<b>Total unrestricted funds</b>	<b>650,227</b>	<b>1,926,917</b>	<b>(1,835,503)</b>	<b>-</b>	<b>741,642</b>
<b>Total funds</b>	<b>710,072</b>	<b>4,091,730</b>	<b>(4,021,529)</b>	<b>-</b>	<b>780,274</b>

## Notes to the Financial Statements (continued)

### Purposes of restricted funds

#### **Adoption Pathways (Wales)**

Wales funding to deliver combined therapeutic and peer support services in adoption, a new approach to supporting adoptive families

#### **National Lottery Community Fund**

England Communities Service, which provides activities and events for members and non-members adoptive families to come together in safe spaces.

#### **Wales Access to Records**

This is part of a joint service provision with St. David's, for adopted adults seeking to access their adoption records, with Adoption UK providing membership and therapeutic supports and St David's managing the access to adoption records provision.

#### **Health and Social Care Board**

Funding to provide universal and community support services to adoptive families across Northern Ireland

#### **Scottish Government (FASD Project)**

Funding for the development and provision of resources and support for families with children affected by fetal alcohol spectrum disorder.

#### **Welsh Government (Adoptive Community Support Services Grant)**

Funding to deliver support to the adoption community in Wales with particular emphasis on those families where the children are now teenagers.

#### **NAS CYPS grant (Wales)**

This service provides youth engagement and activities for adopted young people Wales.

#### **National Lottery Education Project (#EProject)**

This service aims to create a community of all ages where participants can collectively grow their confidence and learn new skills in a welcoming and safe environment.

This includes developing life skills tailored to age-specific transitions such as moving from primary to secondary school, entering further or higher education, or going from education to employment.

#### **Corra Foundation Brothers and Sisters**

Funding for AUK Scotland to pilot services for adoptive parents of brothers and sisters living together and apart to strengthen sibling relationships, and develop resources for families and practitioners based on engagements with these groups.

#### **National Lottery Community Fund Adoption Alliance grant: Wales**

This service will advocate for the needs of adopted young people at a; school level, local education authority level and national level. At the same time, the young people in our community will gain skills, knowledge and experience by working in an adoption aware environment with the support of trusted adults.

#### **Scottish Government Foundations for Families**

This service provides community engagement, information, advice, peer and professional supports for Kinship Families across Scotland.

#### **Scottish Government Pathways grant**

Adoption UK Charity Company Number 09454981

## **Notes to the Financial Statements (continued)**

Scotland funding to deliver combined therapeutic and peer support services for adoption, kinship and permanent foster care families, a new approach to supporting adoptive families

### **National Lottery Improving Lives Grant**

This grant supports our activities with community volunteers, providing support and development, growing community support to adoptive families and adult adoptees.

### **Moondance**

This funding contributes to the provision of our CONNECT service, which is the umbrella for our youth services in Wales for adopted children and young people.

## Notes to the Financial Statements (continued)

### Analysis of net assets between funds

2025	Restricted	Unrestricted	Total
	funds	funds	
	£	£	£
Fixed assets	-	64,435	<b>64,435</b>
Net current assets	-	330,298	<b>330,298</b>
Long term liabilities	-	(5,833)	<b>(5,833)</b>
<b>Total Funds</b>	<b>-</b>	<b>388,900</b>	<b>388,900</b>

2024	Restricted	Unrestricted	Total
	funds	funds	
	£	£	£
Fixed assets	-	81,965	<b>81,965</b>
Net current assets	38,632	675,510	<b>714,142</b>
Long term liabilities	-	(15,833)	<b>(15,833)</b>
<b>Total Funds</b>	<b>38,632</b>	<b>741,642</b>	<b>780,274</b>

## 15 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025	2024
	£	£
<b>Net income for the reporting period</b>	<b>(391,374)</b>	<b>70,202</b>
<b>(as per the statement of financial activities)</b>		
Depreciation changes	44,025	33,168
Dividends, interest and rent from investments	(6,805)	(6,693)
(Profit)/loss on the disposal of fixed assets	-	-
Decrease/(increase) in stocks	479	696
(Increase)/decrease in debtors	94,809	327,892
Increase/(decrease) in creditors	113,762	(202,065)
Increase/(decrease) in debt	(10,000)	(9,748)
<b>Net cash provided by operating activities</b>	<b>(155,104)</b>	<b>213,453</b>

## Notes to the Financial Statements (continued)

### 16 ANALYSIS OF CHANGES IN DEBT

	At 1 April 2024	Cash flows	Other non-cash changes	At 31 March 2025
	£	£	£	£
<b>Cash</b>	347,723	(174,794)	-	172,929
Loans falling due within one year	(10,000)	-	-	(10,000)
Loans falling due after one year	(15,833)	10,648	(648)	(5,833)
<b>Balance at the end of the year</b>	<b>321,890</b>	<b>(164,146)</b>	<b>(648)</b>	<b>157,096</b>

### 17 ANALYSIS OF CASH AND CASH EQUIVALENTS

	As at 01 April 2024	Cashflows	Other changes	As at 31 March 2025
	£	£	£	£
Cash at bank and in hand	347,723	(174,794)	-	172,929
Short-term deposits	-	-	-	-
<b>Total cash and cash equivalents</b>	<b>347,723</b>	<b>(174,794)</b>	<b>-</b>	<b>172,929</b>

### 18 OPERATING LEASE COMMITMENTS

The charitable company's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2025	Equipment 2054	Property 2024	Equipment 2024
	£	£	£	£
Less than one year	28,219	1,350	40,148	1,800
One to five years	780	-	10,030	1,350
	<b>28,999</b>	<b>1,350</b>	<b>50,178</b>	<b>3,150</b>

### 19 LEGAL STATUS OF THE CHARITABLE COMPANY

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

### 20 POST BALANCE SHEET EVENTS

There were no post balance sheet events.

**Adoption UK Charity**

**Bloxham Mill Business Centre**

**Barford Road**

**Bloxham**

**OX15 4FF**

Company number 09454981

Charity number (England and Wales) 1160647

Charity number (Scotland) SC037892



**ADOPTION UK CHARITY**

England & Wales - Charity number 1160647

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# Accounts

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**ANNUAL REPORT**  
2023-24

**Adoption UK Charity**

Company number 09454981

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# About us

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Adoption UK is the leading charity for adopted and care experienced people, adoptive families and others parenting children who cannot live with their birth parents. With over 6,000 members we are the largest voice of adopters and adopted people in the UK. We work with adopted and care experienced people, adopters, kinship & foster carers, professionals and decision makers in England, Scotland, Wales and Northern Ireland.

## Why we are needed

Adoption and other forms of permanence have transformed the lives of millions of the most vulnerable children in the UK. But many of today's adopted and care experienced children have suffered violence, neglect and abuse in their earliest years and this has lasting impacts on their relationships, learning and health. Historic, forced adoption practices have also had significant impacts on those separated from their birth families. Growing up away from birth parents also creates lifelong challenges. That's why adopted and care experienced people must be able to access the support they need throughout their lives.

There are lifelong impacts of being adopted. In order to raise adopted children and young people, adoptive parents need support too. Most families tell us they would encourage others to adopt, but adopting and supporting a child who has experienced trauma takes resilience, understanding and the right support from the start.

Adult adoptees face many barriers to accessing information about their lives and good quality, lifelong support which is compounded by low public and professional understanding of adoption.

## What we do

Adoption UK's mission is to secure the right support at the right time for children and young people who are unable to live with their birth parents, from childhood into adulthood.

We offer expert information & advice, provide connection through community support, and deliver peer support and psychology-led therapeutic services. In campaigning for improvements to policy and practice, we draw on our growing evidence base about the experience of adopted and care experienced people, and the families who raise them.

Our work involves:

### **Information and advice**

We provide a one-stop information service for those interested in adoption through our website and social media. We also run a UK-wide information and support line, open to all. Our membership services for adoptive families, their friends and relatives and adopted people also provide news and information through our online members' hub, lending library, newsletters and for adoptive families - our bi-monthly membership magazine, Adoption Today. We also provide information and advice on Kinship Care and Fetal Alcohol Spectrum Disorder (FASD). Our learning and development opportunities provide information and advice across a wide range of subjects in adoption, including on specialist parenting skills, and training for schools to understand adoption and care experience.

### **Connecting people**

We provide safe spaces for people to connect with others in the same boat, including, regional and specialist community groups, learning opportunities and events. We provide these services for adopters, adopted people, kinship carers and families affected by FASD.

### **Providing direct support**

Our adoption support services include: 1:1 peer support for adopters; support groups; and our expert Psychology and Therapy Hub. The hub provides a range of pathways for adopters, kinship carers, long

term foster carers and pathways for adopted young people and adult adoptees, including bespoke packages of therapeutic support.

## Influencing

Through our policy work and campaigning we are raising public, political and professional awareness of modern adoption, including the needs and rights of adopted children and young people and their families, and of adult adoptees. We influence policy and legislation across the UK on a range of matters that impact on the lives of adoptees and their families including adoption support, health and education, and on issues relating to kinship care and FASD.

## How our activities deliver public benefit

Our work delivers clear public benefit through supporting those who are or were unable to live with their birth parents, in childhood and in adulthood – giving them an equal chance to thrive. We support people individually and we support their families, helping everyone to deal with the effects of early trauma. Adoptive parents, carers and their families, as well as practitioners that work with them, benefit from the support we offer in carrying out their therapeutic role.

We provide information, advice, support and training to prospective adopters, adoptive parents and others delivering permanence to children who cannot live with their birth parents. Our information and services are rooted in the personal experiences of those we work with so that, as an organisation, we are at the centre of a self-help network of peer support.

These networks:

- Enable adopted young people and adult adoptees to come together with their peers, build peer support and influence policy and practice.
- Help parents and carers to explore the unique social, emotional and developmental needs of their children and promote effective parenting practice based on a combination of personal experiences and current theories of trauma, attachment and child development.

## Influencing change

We use our knowledge and research to influence policy and legislation across the UK. We are the only organisation that speaks for adopted people and adopters at a national policy level. We have been actively involved in the adoption reform programmes across the UK and we advise ministers and civil servants in all four nations. We work with practitioners involved in adoption to promote the concerns and interests of adoptive families and adopted people, and to develop appropriate support services in partnership with them.

Adoption UK engages with adopted people, those with care experience, adopters, kinship and foster carers, key sector groups, civil servants, ministers and other stakeholders to advise on draft legislation and push for changes in law, policy and practice. Our Adoption Barometer report is widely used by policy makers to support the case for change.

# What drives us



## Vision

A society in which every child or young person who is unable to live with their birth parents can thrive in childhood and has an equal chance of a bright future as an adult.

## Purpose

To secure the right support at the right time for children and young people who are unable to live with their birth parents, from childhood into adulthood.

## Values

### We are open

- We champion everyone unable to grow up with their birth parents, and the families who raise and care for them.
- We value equity, diversity and inclusion.
- We're honest about the realities of adoption and permanence and about what needs to change. We stand up for great ideas and good decisions.

### We are stronger together

- We pioneer peer support in adoption and permanence. We bring together peer support and professional expertise.
- We work constructively with others. We enable people to build and strengthen their networks.
- We work hand in hand with people with lived experience to build an expert case for better support together.

### We are determined

- We won't stop until everyone who is unable to grow up with their birth parents has an equal chance to thrive.
- We will empower every adopted and care experienced person, and every adoptive and kinship care family to ask for, and get, what they need.

Together, our community is a powerful force for change.

## Chair's report

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I am delighted to present the Adoption UK Trustees' report for 2023-24. During this period the charity has grown to its largest ever turnover of £4m, achieved stability and strengthened its foundations. Most importantly, we have tightened our focus on our vision – that every child or young person unable to live with their birth parents can thrive in childhood and has an equal chance of a bright future as an adult.

Through strong leadership and developing new partnerships with funders, employers, contractors, donors and our workforce, we have grown our income and increased our reserves to ensure we are in a more strong and stable financial position.

We know that the financial difficulties facing the country as a whole impact unduly on our members and those we support. This is why we have focused on growing community networks, enabling information sharing and lifelong peer support networks to be formed. We continue to offer high quality, accessible advice and information through our Information and Support line, deliver psychology-led, evidence based therapeutic support and work hard to influence politicians from the main parties to adopt policies that will improve the lives of people unable to grow up with their birth parents, and the families who raise and care for them.

I am particularly proud that we have:

- Launched our Adult Adoptee and our Education Advisory Groups
- Grown and developed our Psychology and Therapy Hub supporting adoptive, kinship and long-term foster care families
- Developed our membership for adopted people since its launch last year
- Published the fifth Adoption Barometer, now well established as an authoritative source on the state of adoption across the UK
- Worked successfully with funders allowing us to make firm plans to support more people, including adopted young people and adults.

Adoption UK is in a strong position to meet the challenges we have set ourselves for the years ahead. We plan to invest in income generating capacity and expertise, as well as repositioning established services and developing new services for all those unable to live with their birth parents; and we aim to invest in digital development to improve access to our information, advice and support services.

I am confident that with a robust organisation under the strong leadership of our CEO Emily Frith, we will pursue our renewed vision and strategy with focus and ambition in the coming year.

Mike Rebeiro, Chair of Trustees

September 2024

## Chief Executive's overview

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This has been a busy year for Adoption UK as we have focused on strengthening our foundations as a charity during a period of growth and building a firm base for the future. We have significantly strengthened our reserves and seen additional income growth this year. We have also invested in support for our fantastic team, without whom we could not deliver our vision. Adopted and care experienced people and adoptive and kinship care families are still very much dealing with the after-effects of the covid pandemic and the ongoing cost of living crisis, particularly in relation to the impact on education and wider support services.

Our support is therefore needed more than ever, and we have doubled down on our efforts to provide information & support where it is needed and enable peer support networks to flourish with a significant programme of free community events, both

online and face to face. This stops people feeling isolated, allows the sharing of valuable expertise and creates long term connections and friendships.

We have worked to centre the voices and needs of adopted people and enhanced our call for lifelong support for those who cannot live with their birth parents. Our membership offers and our services are alongside our community for as long as they need us. Our Advisory Groups ensure we are listening to and challenged by expert voices.

This year we have continued to grow our expert Psychology-led Psychology and Therapy Hub, with new services for kinship and long-term foster carers and plans in place to support the therapeutic needs of children in school, and to offer services to young people and adult adoptees.

Our services expand beyond adoption, as we provide information, advice and advocacy as well as family support and community services for kinship carers in Scotland. Our FASD Hub UK is a centre of expertise and peer support for families affected by FASD.

We continue to work towards a world we'd like to see. Our research is valued by and informs policy makers and sector leaders and allows us to make a strong case for vital changes in policy and practice. We continue to make gains, including this year persuading the Department for Education to amend its attendance codes for those in part-time education.

In summary, we have made substantial progress this year in laying the foundations which will help us continue to grow and offer more support to adopted and care experienced people and the families who raise and care for them. As we work towards publishing our new strategy, I am looking forward to growing our work with adopted and care experienced young people and adults and to centre their voices as we develop our own services, and campaign for a better system, so that everyone unable to grow up with their birth parents has an equal chance to thrive.

Emily Frith, CEO

September 2024

# Impact report



6,000

We have a membership of 6,000 from the across the adoption community.



*Family life is much more settled now. We can't thank the service enough for everything they have done.*



83%

Of those who came to a community event, 83% said they feel less isolated.



1,500

Our Information and Support Line took 1,500 calls and emails, giving support and advice to members and non-members.



*Being a member of Adoption UK is definitely worth it. It has helped me to find people who understand and has given us some amazing experiences.*



5,700

There were 5,700 attendances at our community groups and events across the UK providing peer support for families and children.

2,000

hours of activities and support were delivered through our youth programmes which provided peer support and taught new skills.



828



people were supported through our specialist therapeutic programmes .



*The best support we have had for our adopted daughter from any provider.*



2,800



people attended training on a broad range of topics including supporting adopted children to succeed in education and specialist parenting.

3,800



respondents added their voice to the Adoption Barometer Report which was taken to politicians and policy makers as part of our campaigning work.



*You've helped us so much as a school in upskilling staff. It's made a huge difference in the support we've been able to offer.*



93%



Of those who accessed a service 93% said they felt listened to and understood.

£1.5m

We have received over £1.5m in commissions, grants and funding, allowing us to support more children, families and adopted adults across the UK.

# The year in review

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## April 2023

Our new Adopted Adults Advisory Group was launched, bringing a wealth of personal and professional expertise to advise our Senior Leadership Team and our board to ensure we put adopted and care experienced people at the heart of everything we do.

For the first time schools in England received Pupil Premium Plus to support the needs of children adopted internationally, giving them the same rights as their domestically adopted peers. This change followed an Adoption UK campaign to give adopted children the same rights to Pupil Premium Plus, irrespective of where they were adopted from.

Adoption UK continued to campaign for apologies for the forced adoption practices of the 1950s, 60s and 70s to be made by the devolved and national governments. In April the Welsh government made a formal apology. This followed the apology made by the Scottish government earlier in 2023. We continue to campaign for apologies by the Northern Ireland and Westminster governments.

The Welsh government provided funding to allow us to support adult adoptees to access their records - a project that is the first of its kind in the UK. This should be the first step in building evidence to show the support adult adoptees need and value when they embark on the complex path of accessing information and tracing birth family members.

## May 2023

Our annual stocktake of adoption in the UK, the Adoption Barometer report, was published. This year data from the report helped us achieve two key policy aims: the development of a new standardised Adoption Support Plan by Adoption England and the smooth continuation of the Adoption and Special Guardianship Support Fund by the Department for Education.

Work got underway on our Adoption Alliance project in Wales, giving young people the opportunity to influence the ways education can evolve to better understand and meet the needs of adopted children.

## July 2023

A programme of summer camps, residentials and events across the UK brought parents and children together, allowing them the time and space to share positive experiences and for lifelong peer support and friendships to be formed.

Funding was awarded from the National Lottery Community Fund to allow us to provide support for LGBT adopters and their families in Northern Ireland.

## September 2023

Adoption UK worked with BBC Teach to produce informative videos for educators to give insight into the struggles that adopted and other care experienced children face at school and to provide resources and strategies to empower teachers to improve the experiences and outcomes of these children.

Our Education Advisory Group was launched, with a membership of educators and school leaders with experience of and a passion for radical improvements in the education of adopted and other care experienced children. Their advice will help to shape our education campaigns and services as we continue to tackle the barriers faced by this group of children.

The FASD Hub in Scotland had a peak of activity as they led a month of awareness raising, information sharing and support, funded by the Scottish government. The hub provides year-long support and information to those impacted by pre-birth exposure to alcohol and to their families and many of their services are accessible by those living across the UK. As public and professional awareness of FASD remains low and there remains a serious lack of services to support individuals and families, the work of the FASD Hub is crucial.

Funding was awarded by the National Lottery allowing us to hold free community events across England. The programme includes two events for adult adoptees, that will provide opportunities to adoptees to come together, share experiences and information and find mutual support. These events will form the basis of the future growth in Adoption UK's services for adult adoptees and the continuing development of the membership offer.

## October 2023

With funding from The Promise in Scotland we launched our education pathway, giving children, their families and their schools enhanced support to enable care experienced children to access and succeed in school. And in Wales, BBC Children in Need funding was awarded that will help children and young people to build friendships and support and to develop skills.

Our Bridge project got underway, bringing adopted young people together in Yorkshire and Humber, to develop employability skills and support their transition from school into college, training and employment.

## January 2024

A new campaign, Break the Barriers to School Attendance, was launched in Parliament with the publication of new research and a strong call for government to do more to support care experienced children to access education and thrive in school.

## February 2024

Our Break the Barriers research was shared with sector leaders and policy makers at an event in Edinburgh. And in Westminster a group of adopted young people met the Children's Minister David Johnston MP, each sharing their experiences of education and adoption support.

As part of our family membership, a new virtual community group for adoptive dads was launched. With some men reporting that services for families are not always inclusive of dads, this new group will give an important space to share experiences and offer mutual support.

## March 2024

Our kinship care service in Scotland KCASS ran a series of events during Kinship Care Week and shared new resources to help kinships carers help the children they care for understand their life story.

A new series of accessible, pre-recorded training modules was launched. These include topics such as managing transitions, sleep and sensory integration – all areas that we know families may need some extra help with.

# Financial summary and fundraising

## Income

Most of our income continues to be secured from adoption support contracts, devolved government grants to deliver support services and charitable grants for service development pilots and key support projects. We also rely heavily on donations and membership subscriptions to help us represent and meet the needs of the families we serve.

Despite the economic challenges and increased competition for funding and donations, our income has grown from £1.5m in 2019 to £4.1m in 2024; achieving 4.1% growth this year.

Although assisted by legacy income, we also benefitted from growth across our fundraising, contracting and grant income streams this year, while maintaining and extending now established services, including Connected Youth services in Wales, the FASD Hub and Kinship Care Advice and Support Service in Scotland and further expansion of Psychology and Therapy Hub (PATH) provision of supports.

We are very grateful to all the families, trusts, foundations and companies who supported us this year.

## Expenditure and reserves

The impacts of on-going cost of living and inflationary pressures continue to drive up year on year expenditure and squeeze our planned growth in reserves. Following the managed cost savings and organisational changes of the prior year and recognising the likely future challenges for devolved and local government budgets, we invested this year in experienced fundraising, partnerships and marketing experience, recruiting to three new roles. These changes, combined with a decision to encourage a return to face-to-face activities and staff meetings, and the implementation and development costs associated with service developments, gave rise to increased year on year expenditure of £450,858.

Overall, we were able to contribute a further £70,202 to our reserves, bringing our total reserves to £780,274, of which £38,632 are restricted reserves and our free reserves £659,677.

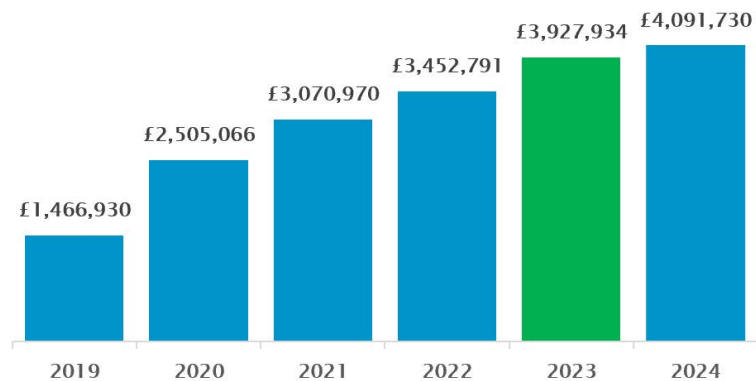
## Your support

We are incredibly grateful to all those who have taken the time to support the charity again this year, be that as a volunteer, a donor or fundraiser and to those who have remembered us in their will. During the year, community fundraisers have taken part in a number of challenges to raise money for Adoption UK, including Walks, triathlons, marathons and half-marathons, personal treks and challenges, swimming and on-line streaming events and activities. Our magnificent fundraisers stretched across the UK, from white collar boxing in Nottingham, the Glasgow and Edinburgh Kiltwalks, swimming in Coniston, a triathlon in Mid-Argyll, the Three Peaks Challenge in Yorkshire, and numerous others in all four nations.

Many of our supporters made collections for their own activities, birthdays, celebrations and gave in memorial donations. We are grateful for and proud of all those fundraising heroes and heroines who have donated to Adoption UK again this year.



Income: Years ending 31 March



## Trusts, foundations and corporates

We are also extremely grateful to all the many the charitable trusts, foundations and corporate sponsors who have supported Adoption UK this year. In particular, we would like to recognise the support of:

Belfast St Annes Cathedral

Children in Need

Corra Foundation

John Lewis & Partners Foundation

Tesco Community Fund

The W M Mann Foundation

The Hugh Fraser Foundation

The Souter Charitable Trust

A&O Shearman

The National Lottery Community Fund

Cronfa Gymunedol y Loteri Gendlaethol

National Lottery Awards for All

The Waterloo Foundation

The Steel Charitable Trust

Norman Family Charitable Trust

The 29<sup>th</sup> May 1961 Charitable Trust

Moondance Foundation

## Our vision of success

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Our priority is to ensure adoption, education and health systems give children who cannot remain with their birth parents an equal chance to thrive, in childhood and into adulthood. We do this in four ways:

### We provide information, advice and training

We aspire to be the leading source of accurate and up-to-date information and advice for adopted people and their families. We empower people by providing accurate, up-to-date and relevant advice and information through our helpline, website, factsheets and resources. We provide high quality and popular training courses to help people provide the right support for children and young people affected by early childhood trauma.

Our webinars and training help to educate and inform on topics as diverse as therapeutic parenting, FASD, the lifelong impacts of adoption, the experiences of trauma, parenting siblings and many more.

We are also a trusted source of information and advice for professionals working with adopted people, including schools and adoption agencies.

### We connect people

We create safe spaces for people to build their own networks of support. Through our support groups and events, both online and face to face, we bring people together to have fun, to offload and to support each other. We build connections that often last a lifetime. We help people find others who understand their experiences and create spaces where they can be themselves.

### We provide direct support

We provide a powerful combination of professional expertise and peer support directly to children, young people and their families. This includes mentoring, peer support, and specialist therapeutic services.

### We change the system

We work hand in hand with those with lived experience to bring about changes to policy and practice that will translate into real improvements in the lives of care experienced people and their families. We influence politicians, policymakers and practitioners to create the change we want to see in the adoption and care system. We aim to centre the voices of those who are unable to live with their birth parents, ensure they are listened to by those with the power to change things for the better.

This year we are in the process of developing a new strategy, with the views and experiences of adopted people at the centre. The world of adoption is changing and modernising and we are changing with it. We are listening to the voices of adopted and care experienced people and to those who care for them, to understand how we can fulfil our vision and make the biggest difference for the families who need our support.

## Reference and administrative details

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### Trustees

The trustees who served during the period under review and up to the date of approval of the financial statements were:

<b>Mike Rebeiro</b>	Chair of Trustees
<b>Anna Jaques</b>	Joint Vice Chair of Trustees; chair of People and Culture Committee
<b>Melissa Shackleton</b>	Joint Vice Chair of Trustees
<b>Tony Eastwood</b>	Chair of Finance and Scrutiny Committee
<b>Wesley Graham</b>	Trustee
<b>Anju Mahbubani</b>	Trustee
<b>Anuradha Parekh</b>	Trustee
<b>Dani Stuart</b>	Trustee
<b>Siobhan Rhodes</b>	Trustee, appointed 22 June 2023
<b>Justin North</b>	Trustee, appointed 27 March 2024
<b>Anwen Aspden</b>	Trustee, appointed 22 April 2024
<b>Henrietta Delalu</b>	Trustee, resigned 22 September 2023
<b>Clare Hudson</b>	Trustee, resigned 30 November 2023
<b>Jordina Walker</b>	Trustee, resigned 25 June 2024

### Officers

<b>Emily Frith</b>	Chief Executive
<b>William Joel Sadler</b>	Director and Chief Operating Officer and does not hold any voting rights on the Board of Trustees.
<b>Jacque Joy</b>	Company Secretary

### Principal advisors to Adoption UK

<b>Bank</b>	HSBC, 15 Church Street, Rugby, Warwickshire CV21 3PN
<b>Accountant</b>	Crossley Third Sector (TC-Group), Star House, Star Hill, Rochester, Kent, ME1 1UX
<b>Solicitor (charity)</b>	Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES
<b>Auditors</b>	Thomas Coombs Limited, Chartered Accountants, 3365 The Pentagon, Century Way, Thorpe Park, Leeds LS15 8ZB

## Company details

<b>Registered charity number (England and Wales)</b>	1160647
<b>Registered charity number (Scotland)</b>	SC037892
<b>Company registration number (England and Wales)</b>	09454981

## Offices

<b>Registered head office</b>	Bloxham Mill, Barford Road, Bloxham, Oxfordshire OX15 4FF
<b>Northern Ireland</b>	63-75 Duncairn Gardens, Belfast, BT15 2GB
<b>Scotland</b>	Great Michael House, 14 Links Place, Edinburgh, EH6 7EZ
<b>Wales</b>	Office 9, Big Yellow, 65 Penarth Road, Cardiff CF10 5DL (until 31 August 2024) Office 9, House 1, The Maltings, East Tyndall Street, Cardiff Bay, Cardiff, CF24 5EZ (from 12 August 2024) National Botanic Garden of Wales, Llanarthne, Carmarthenshire, SA32 8HG Suite 8F, Trigg House, Warren Drive, Prestatyn, LI97HT

# Structure, governance and management

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## Trustees

The trustees are responsible for Adoption UK Charity. As stated by the Charity Commission, their responsibilities are to ensure the charity is carrying out its purposes for the public benefit, comply with the charity's governing documents and the law, act in the charity's best interests, manage the charity's resources responsibly, act with reasonable care and skill, and ensure the charity is accountable. The trustees agree an outline plan and budget annually.

In planning the activities, the trustees have had regard to the guidance on public benefit issued by the Charity Commission.

Trustees are appointed by existing trustees. The induction and training of trustees includes:

- Reading an induction pack. This includes: the Charity Commission's booklet, The essential trustee: what you need to know, what you need to do (CC3); our Memorandum and Articles of Association; our key policies and procedures; our most recent annual accounts/report; our most recent strategic plan; and other relevant documents.
- Meeting with the chair of trustees and Chief Executive. The nature of this meeting will largely depend on what was covered during the recruitment process. But it will be an opportunity for new trustees to ask questions about Adoption UK and discuss more about their role as a trustee.
- Getting to know the team. Within approximately three months of becoming a trustee, we will arrange for them to meet with senior leaders. Trustees are all encouraged to attend Adoption UK conferences and national employee events as appropriate – but particularly if these events occur during their first year of tenure.
- Updates from the Charity Commission. As part of our endeavour to not only be compliant but be an example of good practice, we ask trustees to commit to reading, and disseminating as necessary, updates from the Charity Commission. The Trustees have recently reviewed our practices using the 'Charities Governance Code', agreeing some governance changes and are about to review the potential impact of the Charities Act 2022.

The governing documents of Adoption UK are our Memorandum and Articles of Association dated 24 February 2015 and the charity is constituted as a company limited by guarantee.

A review of the organisation's Articles of Association and Charitable Objects was undertaken by the Board of Trustees in September 2023; changes approved by the Board of Trustees in June 2024 will allow the organisation to further diversify our services to meet the needs of all those impacted when children are unable to live with their birth parents.

## Leadership

The Trustees delegate certain duties and responsibilities to the Chief Executive, who is supported by a team of senior leaders. Our Chief Executive is Emily Frith.

Emily is supported by a Senior Leadership Team comprised of our Chief Operating Officer (Joel Sadler), Director of Public Affairs and Communications (Alison Woodhead), Wales Director (Ann Bell), Director and Service Manager Wales (Rebekah Burns from 29 April 2024), Scotland Director (Fiona Aitken), Northern Ireland Director (EJ Havlin), Director of Quality Assurance (Jane White) and Head of England Service Delivery (Samantha Parkin) who are responsible for day-to-day decision making.

The role of the senior leadership team is to support the CEO in the delivery of the strategy decided by the board of and includes appointing employees and volunteers and decisions regarding expenditure – as long as employee and volunteer appointments and expenditure are in-line with our strategy – budget, and delegated authority agreed by trustees.

Remuneration of senior employees is reviewed annually by the trustees as part of budget setting and all employee roles are subject to independent salary benchmarking, by reference to the charity sector.

## External engagement

Adoption UK recognises the importance of engaging with key stakeholders in the sector and other experts, as well as our service users. We operate theme based advisory boards, seeking to engage with a broad range of stakeholders on key matters such as Youth Services, FASD, Kinship, Adopted Adults, Equity, Diversity and Inclusion.

## Risk management

The organisation has a low appetite for reputational and financial risk. The trustees and senior leadership team consider the risks to Adoption UK Charity on a regular basis, reflecting on internal and external changes, and assess whether existing practices, processes, systems and reporting mechanisms are effective and adequate to minimise risk and mitigate the impacts should risk events occur. The senior leadership team and trustees are informed about risk management using a risk register as a dashboard. Assessment of risk is also built into the development and ongoing monitoring of each service delivery programme. The main risks detailed in the register and our plans to manage them are:

## Employee and volunteer wellbeing

Trustees and senior leaders monitor and manage the potential wellbeing and health risks to employees, volunteers and our services, with most employees working from home since spring 2020. We have transformed how we work and deliver many of our services for families via video or audio channels. We continue to offer virtual supports alongside any resumption of face-to-face activities. Our flexible and responsive approach to activities has allowed us to maintain existing grants and funding streams.

Trustee oversight and scrutiny of employee and volunteer matters, including wellbeing, sits within the remit of our People and Culture Committee, which meets quarterly and reports to the full Board of Trustees. In the 2023-24 a new programme of investment in people development appointing commenced. We invested in People Support, Development and Wellbeing expertise and capacity and introduced a new HR management system in November 2023. Our annual employee survey and on-going employee and volunteer engagement activities inform about our progress, workforce needs and our future workforce development, support and remuneration and benefits plans.

## Mission drift

Trustees regularly review the activities of the charity in the context of the values, purpose and mission of the organisation. Between September 2023 and June 2024 our Board of Trustees reviewed and proposed a restatement our Charitable Objects to better reflect the planned direction of travel for the organisation; this was needed to ensure that the organisation was aligned with the changing landscape of the adoption and permanence sector, which is making Increased use of kinship care, long-term foster care/continuing care arrangements for children unable to live with their birth parents.

We have this year changed our Ofsted registration to allow us to directly deliver services to children and young people In England, following the success of programmes in Northern Ireland, Scotland and Wales.

## Loss of operational capacity

The charity grew significantly over the previous two years, as we built our delivery teams and strengthened our senior leadership team and board of trustees. Although this growth was directly related to the expansion of our service provision and created a rise in income, it gave rise to increased overheads, indirect costs and increased spend on fundraising activities, which have been adversely impacted by inflationary pressures at a time when we saw a downturn in general public donations and greater competition for grant giving trust funds. In response to those emerging challenges we undertook some organisational changes during the year, reducing unrestricted spend, overheads and indirect costs in order to safeguard core activities and service delivery. In 2023 and 2024 we are investing in areas of the business that will drive income growth, support sustainability and diversification of Income streams and investing in workforce development to reduce turnover and Improve productivity and quality of services; these planned developments will reduce risk around loss of operational capacity.

## Financial risk

Our reserves policy states that Adoption UK Charity should have sufficient funds to meet its financial commitments, to demonstrate future sustainability and security, to ensure that we can manage future unforeseen financial difficulties, and to ensure that excessive funds are not held without any identifiable reason or for any unidentifiable purpose. Our aim of holding between three and six-months' worth of operating costs as reserves has not been possible over the last six years; with this policy target being updated every two to three years, including an assessment of income risk. This approach offers Trustees greater transparency and detail about the risks associated with each secured form of income, any grant and contract renewals and any proposed income targets.

## External factors

Our work is impacted by the continually changing landscape of fostering and adoption in the UK – as a result of legal precedence, government policy, legislative change and social work practice. We make sure we stay on top of what is happening and are creating an organisation that, while having a clear direction, remains agile so we can effectively respond to these changes. A broad funding base is a vital factor in ensuring our resilience in an ever-changing landscape and to this end we are developing a varied and sustainable approach to income generation.

## Governance and compliance

The Charity is committed to meeting all of the requirements of the Charity Commission, Companies House, Care Inspectorate Wales, Ofsted and other relevant regulatory bodies. We are committed to being a model of good practice in governance and compliance, with the Board supported by trustee-led sub-committees for finance and for people and culture; and we have an equality, diversity and inclusion advisory group. We ensure we are aware of the impact of changes to legislation and guidelines and, as our activities develop, we actively check whether that introduces the need for us to comply with additional legislation or guidelines.

## External changes

Along with most other charities and organisations operating in the adoption sector we are conscious of the risks and impacts that can emerge from legislative change and public funding decisions. We are proactive in not just horizon scanning, but in actively engaging with the UK and devolved governments to influence and drive change in the agenda. In order not to be overly reliant on a small number of government grants and local authority income, we continue to diversify our activities and income streams. We are also investing in strengthening our capacity and expertise to grow unrestricted funding and mitigating those risks.

## Health, safety and environment

As an employer and provider of services to the adoption community, we understand areas of risk including workload and working hours, travel/commuting, working environments, travel and manual handling. We aim to mitigate these risks through policies and guidelines, training, good line management and peer-to-peer accountability.

## Safeguarding

We have an approved safeguarding policy which is reviewed regularly and is part of the induction process. This is supported by a newly appointed Director of Quality Assurance, who is also our registered manager for regulated services in England and is the organisation's safeguarding lead. We operate with a contingent of safeguarding contacts to ensure 24-hour cover. There is an annual refresher of awareness training.

# Financial review

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## Financial position at the end of March 2024

We are pleased that we were able to increase our income by 4.1% compared to the prior year, although our expenditure over the same period increased by 12.6%.

The income for the year ending 31 March 2024 was £4,091,730, expenditure being £4,021,528 resulting in an operational surplus of £70,202 for the year.

The charity's restricted reserves position was £38,632, with total reserves rising to £780,274 and our free reserves position is £659,677, up from £608,656 in 2023.

Notable sources of income during the year included:

- A one-off legacy of £250,000.
- Year 4 of the £270,000 per annum contract with Scottish Government to deliver the Scotland Kinship Care Advice and Support Service.
- Collective National Lottery Communities Fund, Scottish Government and Welsh Government funding of around £1,000,000 to deliver year 5 of our Adoption Pathways (formerly TESSA) service in England, Scotland and Wales; extending to support Kinship carers and Permanent foster carers in Scotland for the first time in 2023-24.
- Scottish Government grant of £195,544 funding of our Fetal Alcohol Spectrum Disorder (FASD) service.
- Membership Income of £238,995, supplemented by a £215,000 National Lottery Community Fund grant income over two years, which started in September 2023.

## Reserves policy

Our reserves policy is to ensure that Adoption UK Charity has sufficient funds to meet its financial commitments, to demonstrate that we are sustainable into the future, to ensure that we can manage future unforeseen financial difficulties and to ensure that excessive funds are not held without any identifiable reason or for any unidentifiable purpose.

Trustees reviewed the charity's policy for the appropriate level of unrestricted reserves required at our November 2023 Board of Trustees meeting, taking into account the changed risk factors and planned expenditure.

It is the trustees' general view that the desirable level of free reserves is six months of operating cost, with additional consideration of a risk-based approach that considers known income for the year ahead and the security of that income. Based on the risk-based calculations the trustees consider that for 2024-25, the desirable free reserves level would be approximately £1,000,000. Our unrestricted free reserves are £659,677.

While this means that the charity's reserves position at the end of the year remains lower than our updated policy target, and our short- and long-term loan commitments remain low at £10,000 and £15,833 respectively (both relating to a bounce back loan), the total amount due to creditors within one year fell by £202,065. See note 11 in the notes to the financial statements for further information.

## Fundraising

Our fundraising plans are approved by the trustees and monitored by the senior leadership team. Although our income (see more details below) is derived from a number of sources, a significant proportion of our income comes from grant giving trusts and foundations, as well as central government grants. In addition, we operate a subscription membership offer and we work in partnership with agencies and local authorities, who commission our services and support programmes. Our fundraising activities are primarily conducted by our employees and volunteers – from time-to-time drawing on the expertise of advisors.

## Our approach to fundraising

During the year, less than 5 per cent of Adoption UK's income was generated from our general fundraising activities – often thanks to members and supporting individuals raising income at Adoption UK events or by organising their own events and activities.

We do not employ the services of any fundraising agencies or third parties, nor do we run telephone or door-to-door fundraising campaigns. Our relationship with our supporters is very important to us and the charity does not wish for them to feel under any pressure to donate.

We have a close relationship with our fundraisers and support them in delivering their events and complying with the relevant codes of practice. Where we work with commercial participators, contracts are exchanged so we can ensure compliance with the code of fundraising practice, applicable laws and adherence to best practice.

In 2023-24 we have invested in our fundraising and partnerships team expertise and plan to invest further in 2024-25, with the intention to grow our general fundraising activities and partnerships.

We received no complaints about our fundraising practices in the year to 31 March 2024, nor for the year ended 31 March 2023.

## Fundraising practices

As part of our commitment to best practice, we adhere to the standards set by the Fundraising Regulator and the Institute of Fundraising. We aim to ensure that our fundraising is respectful, open, honest and accountable to the public. Adoption UK is registered with the Fundraising Regulator.

We have a clearly documented complaints procedure in place, enabling any concerns regarding our fundraising activities to be responded to quickly. During the year, there have been no instances of non-compliance with the requirements of the fundraising code of practice and no complaints have been received by the charity regarding fundraising activities.

Our fundraising policy clearly states the steps that should be followed to protect vulnerable people and ensure that anyone who wants to support the charity has the relevant capacity to make the decision to donate.

## Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. With current committed income streams and costs forecast in detail up to 31 March 2025 and a business plan and associated longer term forecasts through to March 2026, trustees are assured a very positive 2024-25 outturn, confident in delivering a further contribution to reserves.

The trustees have considered the potential impact of the UK economic uncertainty and ongoing related inflationary pressures. Income growth was 4.1 percent in 2023-24, which followed a prior year growth of

14 percent and is forecast to grow further in 2024-25. Following the organisational changes in 2022-23 and the on-going effects of UK economic pressures on both our usual income source budgets, and on our costs during 2023-24, Trustees have recognised the expenditure impacts and income risks; and have determined that investment in income generation capacity, quality assurance, leadership and professional services role recruitment is essential for longer term growth. Recognising the changed risk to future income from existing funding sources and our planned investments in growth, we have adjusted our reserves policy to £1,000,000, with the aim to achieve £1,250,000 in reserves to include £250,000 of designated reserves for digital development across the next 2-3 years.

Digital development will be scaled and phased in line with our ability to raise the funds required; but Trustees recognise that investment in new technology and integrated digital solutions, including website development, is a necessary investment to support planned growth and diversification in services and products.

As of 31 March 2024, the charity had net current assets of £714,143 (2023: £694,082) and our free reserves rose to £659,677 (2023: £608,656), which are below our adjusted reserves policy risk adjusted target of £1,000,000.

Having considered 2024-25 forecasts and future projections of expenditure, income risks and income growth plans, Trustees have concluded that there are no material uncertainties as to the charity's ability to continue in operational existence for the foreseeable future. The charity continues to adopt the going concern basis in preparing the financial statements.

## Statement of the board's responsibilities

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The trustees (who are also directors of Adoption UK Charity for the purposes of company law) are responsible for preparing the trustees' annual report (including the strategic report) and the financial statements, in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial period that 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 laid out by the 'Accounting and Reporting by Charities: Statement of Recommended Practice 2015' (Charities SORP)
- make judgements and estimates that are reasonable and prudent
- state whether FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' has been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charitable company. These records should also enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, as amended by The Charities Accounts (Scotland) Amendment (No 2) Regulations 2014.

Trustees 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 board of trustees is aware:

- there is no relevant audit information of which the company's auditors are unaware and
- they have taken all the steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The trustees' annual report is approved by the trustees of the charity. The strategic report, which forms part of the annual report, is approved by the trustees in their capacity as directors in company law of the charity.

By order of the board of trustees on 26 September 2024 and signed on its behalf:

Mike Rebeiro, Chair of Trustees

August 2024

# Independent auditors' report

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## To the Members of Adoption UK Charity

### Opinion

We have audited the financial statements of Adoption UK Charity (the 'charitable company') for the year ended 31st March 2024 which comprise of the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2024 and of its incoming resources and application of resources, including its income and expenditure, 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, 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 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 other information comprises the information included in the trustees' annual report<sup>4</sup>, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

### **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 trustees' report, which includes the strategic report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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

In the light of 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 trustees' report.

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

- adequate and proper 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 trustees' responsibilities statement set out on page 22, 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 Acts 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:

Based on our understanding of the entity and industries in which it operates, we identified the principal risks of non-compliance with laws and regulations related to Adoption services. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, tax legislation and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls, and ensuring these controls operated as intended. We determined the principal risks were related to posting journal entries to manipulate profits, and management bias in accounting estimates.

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

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Identified and tested journal entries and identified any significant transactions that were unusual or outside the normal course of business.
- Investigated the rationale behind significant or unusual transactions.
- Challenged assumptions and judgements made by management in determining significant accounting estimates.

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

- Agreeing financial statements disclosures to underlying supporting documentation.
- Discussions with management of known or suspected instances of non-compliance with laws and regulations.
- Reviewing relevant available correspondence.

At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance of laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement relating to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

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 Report of the Auditors.

### **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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Christopher Darwin FCA (Senior Statutory Auditor)**

**for and on behalf of Thomas Coombs Limited**

**3365 The Pentagon**

**Century Way**

**Thorpe Park**

**Leeds**

**LS15 8ZB**

**Date 26 September 2024**

# Statement of financial activities

Incorporating the income and expenditure account for the year ending 31 March 2024

		Unrestricted 2024	Restricted 2024	Total 2024	Total 2023
	Notes	£	£	£	£
Income from:					
Donations and legacies	2	530,036	-	530,036	835,194
Charitable activities					
External Communications		4,464	-	4,464	5,471
Membership Services		238,995	-	238,995	291,351
Adoption Support Services		1,099,041	2,164,813	3,263,854	2,690,779
Other trading activities		47,688	-	47,688	104,222
Investments		6,693	-	6,693	917
<b>Total Income</b>		<b>1,926,917</b>	<b>2,164,813</b>	<b>4,091,730</b>	<b>3,927,934</b>
Expenditure on:					
Fundraising	3	177,280	-	177,280	180,671
Charitable activities					
External Communications	3	385,625	-	385,625	395,038
Membership Services	3	265,078	-	265,078	306,502
Adoption Support Services	3	1,026,489	2,167,056	3,193,545	2,688,459
<b>Total Expenditure</b>		<b>1,854,472</b>	<b>2,167,056</b>	<b>4,021,528</b>	<b>3,570,670</b>
Net income for the year and net movement in funds	4	72,445	(2,243)	70,202	357,264
Transfers between funds		-	-	-	-
Net income before other recognised gains and losses		72,445	(2,243)	70,202	357,264
Net movement in funds		72,445	(2,243)	70,202	357,264
Reconciliation of funds:					
Total funds brought forward		669,197	40,875	710,072	352,808
<b>Total funds carried forward</b>		<b>741,642</b>	<b>38,632</b>	<b>780,274</b>	<b>710,072</b>

The company's income and expenditure all relate to continuing operations. The company has no recognised gains or losses other than shown above. Movements in funds are disclosed in Note 14a to the financial statements. The accompanying notes form an integral part of these financial statements.

# Balance sheet

(as at 31 March 2024)

	Notes	2024 £	2024 £	2023 £	2023 £
<b>Fixed Assets:</b>					
Tangible Assets			77,596		33,657
Intangible Assets			4,369		7,914
	9		81,965		41,571
<b>Current Assets:</b>					
Stock		2,129		2,825	
Debtors	10	642,351		970,243	
Cash at bank and in hand		347,723		201,140	
		992,203		1,174,208	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	11	(278,061)		(480,126)	
<b>Net current assets</b>			<b>714,142</b>		<b>694,082</b>
Total assets less Current Liabilities			796,107		735,653
Creditors: amounts falling due after one year	12		(15,833)		(25,581)
<b>Total net assets</b>			<b>780,274</b>		<b>710,072</b>
<b>The funds of the charity:</b>					
Restricted income funds			38,632		40,875
Unrestricted income funds:					
Designated funds			-		18,970
General funds			741,642		650,227
<b>Total charity funds</b>	14a		<b>780,274</b>		<b>710,072</b>

The accompanying notes form an integral part of these financial statements. The accounts on pages 27 to 45 were approved and authorised for issue by the Board of Trustees on 26 September 2024 and signed on its behalf by:

Mike Rebeiro,  
Chair of Trustees

# Statement of cash flows

(as at 31 March 2024)

	Notes	2024 £	2024 £	2023 £	2023 £
Cash flows from operating activities					
Net cash provided by / used in operating activities	15		213,453		75,018
Cash flows from investing activities:					
Dividends, interest and rents from investments		6,693		917	
Purchases of fixed assets		(73,563)		(8,977)	
Net cash used in investing activities			(66,870)		(8,060)
Change in cash and cash equivalents in the year			146,583		66,958
Cash and cash equivalents at the beginning of the year			201,140		134,182
Cash and cash equivalents at the end of the year			347,723		201,140

# Notes to the financial statements

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(For the year ended 31 March 2023)

## 1 ACCOUNTING POLICIES

### a. Statutory information

Adoption UK Charity is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is Bloxham Mill, Barford Road, Bloxham, Oxfordshire, OX15 4FF.

### b. Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements. The financial statements have been prepared in accordance with the '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 (FRS102) including Update Bulletin 2, (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. All financial reporting is in Sterling and rounded to the nearest pound £.

### c. Public benefit entity

Adoption UK constitutes a public benefit entity as defined by FRS 102.

### d. Going concern

In the current economic climate, there are always risks that some income may not come in as anticipated and, indeed, external events may, despite considered planning, have an adverse effect on the charitable company. Annual budget have been revised taking this into account with prudent figures for both income and expenditure. Current committed income streams and costs have been forecast up to 31 March 2026 and management are working strategically to secure other sources and constantly work to keep costs to a minimum.

As at 31 March 2024, The charity had net current assets of £714,142 (2023 - £694,082). Conscious of the need to strengthen liquidity in a difficult environment and to return reserves to a strong base, management continue to take steps to secure new long term funding, to grow unrestricted income, to invest in organisational development and growth and to manage the cost base. These steps are further described in the Trustees' Report.

The trustees have reviewed the plans and the detailed forecasts that management have prepared for the charitable company taking into account the new finance raised. Accepting that it is not always possible to predict all external factors that might affect the organisation, the trustees consider that it is reasonable to assume that the charitable company will continue as a going concern and to prepare the accounts on that basis.

### e. Income

Income from legacies, adoption support services contracts and other contracts is recognised when the charitable company has entitlement to the funds and, in the case of contracts, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charitable company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

## Notes to the Financial Statements (continued)

Income from grants and contracts received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income received from donations and general fundraising activity is recognised on the date received.

### f. Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. Designated funds are used for the purposes proposed and agreed by Adoption UK, with expenditure charged to those designated funds.

### g. Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in attracting third party voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services, events and other training activities undertaken to further the purposes of the charitable company and their associated support costs.
- Other expenditure represents those items not falling into any other heading.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### h. Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis, which are an estimate: based on employee time attributable to each activity.

Where information about the aims, objectives and projects of the charitable company is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are reallocated to each of the activities on the following basis, which is an estimate, based on employee time attributable to each activity.

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

### i. Operating leases

Rental charges are charged on a straight-line basis over the term of the lease.

### j. Fixed assets

Items of equipment are capitalised where the combined purchase price exceeds £500. Depreciation and amortisation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation and amortisation are provided at rates calculated to write down the cost of each asset to

## Notes to the Financial Statements (continued)

its estimated residual value over its expected useful life. The depreciation and amortisation rates in use are as follows:

- Computer equipment                      Three years straight line
- Systems development                      Four years straight line
- Office equipment                              Four years straight line
- Fixtures and fittings                        Five years straight line
- Leasehold improvements                    Five years straight line
- Intangible Assets                            Four years straight line

### k. Stocks

Stocks are publications stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

### l. Debtors

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

### m. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

### n. Creditors and provisions

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

### o. Pensions

All qualifying employees are invited to join the charitable company's defined contribution scheme. For those employees who are 'opted in' to the defined contribution scheme, the charitable company contributes a current equivalent of three per cent of gross salary into the scheme. The charitable company's contribution is charged to the statement of financial activities in the financial year. The charitable company has no liability under the scheme other than for the payment of those contributions.

### p. Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have the most significant effect on amounts recognised in the financial statements:

- Depreciation and amortisation charges are based on the estimated useful life of the assets held.

## Notes to the Financial Statements (continued)

### 2a INCOME FROM DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	Total 2024 £	Total 2023 £
Donations	102,624	-	102,624	80,140
Legacies	424,970	-	424,970	750,000
Gift aid	2,442	-	2,442	5,054
<b>Total</b>	<b>530,036</b>	<b>-</b>	<b>530,036</b>	<b>835,194</b>

### 2b INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted £	Restricted £	Total 2024 £	Total 2023 £
Training income	30,386	-	30,386	52,189
Event income	17,302	-	17,302	52,033
<b>Total</b>	<b>47,688</b>	<b>-</b>	<b>47,688</b>	<b>104,222</b>

### 2c INCOME FROM INVESTMENT ACTIVITIES

	Unrestricted £	Restricted £	Total 2024 £	Total 2023 £
Interest	6,693	-	6,693	917
<b>Total</b>	<b>6,693</b>	<b>-</b>	<b>6,693</b>	<b>917</b>

### 2d INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	Total 2024 £	Total 2023 £
Membership	238,995	-	238,995	291,351
Adoption support contracts	992,863	-	992,863	745,993
Grants	106,178	2,164,813	2,270,991	1,944,786
Publication sales	4,464	-	4,464	5,471
<b>Total</b>	<b>1,342,500</b>	<b>2,164,813</b>	<b>3,507,313</b>	<b>2,987,601</b>

### 3 ANALYSIS OF EXPENDITURE (current year)

	Charitable activities						2024 Total
	Fundraising	External Communications	Membership Services	Adoption Support Services	Governance costs	Support costs	
	£	£	£	£	£	£	
<b>Workforce Costs (Note 5)</b>	126,892	224,542	171,799	2,164,429	-	339,431	<b>3,027,093</b>
<b>Other workforce costs</b>	2,400	206	-	21,592	-	21,102	<b>45,300</b>
<b>Trustees' meeting expenses and other costs</b>	-	-	-	-	8,239	-	<b>8,239</b>
<b>Online and publication costs</b>	-	44,892	-	11	-	-	<b>44,903</b>
<b>Fundraising, events and PR costs</b>	2,529	2,462	-	4,969	-	194	<b>10,154</b>
<b>Partnership, groups and training costs</b>	3,016	6,122	5,894	110,397	-	3,697	<b>129,126</b>
<b>Premises and office costs</b>	2,896	22,636	35,357	243,987	-	289,009	<b>593,885</b>
<b>Professional fees</b>	4,751	9,077	-	21,349	28,985	98,666	<b>162,828</b>
	142,484	309,937	213,050	2,566,734	37,224	752,099	<b>4,021,528</b>
<b>Support costs</b>	33,155	72,119	49,574	597,251	-	(752,099)	-
<b>Governance costs</b>	1,641	3,569	2,454	29,560	(37,224)	-	-
<b>Total expenditure</b>	177,280	385,625	265,078	3,193,545	-	-	<b>4,021,528</b>

### 3a. ANALYSIS OF EXPENDITURE (prior year)

	Charitable activities						2023 Total £
	Fundraising	External Communications	Membership Services	Adoption Support Services	Governance costs	Support costs	
	£	£	£	£	£	£	
<b>Workforce Costs (Note 5)</b>	137,737	195,726	178,968	1,791,809	-	229,428	<b>2,533,668</b>
<b>Other workforce costs</b>		53,130	4,808	162,089	-	32,130	<b>252,157</b>
<b>Trustees' meeting expenses and other costs</b>	-	-	-	-	449	-	<b>449</b>
<b>Online and publication costs</b>	-	52,190	-	4,583	-	41	<b>56,814</b>
<b>Fundraising, events and PR costs</b>	3,293	3,030	5,750	-	-	377	<b>12,450</b>
<b>Partnership, groups and training costs</b>	4,152	-	23,978	73,544	389	1,295	<b>103,358</b>
<b>Premises and office costs</b>	2,419	13,696	37,894	133,132	3,460	257,320	<b>447,921</b>
<b>Professional fees</b>	588	6,245	-	39,963	24,174	92,883	<b>163,853</b>
	148,189	324,017	251,398	2,205,120	28,472	613,474	<b>3,570,670</b>
<b>Support costs</b>	31,041	67,871	52,660	461,902	-	(613,474)	-
<b>Governance costs</b>	1,441	3,150	2,444	21,437	(28,472)	-	-
<b>Total expenditure</b>	<b>180,670</b>	<b>395,038</b>	<b>306,502</b>	<b>2,688,459</b>	<b>-</b>	<b>-</b>	<b>3,570,670</b>

## Notes to the Financial Statements (continued)

### 4 NET INCOME FOR THE YEAR

This is stated after charging:

	2024	2023
	£	£
Depreciation	33,168	34,528
Operating lease rentals:		
Property	72,808	81,692
Other	1,688	3,155
Auditors' remuneration (excluding VAT):		
Current auditors: March 2024	15,450	-
Previous auditors: March 2023	12,845	23,310

### 5 ANALYSIS OF WORKFORCE COSTS, KEY MANAGEMENT COSTS AND TRUSTEE EXPENSES

Workforce costs were as follows:

	2024	2023
	£	£
Salaries and wages	2,720,262	2,271,971
Temporary/agency employees	13,151	178,871
Redundancy and termination costs	-	7,651
Social security costs	235,715	196,715
Employer's contribution to defined pension schemes	71,116	57,331
Recruitment	8,373	29,055
Other forms of employee benefits	23,776	44,231
	<b>3,072,393</b>	<b>2,785,825</b>

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

	2024	2023
	No.	No.
£60,000 - £69,999	1	2
£70,000 - £79,999	1	-
£80,000 - £89,999	1	-

The total employee benefits including pension contributions of the key management personnel were £605,688 (2023 - £355,431).

The trustees were not paid or received any other benefits from employment with the charitable Adoption UK Charity Company Number 09454981

## Notes to the Financial Statements (continued)

company in the year. No trustee received payment for professional or other services supplied to the charitable company. For purposes of ongoing regulatory requirements, the Chief Operating Officer also holds the position as a director of the charity; however, they are not paid for their role as a director, being remunerated only for their employee role.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £2,359 (2023 - £449).

### 6 EMPLOYEE NUMBERS

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

	2024	2023
	No.	No.
Fundraising	3.5	4.7
External Communications	6.7	11.6
Membership Services	6.8	12.0
Adoption Support Services	99.4	92.0
Support	5.6	6.9
	<b>122.0</b>	<b>127.2</b>

Of the average number of employees listed, the average number of full-time equivalent employees was 78 (2023 – 58).

### 7 RELATED PARTY TRANSACTIONS

There were no related party transactions during 2024 (2023 – none)

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

### 8 TAXATION

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

## Notes to the Financial Statements (continued)

### 9 TANGIBLE FIXED ASSETS

	Intangible Assets	Office Equipment	Computer Equipment	Fixtures and Fittings	Total
	£	£	£	£	£
<b>Cost</b>					
Balance brought forward	83,946	1,750	131,504	3,367	220,567
Additions in year	-	-	73,563	-	73,563
Disposals in year	-	-	(97)	-	(97)
At the end of the year	83,946	1,750	204,970	3,367	294,033
<b>Depreciation</b>					
Balance brought forward	76,032	1,750	98,943	2,272	178,997
Charge for the year	3,545	-	28,950	673	33,168
Eliminated on disposal	-	-	(97)	-	(97)
At the end of the year	79,577	1,750	127,796	2,945	212,068
<b>Net book value</b>					
As at 31 March 2024	4,369	-	77,174	422	81,965
As at 31 March 2023	7,914	-	32,562	1,095	41,570

All of the above assets are used for charitable purposes

### 10 DEBTORS

	2024	2023
	£	£
Debtors in the course of activities	211,118	143,725
Other debtors	6,897	6,059
Prepayments	42,520	22,494
Accrued income	381,816	797,965
	<b>642,351</b>	<b>970,243</b>

## Notes to the Financial Statements (continued)

### 11 CREDITORS: amounts falling due within one year

	2024	2023
	£	£
Creditors in the course of activities	29,649	41,508
Taxation and social security	82,630	275,950
Pensions	37,450	23,873
Accruals	61,154	67,340
Deferred income	57,178	61,455
Bounceback Loan	10,000	10,000
	<b>278,061</b>	<b>480,126</b>

Taxation and Social Security falling due were paid in April 2024.

### 12 CREDITORS: amounts falling due more than one year

	2024	2023
	£	£
Bounceback Loan	15,833	25,581
	<b>15,833</b>	<b>25,581</b>

The Bounceback loan was the government backed Covid-19 support loans to help businesses impacted by the pandemic. This unsecured loan is repayable over 5 years at a fixed rate of 2.5% interest

### 13 DEFERRED INCOME

Deferred income comprises contracts, training and other income where the activity to deliver services funded by this income does not occur until the following year.

	2024	2023
	£	£
Balance at the beginning of the year	61,455	44,993
Amount released to income in the year	(61,455)	(44,993)
Amount deferred in the year	57,178	61,455
Balance at the end of the year	<b>57,178</b>	<b>61,455</b>

## Notes to the Financial Statements (continued)

### 14a MOVEMENTS IN FUNDS (CURRENT YEAR)

	As at 01 April 2023	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2024 £
<b>Restricted funds</b>					
NAS Pathways	-	351,935	(351,935)	-	-
National Lottery Community Fund	-	174,852	(174,852)	-	-
Wales Access to Records	-	56,177	(29,735)	-	26,442
Health & Social Care Board (NI)	-	73,992	(73,992)	-	-
Scottish Government (FASD Project)	-	195,544	(195,544)	-	-
Wales Adoption Services Grant	-	147,325	(147,325)	-	-
NAS Connect Grant (Wales)	-	100,000	(100,000)	-	-
Wales People & Places	-	90,524	(90,524)	-	-
Corra Foundation (Brothers & Sisters)	6,002	98,000	(91,812)	-	12,190
Scottish Government Foundations for Families	-	430,906	(430,906)	-	-
Scottish Government Pathways	-	445,558	(445,558)	-	-
Barclays Charity Trust	14,807	-	(14,807)	-	-
Waterloo	20,066	-	(20,066)	-	-
<b>Total restricted funds</b>	<b>40,875</b>	<b>2,164,813</b>	<b>(2,167,055)</b>		<b>38,632</b>
<b>Designated funds</b>					
John Lewis	18,970	-	(18,970)	-	-
<b>Total designated funds</b>	<b>18,970</b>		<b>(18,970)</b>		
<b>Unrestricted funds</b>					
Fundraising	-	530,036	(177,280)	-	352,756
Membership	-	238,995	(265,078)	-	(26,083)
Trading income including adoption support	-	58,845	(385,625)	-	(326,780)
Other including core grants	-	1,099,041	(1,007,520)	-	91,521
Other	650,227	-	-	-	650,227
<b>Total unrestricted funds</b>	<b>650,227</b>	<b>1,926,917</b>	<b>(1,835,504)</b>		<b>741,641</b>
<b>Total funds</b>	<b>710,072</b>	<b>4,091,730</b>	<b>(4,021,529)</b>		<b>780,273</b>

## Notes to the Financial Statements (continued)

### 14b MOVEMENTS IN FUNDS (Prior year)

	As at 01 April 2022	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
<b>Restricted funds</b>					
National Lottery - TESSA	-	1,023,988	(1,043,364)	19,376	-
Department of Health: Northern Ireland	-	15,826	(16,727)	901	-
Health and Social Care Board	-	73,992	(73,992)	-	-
Scottish Government (FASD Project)	-	195,544	(195,544)	-	-
Wales 3 <sup>rd</sup> Sector Grant	-	189,723	(191,077)	1,354	-
National Adoption Service (Wales)	-	100,000	(103,169)	3,169	-
WCVA	19,495	12,500	(31,995)	-	-
Wales People & Places	-	82,738	(82,738)	-	-
Corra Foundation (Brothers & Sisters)	78,400	-	(72,398)	-	6,002
Corra Foundation (The Promise)	9,485	14,000	(23,485)	-	-
Barclays Charity Trust	49,673	-	(34,866)	-	14,807
Waterloo	-	20,066	-	-	20,066
<b>Total restricted funds</b>	<b>157,053</b>	<b>1,728,377</b>	<b>(1,869,355)</b>	<b>24,800</b>	<b>40,875</b>
<b>Designated funds</b>					
John Ellerman - to support policy work	50,000	-	(50,000)	-	-
FASD Glasgow and Clyde	20,000	-	(20,000)	-	-
Children in Hearing	10,000	-	(10,000)	-	-
John Lewis	-	18,970	-	-	18,970
<b>Total designated funds</b>	<b>80,000</b>	<b>18,970</b>	<b>(80,000)</b>	<b>-</b>	<b>18,970</b>
<b>Unrestricted funds</b>					
Fundraising	-	835,194	(180,670)	-	654,524
Membership	-	291,351	(306,502)	-	(15,151)
Trading income including adoption support	-	110,610	(395,038)	-	(284,428)
Other including core grants	-	943,432	(739,104)	(24,800)	179,528
Other	115,755	-	-	-	115,755
<b>Total unrestricted funds</b>	<b>115,755</b>	<b>2,180,587</b>	<b>(1,621,315)</b>	<b>(24,800)</b>	<b>650,227</b>
<b>Total funds</b>	<b>352,808</b>	<b>3,927,934</b>	<b>(3,570,670)</b>	<b>-</b>	<b>710,072</b>

## Notes to the Financial Statements (continued)

### Purposes of restricted funds

#### **NAS Pathways grant**

Wales funding to deliver combined therapeutic and peer support services in adoption, a new approach to supporting adoptive families

#### **National Lottery Community Fund**

Supporting 2 services; Wales service advocating for the needs of adopted young people at a; school level, local education authority level and national level. At the same time, the young people in our community will gain skills, knowledge and experience by working in an adoption aware environment with the support of trusted adults; and the England Communities Service, which provides activities and events for members and non-members adoptive families to come together in safe spaces.

#### **Wales Access to Records**

This is part of a joint service provision with St. David's, for adopted adults seeking to access their adoption records, with Adoption UK providing membership and therapeutic supports and St David's managing the access to adoption records provision.

#### **Health and Social Care Board**

Funding to provide universal and community support services to adoptive families across Northern Ireland

#### **Scottish Government (FASD Project)**

Funding for the development and provision of resources and support for families with children affected by fetal alcohol spectrum disorder.

#### **Welsh Government (Adoptive Community Support Services Grant)**

Funding to deliver support to the adoption community in Wales with particular emphasis on those families where the children are now teenagers.

#### **NAS Connected service grant**

This service provides youth engagement and activities for adopted young people Wales.

#### **National Lottery Community Fund People and Places grant: Wales**

This service will advocate for the needs of adopted young people at a; school level, local education authority level and national level. At the same time, the young people in our community will gain skills, knowledge and experience by working in an adoption aware environment with the support of trusted adults.

#### **Corra Foundation Brothers and Sisters**

Funding for AUK Scotland to pilot services for adoptive parents of brothers and sisters living together and apart to strengthen sibling relationships, and develop resources for families and practitioners based on engagements with these groups.

#### **The Promise: Corra Foundation**

Funding to develop resources to support adoptive parents and kinship carers to support brothers and sisters living in their care, or living separately.

#### **Foundations for Families**

This service provides community engagement, information, advice, peer and professional supports for Kinship Families across Scotland.

## **Notes to the Financial Statements (continued)**

### **Barclays Charity Trust**

Funding to enable Adoption UK develop and launch a UK-wide model for services to support and engage with adopted children and young people, building on the successes and experience of devolved nation support services.

### **Waterloo Foundation**

For the practical dissemination of findings on the neurocognitive profiles of children adopted from care, and their emotional and behavioural problems

### **Scottish Government Pathways grant**

Scotland funding to deliver combined therapeutic and peer support services for adoption, kinship and permanent foster care families, a new approach to supporting adoptive families

## Notes to the Financial Statements (continued)

### Analysis of net assets between funds

2024	Restricted funds £	Unrestricted funds £	Total £
Fixed assets	-	81,965	81,965
Net current assets	38,632	675,510	714,142
Long term liabilities	-	(15,833)	(15,833)
<b>Total Funds</b>	<b>38,632</b>	<b>741,642</b>	<b>780,274</b>

2023	Restricted funds £	Unrestricted funds £	Total £
Fixed assets	-	41,571	41,571
Net current assets	40,874	653,208	694,082
Long term liabilities	-	(25,581)	(25,581)
<b>Total Funds</b>	<b>40,874</b>	<b>693,198</b>	<b>710,072</b>

## 15 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
<b>Net income for the reporting period</b>	70,202	357,264
<b>(as per the statement of financial activities)</b>		
Depreciation changes	33,168	34,528
Dividends, interest and rent from investments	(6,693)	(917)
(Profit)/loss on the disposal of fixed assets	-	(2,903)
Decrease/(increase) in stocks	696	3,029
(Increase)/decrease in debtors	327,892	(456,032)
Increase/(decrease) in creditors	(202,065)	150,301
Increase/(decrease) in debt	(9,748)	10,252
<b>Net cash provided by operating activities</b>	<b>213,453</b>	<b>75,018</b>

## Notes to the Financial Statements (continued)

### 16 ANALYSIS OF CHANGES IN DEBT

	At 1 April 2023	Cash flows	Other non-cash changes	At 31 March 2024
	£	£	£	£
Cash	201,141	146,582	-	347,723
Loans falling due within one year	(10,000)		-	(10,000)
Loans falling due after one year	(25,581)	10,648	(900)	(15,833)
Balance at the end of the year	165,560	157,230	(900)	321,890

### 17 ANALYSIS OF CASH AND CASH EQUIVALENTS

	As at 01 April 2023	Cashflows	Other changes	At 31 March 2024
	£	£	£	£
Cash at bank and in hand	201,140	146,583	-	347,723
Short-term deposits	-	-	-	-
Total cash and cash equivalents	201,140	146,583	-	347,723

### 18 OPERATING LEASE COMMITMENTS

The charitable company's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2024	Equipment 2024	Property 2023	Equipment 2023
	£	£	£	£
Less than one year	40,148	1,800	42,655	1,323
One to five years	10,030	1,350	1,080	-
	50,178	3,150	43,735	1,323

### 19 LEGAL STATUS OF THE CHARITABLE COMPANY

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

### 20 POST BALANCE SHEET EVENTS

There were no post balance sheet events.

**Adoption UK Charity**

**Bloxham Mill Business Centre**

**Barford Road**

**Bloxham**

**OX15 4FF**

Company number 09454981

Charity number (England and Wales) 1160647

Charity number (Scotland) SC037892



**ADOPTION UK CHARITY**

England & Wales - Charity number 1160647

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# Accounts

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**ANNUAL REPORT**  
2022-23

**Adoption UK Charity**

Company number 09454981

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# About us

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Adoption UK is the leading charity for those who are or were unable to grow up with their birth parents. With over 6,000 members we are the largest voice of adopters and adopted people in the UK. We work with adopters, adopted people, kinship care families, professionals and decision makers in England, Scotland, Wales and Northern Ireland.

## Why we are needed

Three quarters of adopted children have suffered significant violence, abuse or neglect in their birth families, which has lasting impacts on mental and physical health, relationships and learning.

There are lifelong impacts of being adopted. Historic, forced adoption practices have had significant impacts for those separated from their birth families. The majority of modern adoptions result from child protection procedures. Many adopted children, young people and adults live with the lifelong impacts of early life trauma, neglect or abuse and of being unable to grow up with their birth parents.

In order to support adopted children and young people, we are there to support adoptive parents in their important role, as well as being there for the adopted child. Being an adoptive parent is extraordinary, and most families tell us they would encourage others to adopt. But adopting and supporting a child who has experienced trauma can be tough. It takes resilience, understanding and the right support from the start.

## What we do

We help families build brighter futures for vulnerable children and we help those unable to grow up with their birth parents, in childhood and into adulthood. We offer community support, expert advice, therapeutic services and advocacy. In campaigning for improvements to policy and practice, we draw on our growing evidence base about the experience of adopters and adopted people.

The activities currently carried out by the charity can broadly be categorised into the following:

### Information and advice

We provide a one-stop information service for those interested in adoption through our website and social media. We also run a UK-wide helpline, open to all. Our membership services for adoptive families, their friends and relatives and adopted people also provide news and information – for example, the members' areas on our website, newsletters and for families - our bi-monthly membership magazine, *Adoption Today*. We also have a lending library. We also provide information and advice on Kinship Care and Fetal Alcohol Spectrum Disorder (FASD).

### Connecting people

We provide safe spaces for people to connect with others in the same boat, including online forums, conferences, community groups and events. We provide these services for adopters, adopted people, kinship carers and families affected by FASD.

### Providing direct support

Our adoption support services include: 1:1 peer support for adopters; support groups; training courses; and our Psychology and Therapy Hub.

### Influencing

Through our policy work and campaigning we are raising public, political and professional awareness of the needs of adopted children and young people and their families, and adopted adults, and influencing policy and legislation across the UK.

## How our activities deliver public benefit

We use our knowledge and research to influence policy and legislation across the UK. We are the only organisation that speaks for adopters and adopted people at a national policy level, and we have been actively involved in the adoption reform programmes in England and Wales. We advise ministers and civil servants in all four nations of the UK.

We work with practitioners involved in adoption to promote the concerns and interests of adoptive families and adopted people, and to develop appropriate support services in partnership with them.

We do this by providing information, advice, support and training to prospective adopters, adoptive parents and others delivering permanence to children who cannot live with their birth parents. Our information and services are rooted in the personal experiences of those we work with so that, as an organisation, we are at the centre of a self-help network of peer support.

These networks:

- Enable adopted young people and adults to come together, build peer support and influence policy and practice.
- Help parents and carers to explore the unique social, emotional and developmental needs of their children and promote effective parenting practice based on a combination of personal experiences and current theories of trauma, attachment and child development.

Our work delivers clear public benefit through supporting those who are or were unable to live with their birth parents, in childhood and in adulthood – giving them an equal chance to thrive. We support people individually and we support their families, helping everyone to deal with the effects of early trauma. Adoptive parents, carers and their families, as well as practitioners that work with them, benefit from the support we offer in carrying out their therapeutic role.

## Influencing change

Adoption UK engages with adopted people, those with care experience, adopters, kinship and foster carers, key sector groups, civil servants, ministers and other stakeholders to advise on draft legislation and push for changes in law, policy and practice.

Our policy and campaigning work is led by our Chief Executive, with the support of our Director of Public Affairs and Communications, our Policy Advisors and the Directors of Services in England, Scotland, Wales and Northern Ireland.

# What drives us



## Vision

An equal chance of a bright future for every child unable to live with their birth parents.

## Purpose

To secure the right support at the right time for the children at the heart of every adoptive and kinship care family.

## Values

### We are open

We champion every adoptive and kinship care family – we value diversity, equality and inclusion.

We're honest about the realities of adoption and kinship care, and about what needs to change.

We work constructively with others – we stand up for great ideas, good decisions and excellent support for families.

### We are stronger together

We pioneer peer support in adoption and kinship care.

We enable families to build – and draw strength from – their networks.

We work with families to build an expert case for better support.

### We are determined

We won't stop until every adoptive and kinship care family has what they need to thrive.

We will empower every adoptive and kinship care family to ask for and get what they need.

Together, our community is a powerful force for change in the lives of the children we love.

## Chair's report

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I am delighted to present the Adoption UK Trustees' report for 2022-23. This has been another extraordinary year for the charity as we continued to wrestle with the fallout from Covid and cost of living impacts, whilst supporting adopted and care experienced people and their families through challenging times. I am happy to report that in spite of these challenges, through excellent management and planning, the charity continued to provide essential services without interruption.

Once again, we worked closely with our workforce, funders, contractors, donors and members as we made the necessary changes within the organisation to help us navigate these uncertain economic times being experienced by the sector and the country as a whole. Despite the challenges this year, we are in a stronger financial position with growing reserves.

I am equally proud of the leadership, drive, determination and commitment that Adoption UK shows every day. We are always looking for ways in which we can make a difference to families and the lives of young people, whether this is through our 1:1 work, the provision of high-quality services to families and whole communities or through our national campaigning and influencing work.

This year we appointed our new CEO Emily Frith. Emily brings a wealth of experience and expertise in working on behalf of children and families, with a focus on mental health and children's social care policy. She has a strong drive to centre the voices and experiences of adopted children, young people and adults, as well as those parenting and caring for children who are not able to remain with their birth families, in everything we do. Her strong leadership has ensured we are on a secure footing for the coming few years.

In particular, I am delighted that we have:

- Launched new memberships for adopted people, and friends and relatives;
- Extended our work with young people
- Worked directly with adopted adults
- Received a good rating in our Ofsted inspection
- Launched the fourth Adoption Barometer
- And held a successful conference with a focus on the power of connection.

Looking forward, I am confident that Adoption UK is in a strong position to pursue our vision of an equal chance of a bright future for every child unable to live with their birth parents. To help us achieve this, we are investing in workforce development and wellbeing as a key priority in 2023. We will also continue to develop our work directly with adopted people, establishing an Advisory Group to help shape our work in this area.

Mike Rebeiro, Chair of Trustees

November 2023

## Chief Executive's overview

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I was delighted to join Adoption UK in October 2022, starting straight in the deep end with our brilliant annual conference based on the theme of connections. That conference highlighted the way in which Adoption UK, and the adoption world in general, is changing – the theme of openness in adoption, and managing contact with first families and other important figures in a child's life is one of the biggest issues in adoption today.

I joined Adoption UK because I am passionate about ensuring that people affected by early trauma can get the support they need to thrive. My work in mental health and children's social care policy has helped me to recognise how too often families are left struggling without the right support. My work at the Children's Commissioner has given me a passion for giving children and young people a voice – and that is something I am determined that we at

Adoption UK will do, with the development of our youth services and advisory group.

This year has been a time of significant change for Adoption UK, with a change of leadership and a time of reflection around our strategic direction. We are committed to centering the voices of adopted people within our organisation, and this year we launched our first ever membership offer for adopted people. The voice of adopted people was also much stronger in this year's Adoption Barometer, which focused on the theme of contact with birth family members. Now in its fourth year, the Barometer is a comprehensive survey of the views of people whose lives are touched by adoption, and it is seen as a key indicator of progress in improving the adoption system.

This year has also seen the establishment of our Psychology and Therapy Hub, providing specialist expert therapeutic support to adoptive families across the UK, and marrying expert clinical experience with peer support. I am excited to see how this service can deepen the level of support we offer, enabling us to further enhance our mission as a charity.

Like all charities, we have experienced the challenges of the cost-of-living crisis and this year had to make difficult decisions to tighten our belts. However, we ended the year in a very strong financial position, with income from grants, contracts and fundraising meaning that we were able to move closer to meeting our reserves policy.

This year our services for Kinship carers have also expanded, through our Kinship Care Advice and Support Service and our FASD Hub. The world of adoption and permanence is changing, with a greater focus on open adoption and of the importance of all forms of permanence. We are changing with it, and I want to create spaces where adopted people, adopters, kinship carers, first families, and all those involved in the adoption system can tackle this uncharted territory together. This new direction will be at the heart of our next strategy, which we will be developing over the next year, working with our workforce, stakeholders, our Advisory Groups, and our members and service beneficiaries. Setting out the next steps in our mission to create a society where those who are unable to grow up with their birth parents have an equal chance to thrive.

Emily Frith, CEO

November 2023

# Impact report

 <p><b>6,000</b></p> <p>We have a membership of 6,000 from across the adoption community.</p>	 <p><b>720</b></p> <p>There were 720 attendees at our webinars, on topics from therapies to the benefits system.</p>
<p><b>9/10</b></p>  <p>Our research shows 90% of prospective adopters said their decision to adopt was impacted by the rising cost of living.</p>	 <p><b>2,000</b></p> <p>Our helpline handled 2,000 calls and emails, giving support and advice to members and non-members.</p>
<p><b>2,000</b> Hours of activities and support were delivered through our youth programmes which provided peer support and skills. </p>	
<p>“ Before I had times where I felt I couldn’t cope, couldn’t carry on – it felt like complete blackness. The group has been a rainbow in that blackness ”</p>	 <p><b>5,000</b></p> <p>There were 5,000 attendances at our community groups and events across the UK providing peer support for families and children.</p>
<p><b>580</b> families were supported through specialist therapeutic programmes. </p>	<p>“ We were in a state of crisis. We were referred to Adoption UK and it has been fantastic – a game-changer. ”</p>
<p><b>3,300</b> hours of training on topics such as specialist parenting and education were delivered. </p>	<p><b>3,000</b> respondents added their voice to the Adoption Barometer Report which was taken to UK parliaments as part of our campaigning work. </p>
<p>“ When I felt my smallest and most fearful, you were there as a beacon of knowledge, care and kindness. ”</p>	<p><b>12</b> projects were commissioned that provide support to young people. Kinship carers and those impacted by FASD. </p>
<p><b>£1m</b> Thanks to the generosity of our donors, we have raised £1m in grants and funding, allowing us to reach even more children, families and young people.</p>	

# The year in review

## March 2022

The Adoption and Children Bill passed into legislation in Northern Ireland. The Bill, which is the result of years of hard work by many politicians, families and organisations including Adoption UK, modernises the adoption process and creates a legal duty to provide post-adoption support.

## June 2022

The Adoption Barometer Report was published and launched in the UK parliaments. It is the largest and most influential report into adoption in the UK.

## September 2022

Our FASD Hub Scotland, funded by the Scottish Government, led a campaign of training and awareness -raising during FASD Awareness Month.

## October 2022

Emily Frith was appointed as our new CEO. She has brought a wealth of experience with her having worked for the Office of the Children's Commissioner and in Westminster.

Two new memberships were launched for adopted people and for friends and relatives.

## November 2022

Our in-house therapeutic service PATH was launched and we held our annual conference on the theme of The Power of Connections in Bristol.

## January 2023

Our cost of living survey results were published revealing that 9 out of 10 prospective adopters report that the cost of living crisis was significantly influencing decisions they were making about adopting.

## February 2023

We received funding from the John Lewis Partnership allowing us to develop our services for adopted children and young people in England.

## March 2023

OFSTED inspectors awarded Adoption UK's services in England as 'Good'.

Funding was awarded to Adoption UK to provide therapeutic support for kinship carers in Scotland. Our Adoption Alliance project, focusing on young people and education was launched in Wales, funded by The National Lottery.



# Financial summary and fundraising

## Income

Most of our income is secured from adoption support contracts and devolved government grants to deliver support services. We also rely heavily on donations and membership subscriptions to help us represent and meet the needs of the families we serve.

Despite ongoing challenges across the adoption sector, our income has grown year on year for the last 5 years and rose by 14% between 2022 and 2023.

This year's increase was in large part due to a single legacy donation notified late in the year, which offset a difficult fundraising environment, with lower than usual income secured from charitable giving trusts and foundations, general donations, community fundraising and membership. We continued to benefit from recently introduced service programmes— including the Connected service in Wales, the FASD Hub and Kinship Care Advice and Support Service in Scotland and Psychology and Therapy Hub (PATH) provision of supports.

We are very grateful to all the families, trusts, foundations and companies who supported us this year.

## Expenditure

This year, we began to feel the impacts of inflation and salary increases against those established income grants and contracts which did not allow for forecast annualised increases against inflation. In consideration of these risks and the squeeze on fundraising and donations, our trustees approved carefully planned and managed cost savings and organisational changes designed to reduced central costs and overheads, and to postpone planned organisational development projects. As a result of organisational changes implemented during the course of the year we reduced our forecast expenditure by £265,685, resulting in a year on year fall in expenditure of around £25,000; compared to a £725,000 rise in expenditure the previous year.

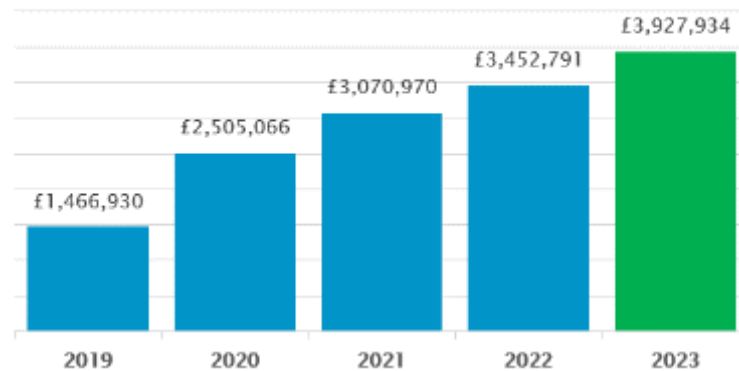
The organisational changes made during the course of 2022-23 financial year, which enabled us to offset inflationary and increased salary costs, has enabled us to begin implementing the planned developments of our partnerships development team, designed to grow unrestricted income and diversify our income streams further; and to invest in our people services team to further develop our workforce, improving retention, skills base and career development.

## Your support

We are Incredibly grateful to all those who have taken the time to support the charity again this year, be that as a volunteer, a donor or fundraiser and to those who have remembered us In their will. During the year, community fundraisers have taken part in a number of challenges to raise money for Adoption UK, including the Aberdeen Kiltwalk, Battersea Half Marathon, London to Brighton cycle, The Wolf Run, Edinburgh Women's 10k, Scottish Half Marathon and a Kilimanjaro Hike..... And many have made collections for their own activities, birthdays, celebrations and in memorial donations. We are grateful for an proud of all those fundraising heroes and heroines who have donated to Adoption UK again this year.



Income: Year ending 31 March



## Trusts, foundations and corporates

We are also extremely grateful to all the many the charitable trusts, foundations and corporate sponsors who have supported Adoption UK this year. In particular, we would like to recognise the support of:

Belfast St Annes Cathedral	The Dulverton Trust
Corra Foundation	The Hugh Fraser Foundation
Doris Field Charitable Trust	The National Lottery Community Fund
John Lewis & Partners Foundation	Cronfa Gymunedol y Loteri Gendlaethol
Mr and Mrs J A Pye Charitable Settlement	The Souter Charitable Trust
Short Breaks Fund	The W M Mann Foundation
Tesco Community Grants	The Waterloo Foundation
The Casey Trust	Victoria Homes Trust
The Courant Fund for Children	WO Street Charitable Foundation

## Our vision of success

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Our priority is to ensure adoption, education and health systems give children who cannot remain with their birth parents an equal chance to thrive, in childhood and into adulthood. We do this in four ways:

### We provide information, advice and training

We aspire to be the leading source of accurate and up-to-date information and advice for adopted people and their families. We empower people by providing accurate, up-to-date and relevant advice and information through our helpline, website, factsheets and resources. We provide high quality and popular training courses to help people provide the right support for children and young people affected by early childhood trauma.

Our webinars and training help to educate and inform on topics as diverse as therapeutic parenting, FASD, the lifelong impacts of adoption, the experiences of trauma, parenting siblings and many more.

We are also a trusted source of information and advice for professionals working with adopted people, including schools and adoption agencies.

### We connect people

We create safe spaces for people to build their own networks of support. Through our support groups and events, both online and face to face, we bring people together to have fun, to offload and to support each other. We build connections that often last a lifetime. We help people find others who understand their experiences and create spaces where they can be themselves.

### We provide direct support

We provide a powerful combination of professional expertise and peer support directly to children, young people and their families. This includes mentoring, peer support, and specialist therapeutic services.

### We change the system

We work hand in hand with those with lived experience to bring about changes to policy and practice that will translate into real improvements in the lives of care experienced people and their families. We influence politicians, policymakers and practitioners to create the change we want to see in the adoption and care system. We aim to centre the voices of those who are unable to live with their birth parents, ensure they are listened to by those with the power to change things for the better.

This year we are in the process of developing a new strategy, with the views and experiences of adopted people at the centre. The world of adoption is changing and modernising and we are changing with it. We are listening to the voices of adopted and care experienced people and to those who care for them, to understand how we can fulfil our vision and make the biggest difference for the families who need our support.

## Reference and administrative details

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### Trustees

The trustees who served during the period under review and up to the date of approval of the financial statements were:

<b>Mike Rebeiro</b>	Chair of Trustees
<b>Anna Jaques</b>	Joint Vice Chair of Trustees; chair of People and Culture Committee
<b>Melissa Shackleton</b>	Joint Vice Chair of Trustees
<b>Tony Eastwood</b>	Chair of Finance and Scrutiny Committee
<b>Wesley Graham</b>	Trustee
<b>Clare Hudson</b>	Trustee
<b>Anju Mahbubani</b>	Trustee
<b>Jordina Walker</b>	Trustee
<b>Anuradha Parekh</b>	Trustee, appointed 23 June 2022
<b>Dani Stuart</b>	Trustee, appointed 27 July 2022
<b>Siobhan Rhodes</b>	Trustee, appointed 22 June 2023
<b>Jeremy Langley</b>	Trustee, resigned 03 May 2022
<b>Beth Clarke</b>	Trustee, resigned 05 May 2022
<b>Emily Boardman</b>	Trustee, resigned 02 November 2022
<b>Henrietta Delalu</b>	Trustee, resigned 22 September 2023

### Officers

<b>Emily Frith</b>	Chief Executive
<b>William Joel Sadler</b>	Director and Chief Operating Officer and does not hold any voting rights on the Board of Trustees.
<b>Jacque Joy</b>	Company Secretary

### Principal advisors to Adoption UK

<b>Bank</b>	HSBC, 15 Church Street, Rugby, Warwickshire CV21 3PN
<b>Accountant</b>	Crossley Third Sector, Star House, Star Hill, Rochester, Kent, ME1 1UX
<b>Solicitor (charity)</b>	Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES
<b>Auditors</b>	Moore Kingston Smith LLP, 6th Floor, 9 Appold Street, London, EC2A 2AP

## Company details

<b>Registered charity number (England and Wales)</b>	1160647
<b>Registered charity number (Scotland)</b>	SC037892
<b>Company registration number (England and Wales)</b>	09454981

## Offices

<b>Registered head office</b>	Bloxham Mill, Barford Road, Bloxham, Oxfordshire OX15 4FF
<b>Northern Ireland</b>	63-75 Duncairn Gardens, Belfast, BT15 2GB
<b>Scotland</b>	Great Michael House, 14 Links Place, Edinburgh, EH6 7EZ
<b>Wales</b>	Office 9, Big Yellow, 65 Penarth Road, Cardiff CF10 5DL

# Structure, governance and management

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## Trustees

The trustees are responsible for Adoption UK Charity. As stated by the Charity Commission, their responsibilities are to ensure the charity is carrying out its purposes for the public benefit, comply with the charity's governing documents and the law, act in the charity's best interests, manage the charity's resources responsibly, act with reasonable care and skill, and ensure the charity is accountable. The trustees agree an outline plan and budget annually.

In planning the activities, the trustees have had regard to the guidance on public benefit issued by the Charity Commission.

Trustees are appointed by existing trustees. The induction and training of trustees includes:

- Reading an induction pack. This includes: the Charity Commission's booklet, The essential trustee: what you need to know, what you need to do (CC3); our Memorandum and Articles of Association; our key policies and procedures; our most recent annual accounts/report; our most recent strategic plan; and other relevant documents.
- Meeting with the chair of trustees and chief executive. The nature of this meeting will largely depend on what was covered during the recruitment process. But it will be an opportunity for new trustees to ask questions about Adoption UK and discuss more about their role as a trustee.
- Getting to know the team. Within approximately three months of becoming a trustee, we will arrange for them to meet with senior leaders. Trustees are all encouraged to attend the annual Adoption UK conference – but particularly during their first year.
- Updates from the Charity Commission. As part of our endeavour to not only be compliant but be an example of good practice, we ask trustees to commit to reading, and disseminating as necessary, updates from the Charity Commission. The Trustees have recently reviewed our practices using the 'Charities Governance Code', agreeing some governance changes and are about to review the potential impact of the Charities Act 2022.

The governing documents of Adoption UK are our Memorandum and Articles of Association dated 24 February 2015 and the charity is constituted as a company limited by guarantee.

A review of the organisation's Articles of Association and Charitable Objects was undertaken by the Board of Trustees in September 2023; changes proposed will allow the organisation to further diversify our services to meet the needs of all those impacted when children are unable to live with their birth parents.

## Leadership

The Trustees delegate certain duties and responsibilities to the Chief Executive, who is supported by a team of senior leaders. Our Chief Executive is Emily Frith, who joined Adoption UK in October 2022.

Emily is supported by a Senior Leadership Team comprised of our Chief Operating Officer (Joel Sadler), Director of Public Affairs and Communications (Alison Woodhead), Wales Director (Ann Bell), Scotland Director (Fiona Aitken), Northern Ireland Director (EJ Havlin), Director of Quality Assurance (Jane White) and Head of England Service Delivery (Samantha Parkin) who represent all areas of our work and are responsible for day-to-day decision making.

The role of the senior leadership team is to support the CEO in the delivery of the strategy decided by the board of and includes: appointing employees and volunteers and decisions regarding expenditure – as long as employee and volunteer appointments and expenditure are in-line with our strategy – budget, and delegated authority agreed by trustees.

Remuneration of senior employees is reviewed annually by the trustees as part of our budget setting and all employee roles are subject to independent salary benchmarking, by reference to charity sector information.

## External engagement

Adoption UK recognises the importance of engaging with key stakeholders in the sector and other experts, as well as our service users. As part of our review of activities in 2022 we ended the practice of using nation-based advisory boards in Scotland, Northern Ireland and Wales and will be moving to a theme-based approach to engage with a wide range of stakeholders on a regular basis.

## Risk management

The organisation has a low appetite for reputational and financial risk. The trustees and senior leadership team consider the risks to Adoption UK Charity on a regular basis, reflecting on internal and external changes, and assess whether existing practices, processes, systems and reporting mechanisms are effective and adequate to minimise risk and mitigate the impacts should risk events occur. The senior leadership team and trustees are informed about risk management using a risk register as a dashboard. Assessment of risk is also built into the development and ongoing monitoring of each service delivery programme. The main risks detailed in the register and our plans to manage them are:

## Employee and volunteer wellbeing

Trustees and senior leaders continue to monitor and manage the potential wellbeing and health risks to employees, volunteers and our services, with most employees working from home since spring 2020. We have transformed how we work and deliver many of our services for families via video or audio channels. We continue to offer virtual supports alongside any resumption of face-to-face activities. Our flexible and responsive approach to activities has allowed us to maintain existing grants and funding streams.

In the 2023-24 and 2024-25 financial years we plan to invest further in workforce learning, development and wellbeing and better utilize annual surveys and on-going employee and volunteer engagement to inform how we support and develop our workforce. In the summer of 2023 we have appointed a People Development and Wellbeing Manager and two People Development Officers to deliver this change and we will introduce a new HR Management system in November 2023.

## Mission drift

Trustees regularly review the activities of the charity in the context of the values, purpose and mission of the organisation. In September 2023 our Board of Trustees reviewed and proposed a restatement our Charitable Objects to better reflect the planned direction of travel for the organisation; this was needed to ensure that the organisation was aligned with the changing landscape of the adoption and permanence sector, which is making increased use of kinship care, long-term foster care/continuing care arrangements for children unable to live with their birth parents. The proposed changes to our Charitable Objects and Articles of Association have been submitted to The Charity Commission.

We have this year changed our Ofsted registration to allow us to directly deliver services to children and young people in England, following the success of programmes in Northern Ireland, Scotland and Wales.

## Loss of operational capacity

The charity grew significantly over the previous two years, as we built our delivery teams and strengthened our senior leadership team and board of trustees. Although this growth was directly related to the expansion of our service provision and created a rise in income, it gave rise to increased overheads, indirect costs and increased spend on fundraising activities, which have been adversely impacted by inflationary pressures at a time when we saw a downturn in general public donations and greater competition for grant giving trust funds. In response to those emerging challenges we undertook some organisational changes during the year, reducing unrestricted spend, overheads and indirect costs in order to safeguard core activities and service delivery. In 2023 and 2024 we are investing in areas of the business that will drive income growth, support sustainability and diversification of income streams and investing in workforce development to reduce turnover and improve productivity and quality of services; these planned developments will reduce risk around loss of operational capacity.

## Financial risk

Our reserves policy states that Adoption UK Charity should have sufficient funds to meet its financial commitments, to demonstrate future sustainability and security, to ensure that we can manage future unforeseen financial difficulties, and to ensure that excessive funds are not held without any identifiable reason or for any unidentifiable purpose. Our aim of holding between three and six-months' worth of operating costs as reserves has not been possible over the last six years; as a consequence of this, in 2022 trustees agreed to implement a number of organisational changes to better position the charity for year on year growth; by reducing unrestricted spend and central overheads, premises costs and indirect costs, enabling more of our income growth to contribute to reserves and strategic developments.

## External factors

Our work is impacted by the continually changing landscape of fostering and adoption in the UK – as a result of legal precedence, government policy, legislative change and social work practice. We make sure we stay on top of what is happening and are creating an organisation that, while having a clear direction, remains agile so we can effectively respond to these changes. A broad funding base is a vital factor in ensuring our resilience in an ever-changing landscape and to this end we are developing a varied and sustainable approach to income generation.

## Governance and compliance

The Charity is committed to meeting all of the requirements of the Charity Commission, Companies House, Care Inspectorate Wales, Ofsted and other relevant regulatory bodies. We are committed to being a model of good practice in governance and compliance, with the Board supported by trustee-led sub-committees for finance, people and culture and equality, diversity and inclusion. We ensure we are aware of the impact of changes to legislation and guidelines and, as our activities develop, we actively check whether that introduces the need for us to comply with additional legislation or guidelines.

## External changes

Along with most other charities and organisations operating in the adoption sector we are conscious of the risks and impacts that can emerge from legislative change and public funding decisions. We are proactive in not just horizon scanning, but in actively engaging with the UK and devolved governments to influence and drive change in the agenda. In order not to be overly reliant on a small number of government grants and local authority income, we continue to diversify our activities and income streams. We are also investing in strengthening our capacity and expertise to grow unrestricted funding and mitigating those risks.

## Health, safety and environment

As an employer and provider of services to the adoption community, we understand areas of risk including workload and working hours, travel/commuting, working environments, travel and manual handling. We aim to mitigate these risks through policies and guidelines, training, good line management and peer-to-peer accountability.

## Safeguarding

We have an approved safeguarding policy which is reviewed regularly and is part of the induction process. This is supported by a newly appointed Director of Quality Assurance, who is also our registered manager for regulated services in England and is the organisation's safeguarding lead. We operate with a contingent of safeguarding contacts to ensure 24-hour cover. There is an annual refresher of awareness training.

# Financial review

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## Financial position at the end of March 2023

We are pleased that 2022-23 saw us increase our income by 14% compared to the prior year; however, we are conscious that this was largely due to a single legacy and in the face of a challenging year for general fundraising and charitable grant income.

The income for the year ending 31 March 2023 was £3,927,934, expenditure being £3,570,671 resulting in an operational surplus of £357,264 for the year.

The charity's restricted reserves position fell from £157,053 to £40,874 as we utilised reserves held for restricted grant funded work during the year, in line with the agreement of funders.

The total reserves position on 31 March 2023 was £710,072, of which £669,198 are unrestricted reserves. We designated £18,970 for spend against specific projects in 2023-24, meaning that we had general funds of £650,228 at the year end.

Notable sources of income during the year included:

- A one-off legacy of £750,000.
- Year 3 of the £270,000 per annum contract with Scottish Government to deliver the Scotland Kinship Care Advice and Support Service.
- Collective National Lottery Communities Fund, Scottish Government and Welsh Government funding of £1,023,988 to deliver year 4 of our Adoption Pathways (formerly TESSA) service in England, Scotland and Wales.
- Scottish Government grant of £195,544 funding of our Fetal Alcohol Spectrum Disorder (FASD) service.
- Membership Income of £291,351

## Reserves policy

Our reserves policy is to ensure that Adoption UK Charity has sufficient funds to meet its financial commitments, to demonstrate that we are sustainable into the future, to ensure that we can manage future unforeseen financial difficulties and to ensure that excessive funds are not held without any identifiable reason or for any unidentifiable purpose.

It is the trustees' general view that the desirable level of free reserves is six months of operating cost, with additional consideration of a risk-based approach that considers known income for the year ahead and the security of that income. Based on the risk-based calculations the trustees consider that for 2023-24, the desirable unrestricted reserves level would be approximately £675,000. Our free reserves are £669,198.

While this means that the charity's reserves position at the end of the year is marginally lower than our policy target, and our short and long term loan commitments remain low at £10,000 and £25,581 respectively (both relating to a bounce back loan), the total amount due to creditors within one year rose by £150,301. See note 11 in the notes to the financial statements for further information.

Trustees will review the charity's policy for the appropriate level of unrestricted reserves required at our November 2023 Board of Trustees meeting, taking into account any changed risk factors and planned expenditure.

## Fundraising

Our fundraising plans are approved by the trustees and monitored by the senior leadership team. Although our income (see more details below) is derived from a number of sources, a significant proportion of our income comes from grant giving trusts and foundations, as well as central government grants. In addition, we operate a subscription membership offer and we work in partnership with agencies and local authorities, who commission our services and support programmes. Our fundraising activities are primarily conducted by our employees and volunteers – from time-to-time drawing on the expertise of advisors.

## Our approach to fundraising

During the year, around 2.2 per cent of Adoption UK's income was generated from our general fundraising activities – often thanks to individuals raising income at Adoption UK events or their own events and activities.

We do not employ the services of any fundraising agencies or third parties, nor do we run telephone or door-to-door fundraising campaigns. Our relationship with our supporters is very important to us and the charity does not wish for them to feel under any pressure to donate.

We have a close relationship with our fundraisers and support them in delivering their events and complying with the relevant codes of practice. Where we work with commercial participators, contracts are exchanged so we can ensure compliance with the code of fundraising practice, applicable laws and adherence to best practice.

In 2023 we have Invested In our fundraising and partnerships team, with the Intention to grow our general fundraising activities.

We received no complaints about our fundraising practices in the year to 31 March 2023, nor for the year ended 31 March 2022.

## Fundraising practices

As part of our commitment to best practice, we adhere to the standards set by the Fundraising Regulator and the Institute of Fundraising. We aim to ensure that our fundraising is respectful, open, honest and accountable to the public. Adoption UK is registered with the Fundraising Regulator.

We have a clearly documented complaints procedure in place, enabling any concerns regarding our fundraising activities to be responded to quickly. During the year, there have been no instances of non-compliance with the requirements of the fundraising code of practice and no complaints have been received by the charity regarding fundraising activities.

Our fundraising policy clearly states the steps that should be followed to protect vulnerable people and ensure that anyone who wants to support the charity has the relevant capacity to make the decision to donate.

## Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. With current committed income streams and costs forecast up to 31 March 2025, trustees have taken steps to restructure the organisation that has assured a very positive 2023-24 budget, which carries high confidence in delivering significant contributions to reserves.

The trustees have considered the potential impact of the UK economic uncertainty and ongoing related inflationary pressures. Income growth was 14 percent in 2022-23, which followed a prior year growth of

11.2 percent and is forecast to remain steady in 2023-24. Trustees were prudent in their assumptions on continued growth and, having regard to the emerging external economic challenges for the third sector, the wider economy and for our workforce, made budget adjustments linked to a business change plan that incorporated restructuring of some services and departments, as well as driving a reduction in current and future unrestricted spend, including overheads and indirect costs.

These adjustments, restructuring and costs savings delivered a 2022-23 expenditure £24,699 lower than the prior year, and £265,865 less than the original planned spend for the year, despite increased employee salary costs and inflationary pressures; thus enabling the organisation's reserves to benefit fully from the Income growth achieved.

As of 31 March 2023, the charity had net current assets of £694,082 (2022: £324,422) and our unrestricted reserves rose to £669,198 (2022: £195,755), which are marginally below our reserves policy risk adjusted target of £675,000. A review of our risk adjusted reserves target will be undertaken in November 2023 and the year-end forecast for 2023-24 and budget for 2024-25 indicate further surpluses and reserves growth.

Trustees have considered forecasts and projections and based on the recent income growth, the level of reserves, the delivered and forecast reductions in our unrestricted costs, overheads and indirect costs, our cash position, our forecast 2023-24 and 2024-25 draft budget surpluses. They have concluded that there are no material uncertainties as to the charity's ability to continue in operational existence for the foreseeable future. The charity continues to adopt the going concern basis in preparing the financial statements.

## Statement of the board's responsibilities

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The trustees (who are also directors of Adoption UK Charity for the purposes of company law) are responsible for preparing the trustees' annual report (including the strategic report) and the financial statements, in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial period that 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 laid out by the 'Accounting and Reporting by Charities: Statement of Recommended Practice 2015' (Charities SORP)
- make judgements and estimates that are reasonable and prudent
- state whether FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' has been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charitable company. These records should also enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, as amended by The Charities Accounts (Scotland) Amendment (No 2) Regulations 2014.

Trustees 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 board of trustees is aware:

- there is no relevant audit information of which the company's auditors are unaware and
- they have taken all the steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The trustees' annual report is approved by the trustees of the charity. The strategic report, which forms part of the annual report, is approved by the trustees in their capacity as directors in company law of the charity.

By order of the board of trustees on 29 November 2023 and signed on its behalf:

Mike Rebeiro, Chair of Trustees

November 2023

# Independent auditors' report

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## To the Members of Adoption UK Charity

### Opinion

We have audited the financial statements of Adoption UK Charity ('the company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 2023 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, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

### 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 financial statements section of our report. We are independent of the Corporation 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 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 directors with respect to going concern are described in the relevant sections of this report.

### Other information

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

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

required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 trustees' annual and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 22, 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, the Companies Act 2006 and Section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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 objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

### **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 charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and in respect of the consolidated financial statements, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

Luke Holt (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street

London

EC2A 2AP

Date:

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

# Statement of financial activities

Incorporating the income and expenditure account for the year ending 31 March 2023

	Notes	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Income from:					
Donations and legacies	2	835,194	-	835,194	249,079
Charitable activities					
External Communications		5,471	-	5,471	77,842
Membership Services		291,351	-	291,351	361,242
Adoption Support Services		962,402	1,728,377	2,690,779	2,732,921
Other trading activities		104,222	-	104,222	31,406
Investments		917	-	917	301
<b>Total Income</b>		<b>2,199,557</b>	<b>1,728,377</b>	<b>3,927,934</b>	<b>3,452,791</b>
Expenditure on:					
Fundraising	3	180,671	-	180,671	168,072
Charitable activities					
External Communications	3	395,038	-	395,038	452,866
Membership Services	3	306,502	-	306,502	304,906
Adoption Support Services	3	819,104	1,869,355	2,688,459	2,669,525
<b>Total Expenditure</b>		<b>1,701,315</b>	<b>1,869,355</b>	<b>3,570,670</b>	<b>3,595,369</b>
Net income for the year and net movement in funds	4	498,242	(140,978)	357,264	(142,578)
Transfers between funds		(24,800)	24,800	-	-
Net income before other recognised gains and losses		473,442	(116,178)	357,264	(142,578)
Net movement in funds		473,442	(116,178)	357,264	(142,578)
Reconciliation of funds:					
Total funds brought forward		195,756	157,052	352,808	495,386
<b>Total funds carried forward</b>		<b>669,198</b>	<b>40,874</b>	<b>710,072</b>	<b>352,809</b>

The company's income and expenditure all relate to continuing operations. The company has no recognised gains or losses other than shown above. Movements in funds are disclosed in Note 14a to the financial statements. The accompanying notes form an integral part of these financial statements.

# Balance sheet

(as at 31 March 2023)

	Notes	2023 £	2023 £	2022 £	2022 £
<b>Fixed Assets:</b>					
Tangible Assets			33,657		58,913
Intangible Assets			7,914		5,306
	9		41,571		64,219
<b>Current Assets:</b>					
Stock		2,825		5,853	
Debtors	10	970,243		514,211	
Cash at bank and in hand		201,140		134,182	
		1,174,208		654,246	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	11	(480,126)		(329,825)	
<b>Net current assets</b>			<b>694,082</b>		<b>324,422</b>
Total assets less Current Liabilities			735,653		388,641
Creditors: amounts falling due after one year	12		(25,581)		(35,833)
<b>Total net assets</b>			<b>710,072</b>		<b>352,808</b>
<b>The funds of the charity:</b>					
Restricted income funds			40,874		157,053
Unrestricted income funds:					
Designated funds			18,970		80,000
General funds			650,228		115,755
<b>Total charity funds</b>	<b>14a</b>		<b>710,072</b>		<b>352,808</b>

The accompanying notes form an integral part of these financial statements. The accounts on pages 27 to 44 were approved and authorised for issue by the Board of Trustees on 29 November 2023 and signed on its behalf by:

Mike Rebeiro,  
Chair of Trustees

# Statement of cash flows

(as at 31 March 2023)

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Net cash provided by / used in operating activities	15		75,018		(417,648)
Cash flows from investing activities:					
Dividends, interest and rents from investments		917		301	
Purchases of fixed assets		(8,977)		(45,502)	
Net cash used in investing activities			(8,060)		(45,201)
Change in cash and cash equivalents in the year			66,958		(462,849)
Cash and cash equivalents at the beginning of the year			134,182		597,031
Cash and cash equivalents at the end of the year			<b>201,140</b>		<b>134,182</b>

# Notes to the financial statements

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(For the year ended 31 March 2023)

## 1 ACCOUNTING POLICIES

### a. Statutory information

Adoption UK Charity is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is Bloxham Mill, Barford Road, Bloxham, Oxfordshire, OX15 4FF.

### b. Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements. The financial statements have been prepared in accordance with the '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 (FRS102) including Update Bulletin 2, (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. All financial reporting is in Sterling and rounded to the nearest pound £.

### c. Public benefit entity

Adoption UK constitutes a public benefit entity as defined by FRS 102.

### d. Going concern

In the current economic climate, there are always risks that some income may not come in as anticipated and, indeed, external events may, despite considered planning, have an adverse effect on the charitable company. Annual budget have been revised taking this into account with prudent figures for both income and expenditure. Current committed income streams and costs have been forecast up to 31 March 2025 and management are working strategically to secure other sources and constantly work to keep costs to a minimum.

As at 31 March 2023, The charity had net current assets of £694,082 (2022 - £324,422). Conscious of the need to strengthen liquidity in a difficult environment and to return reserves to a strong base, management took steps to secure new long term funding and to reduce the cost base. These steps are further described in the Trustees' Report.

The trustees have reviewed the plans and the detailed forecasts that management have prepared for the charitable company taking into account the new finance raised. Accepting that it is not always possible to predict all external factors that might affect the organisation, the trustees consider that it is reasonable to assume that the charitable company will continue as a going concern and to prepare the accounts on that basis.

### e. Income

Income is recognised when the charitable company has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charitable company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

## Notes to the Financial Statements (continued)

### f. Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

### g. Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in attracting third party voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services, events and other training activities undertaken to further the purposes of the charitable company and their associated support costs.
- Other expenditure represents those items not falling into any other heading.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### h. Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis, which are an estimate: based on employee time attributable to each activity.

Where information about the aims, objectives and projects of the charitable company is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are reallocated to each of the activities on the following basis, which is an estimate, based on employee time attributable to each activity.

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

### i. Operating leases

Rental charges are charged on a straight-line basis over the term of the lease.

### j. Fixed assets

Items of equipment are capitalised where the combined purchase price exceeds £500. Depreciation and amortisation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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

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

## Notes to the Financial Statements (continued)

- Computer equipment Three years straight line
- Systems development Four years straight line
- Office equipment Four years straight line
- Fixtures and fittings Five years straight line
- Leasehold improvements Five years straight line
- Intangible Assets Four years straight line

### k. Stocks

Stocks are publications stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

### l. Debtors

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

### m. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

### n. Creditors and provisions

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

### o. Pensions

All qualifying employees are invited to join the charitable company's defined contribution scheme. For those employees who are 'opted in' to the defined contribution scheme, the charitable company contributes a current equivalent of three per cent of gross salary into the scheme. The charitable company's contribution is charged to the statement of financial activities in the financial year. The charitable company has no liability under the scheme other than for the payment of those contributions.

### p. Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have the most significant effect on amounts recognised in the financial statements:

- Depreciation and amortisation charges are based on the estimated useful life of the assets held.

## Notes to the Financial Statements (continued)

### 2 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
Donations	830,140	-	830,140	241,533
Gift aid	5,054	-	5,054	7,546
<b>Total</b>	<b>835,194</b>	<b>-</b>	<b>835,194</b>	<b>249,079</b>

### 3 ANALYSIS OF EXPENDITURE (current year)

	Charitable activities						2023 Total
	Fundraising	External Communications	Membership Services	Adoption Support Services	Governance costs	Support costs	
	£	£	£	£	£	£	
<b>Workforce Costs (Note 5)</b>	137,737	195,726	178,968	1,791,809	-	229,428	<b>2,533,668</b>
<b>Other workforce costs</b>		53,130	4,808	162,089	-	32,130	<b>252,157</b>
<b>Trustees' meeting expenses and other costs</b>	-	-	-	-	449	-	<b>449</b>
<b>Online and publication costs</b>	-	52,190	-	4,583	-	41	<b>56,814</b>
<b>Fundraising, events and PR costs</b>	3,293	3,030	5,750	-	-	377	<b>12,450</b>
<b>Partnership, groups and training costs</b>	4,152	-	23,978	73,544	389	1,295	<b>103,358</b>
<b>Premises and office costs</b>	2,419	13,696	37,894	133,132	3,460	257,320	<b>447,921</b>
<b>Professional fees</b>	588	6,245	-	39,963	24,174	92,883	<b>163,853</b>
	148,189	324,017	251,398	2,205,120	28,472	613,474	<b>3,570,670</b>
<b>Support costs</b>	31,041	67,871	52,660	461,902	-	(613,474)	-
<b>Governance costs</b>	1,441	3,150	2,444	21,437	(28,472)	-	-
<b>Total expenditure</b>	180,670	395,038	306,502	2,688,459	-	-	<b>3,570,670</b>

### 3a. ANALYSIS OF EXPENDITURE (prior year)

	Charitable activities						2022 Total £
	Fundraising	External Communications	Membership Services	Adoption Support Services	Governance costs	Support costs	
	£	£	£	£	£	£	
<b>Workforce Costs (Note 5)</b>	106,464	260,778	200,181	1,922,289	-	324,247	<b>2,813,959</b>
<b>Other workforce costs</b>	10,059	389	3,907	27,637	-	13,813	<b>55,805</b>
<b>Trustees' meeting expenses and other costs</b>	-	-	-	-	655	-	<b>655</b>
<b>Online and publication costs</b>	-	61,302	-	(460)	-	1,714	<b>62,556</b>
<b>Fundraising, events and PR costs</b>	1,472	13,490	449	9,234	-	570	<b>25,215</b>
<b>Partnership, groups and training costs</b>	2,234	417	8,852	65,057	4,580	4,019	<b>85,159</b>
<b>Premises and office costs</b>	6,588	9,036	22,118	21,003	817	359,724	<b>419,286</b>
<b>Professional fees</b>	3,000	4,377	-	17,155	23,338	84,864	<b>132,734</b>
	129,817	349,789	235,507	2,061,915	29,390	788,951	<b>3,595,369</b>
<b>Support costs</b>	36,881	99,375	66,907	585,788	-	(788,951)	-
<b>Governance costs</b>	1,374	3,702	2,492	21,822	(29,390)	-	-
<b>Total expenditure</b>	<b>168,072</b>	<b>452,866</b>	<b>304,907</b>	<b>2,669,525</b>	<b>-</b>	<b>-</b>	<b>3,595,369</b>

## Notes to the Financial Statements (continued)

### 4 NET INCOME FOR THE YEAR

This is stated after charging:

	2023	2022
	£	£
Depreciation	34,528	46,429
Operating lease rentals:		
Property	81,692	77,178
Other	3,155	3,110
Auditors' remuneration (excluding VAT):		
Audit	23,310	13,588

### 5 ANALYSIS OF WORKFORCE COSTS, KEY MANAGEMENT COSTS AND TRUSTEE EXPENSES

Workforce costs were as follows:

	2023	2022
	£	£
Salaries and wages	2,271,971	2,000,984
Temporary/agency employees	178,871	575,812
Redundancy and termination costs	7,651	24,689
Social security costs	196,715	161,564
Employer's contribution to defined pension schemes	57,331	50,687
Other forms of employee benefits	73,286	223
	<b>2,785,825</b>	<b>2,813,959</b>

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

	2023	2022
	No.	No.
£60,000 - £69,999	2	1

The total employee benefits including pension contributions of the key management personnel were £294,527 (2022 - £312,045).

The trustees were not paid or received any other benefits from employment with the charitable company in the year. No trustee received payment for professional or other services supplied to the charitable company. For interim regulatory requirements the Chief Operating Officer was appointed as a director of the charity; however, they are not paid for their role as a director, being remunerated only for their employee role.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £449 (2022 - £1,459).

## Notes to the Financial Statements (continued)

### 6 EMPLOYEE NUMBERS

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

	2023	2021
	No.	No.
Fundraising	4.7	2.9
External Communications	11.6	6.2
Membership Services	12.0	7.8
Adoption Support Services	92.0	111.0
Support	6.9	7.1
	<b>127.2</b>	<b>135.0</b>

Of the average number of employees listed, the average number of full-time equivalent employees was 58 (2022 – 47).

### 7 RELATED PARTY TRANSACTIONS

There were no related party transactions during 2023 (2022 – none)

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

### 8 TAXATION

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

## Notes to the Financial Statements (continued)

### 9 TANGIBLE FIXED ASSETS

	Intangible Assets	Office Equipment	Computer Equipment	Fixtures and Fittings	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
Balance brought forward	76,456	1,750	135,124	4,482	<b>217,812</b>
Additions in year	7,490	-	1,487	-	<b>8,977</b>
Disposals in year	-	-	-	-	<b>-</b>
At the end of the year	<b>83,946</b>	<b>1,750</b>	<b>136,611</b>	<b>4,482</b>	<b>226,789</b>
<b>Depreciation</b>					
Balance brought forward	71,150	1,714	78,015	2,714	<b>153,593</b>
Charge for the year	4,882	37	28,936	673	<b>34,528</b>
Eliminated on disposal	-	-	(2,903)	-	<b>(2,903)</b>
At the end of the year	<b>76,032</b>	<b>1,751</b>	<b>104,048</b>	<b>3,387</b>	<b>185,218</b>
<b>Net book value</b>					
As at 31 March 2023	<b>7,914</b>	<b>(1)</b>	<b>32,563</b>	<b>1,095</b>	<b>41,571</b>
As at 31 March 2022	<b>5,306</b>	<b>37</b>	<b>57,109</b>	<b>1,768</b>	<b>64,219</b>

All of the above assets are used for charitable purposes

### 10 DEBTORS

	2023	2022
	£	£
Trade debtors	143,725	371,322
Other debtors	6,059	5,281
Prepayments	22,494	33,064
Accrued income	797,965	104,544
	<b>970,243</b>	<b>514,211</b>

## Notes to the Financial Statements (continued)

### 11 CREDITORS: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	41,508	26,788
Taxation and social security	299,823	93,161
Other creditors	-	3,238
Accruals	67,340	151,645
Deferred income	61,455	44,993
Bounceback Loan	10,000	10,000
	<b>480,126</b>	<b>329,825</b>

Taxation and social security credit was settled in full In April 2023.

### 12 CREDITORS: amounts falling due more than one year

	2023	2022
	£	£
Bounceback Loan	25,581	35,833
	<b>25,581</b>	<b>35,833</b>

The Bounceback loan was the government backed Covid-19 support loans to help businesses impacted by the pandemic. This unsecured loan is repayable over 5 years at a fixed rate of 2.5% interest

### 13 DEFERRED INCOME

Deferred income comprises contracts, training and other income where the activity to deliver services funded by this income does not occur until the following year.

	2023	2022
	£	£
Balance at the beginning of the year	44,993	243,085
Amount released to income in the year	(44,993)	(243,085)
Amount deferred in the year	61,455	44,993
Balance at the end of the year	<b>61,455</b>	<b>44,993</b>

## Notes to the Financial Statements (continued)

### 14a MOVEMENTS IN FUNDS (CURRENT YEAR)

	As at 01 April 2022	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
<b>Restricted funds</b>					
National Lottery - TESSA	-	1,023,988	(1,043,364)	19,376	-
Department of Health: Northern Ireland	-	15,826	(16,727)	901	-
Health and Social Care Board	-	73,992	(73,992)	-	-
Scottish Government (FASD Project)	-	195,544	(195,544)	-	-
Wales 3 <sup>rd</sup> Sector Grant	-	189,723	(191,077)	1,354	-
National Adoption Service (Wales)	-	100,000	(103,169)	3,169	-
WCVA	19,495	12,500	(31,995)	-	-
Wales People & Places	-	82,738	(82,738)	-	-
Corra Foundation (Brothers & Sisters)	78,400	-	(72,398)	-	6,002
Corra Foundation (The Promise)	9,485	14,000	(23,485)	-	-
Barclays Charity Trust	49,673	-	(34,866)	-	14,807
Waterloo	-	20,066	-	-	20,066
<b>Total restricted funds</b>	<b>157,053</b>	<b>1,728,377</b>	<b>(1,869,355)</b>	<b>24,800</b>	<b>40,875</b>
<b>Designated funds</b>					
John Ellerman - to support policy work	50,000	-	(50,000)	-	-
FASD Glasgow and Clyde	20,000	-	(20,000)	-	-
Children in Hearing	10,000	-	(10,000)	-	-
John Lewis	-	18,970	-	-	18,970
<b>Total designated funds</b>	<b>80,000</b>	<b>18,970</b>	<b>(80,000)</b>	<b>-</b>	<b>18,970</b>
<b>Unrestricted funds</b>					
Fundraising	-	835,194	(180,670)	-	654,524
Membership	-	291,351	(306,502)	-	(15,151)
Trading income including adoption support	-	110,610	(395,038)	-	(284,428)
Other including core grants	-	943,432	(739,104)	(24,800)	179,528
Other	115,755	-	-	-	115,755
<b>Total unrestricted funds</b>	<b>115,755</b>	<b>2,180,587</b>	<b>(1,621,315)</b>	<b>(24,800)</b>	<b>650,227</b>
<b>Total funds</b>	<b>352,808</b>	<b>3,927,934</b>	<b>(3,570,670)</b>	<b>-</b>	<b>710,072</b>

## Notes to the Financial Statements (continued)

### 14b MOVEMENTS IN FUNDS (Prior year)

	At 1 April 2021	Income & gains	Expenditure & losses	Transfers	At 31 March 2022
		£	£	£	£
<b>Restricted funds</b>					
National Lottery - TESSA	166,233	866,422	(1,113,393)	80,738	-
Department of Health: Northern Ireland	-	15,826	(16,832)	1,006	-
Scottish Government (FASD Project)	-	220,315	(220,315)	-	-
Wales 3 <sup>rd</sup> Sector Grant	-	185,000	(185,513)	513	-
Corra Foundation (The Promise)	-	42,000	(32,515)	-	9,485
Corra Foundation (Brothers and Sisters)	-	98,000	(19,600)	-	78,400
National Adoption Service (Wales)	-	187,500	(187,827)	327	-
NAS (Natwest Covid)	-	17,500	(17,870)	370	-
Health and Social Care Board	-	98,766	(99,645)	879	-
Halifax Foundation	-	5,800	(9,000)	3,200	-
WCVA	-	37,500	(18,005)	-	19,495
Barclays Charity Trust	-	100,000	(50,327)	-	49,673
<b>Total restricted funds</b>	<b>166,233</b>	<b>1,874,629</b>	<b>(1,970,842)</b>	<b>87,033</b>	<b>157,053</b>
<b>Designated funds</b>					
John Ellerman - to support policy work	50,000	50,000	(50,000)	-	50,000
50th Anniversary celebration	12,000	-	-	(12,000)	-
FASD Glasgow and Clyde	-	20,000	-	-	20,000
Children in hearing	-	10,000	-	-	10,000
<b>Total designated funds</b>	<b>62,000</b>	<b>80,000</b>	<b>(50,000)</b>	<b>(12,000)</b>	<b>80,000</b>
<b>Unrestricted funds</b>					
Fundraising	-	249,079	(168,072)	-	81,007
Membership	-	361,242	(304,906)	-	56,336
Trading income including adoption support	-	109,549	(452,866)	12,000	(331,317)
Other including core grants	-	778,292	(648,683)	(87,033)	42,576
Other	267,153	-	-	-	267,153
<b>Total unrestricted funds</b>	<b>267,153</b>	<b>1,498,162</b>	<b>(1,574,527)</b>	<b>(75,033)</b>	<b>115,755</b>
<b>Total funds</b>	<b>495,383</b>	<b>3,452,791</b>	<b>(3,595,369)</b>	<b>-</b>	<b>352,808</b>

## Notes to the Financial Statements (continued)

### Purposes of restricted funds

#### **National Lottery Community Fund (TESSA)**

Funding to develop and deliver therapeutic education support services in adoption, a new approach to supporting adoptive families

#### **Department of Health: Northern Ireland**

Partially funding Leadership for Adoption UK's support services across Northern Ireland

#### **The Promise: Corra Foundation**

Funding to develop resources to support adoptive parents and kinship carers to support brothers and sisters living in their care, or living separately.

#### **Brothers and Sisters: Corra Foundation**

Funding for AUK Scotland to pilot services for adoptive parents of brothers and sisters living together and apart to strengthen sibling relationships, and develop resources for families and practitioners based on engagements with these groups.

#### **Welsh Government (Adoptive Community Support Services Grant)**

Funding to deliver support to the adoption community in Wales with particular emphasis on those families where the children are now teenagers.

#### **Scottish Government (FASD Project)**

Funding for the development and provision of resources and support for families with children affected by fetal alcohol spectrum disorder.

#### **WCVA : Wales**

Funding to increase the resilience of Adoption UK by developing and marketing a training package and a counselling service designed to meet the needs of adopted young people

#### **National Adoption Service: Wales**

Funding to support additional TESSA service provision to adoptive families across Wales and to fund Adoption UK's children and young people support activities as part of the Wales Connected service.

#### **Barclays Charity Trust**

Funding to enable Adoption UK develop and launch a UK-wide model for services to support and engage with adopted children and young people, building on the successes and experience of devolved nation support services.

#### **Health and Social Care Board**

Funding to provide universal and community support services to adoptive families across Northern Ireland.

#### **National Lottery Community Fund People and Places grant: Wales**

This service will advocate for the needs of adopted young people at a; school level, local education authority level and national level. At the same time, the young people in our community will gain skills, knowledge and experience by working in an adoption aware environment with the support of trusted adults.

#### **Waterloo Foundation**

For the practical dissemination of findings on the neurocognitive profiles of children adopted from care, and their emotional and behavioural problems

## Notes to the Financial Statements (continued)

### Analysis of net assets between funds

2023	Restricted	Unrestricted	Total
	funds	funds	
	£	£	£
Fixed assets	-	41,571	<b>41,571</b>
Net current assets	40,874	653,208	<b>694,082</b>
Long term liabilities	-	(25,581)	<b>(25,581)</b>
<b>Total Funds</b>	<b>40,874</b>	<b>693,198</b>	<b>710,072</b>

2022	Restricted	Unrestricted	Total
	funds	funds	
	£	£	£
Fixed assets	-	64,219	<b>64,219</b>
Net current assets	157,053	167,369	<b>324,422</b>
Long term liabilities	-	(35,833)	<b>(35,833)</b>
<b>Total Funds</b>	<b>157,053</b>	<b>195,755</b>	<b>352,808</b>

## 15 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
<b>Net income for the reporting period</b>	357,264	(142,578)
<b>(as per the statement of financial activities)</b>		
Depreciation changes	34,528	46,429
Dividends, interest and rent from investments	(917)	(301)
(Profit)/loss on the disposal of fixed assets	2,903	-
Decrease/(increase) in stocks	(3,029)	(3,151)
(Increase)/decrease in debtors	(456,032)	(49,601)
Increase/(decrease) in creditors	130,049	(272,612)
(Increase)/decrease in debt (cash movements)	10,252	4,167
<b>Net cash provided by operating activities</b>	<b>75,018</b>	<b>(417,648)</b>

## Notes to the Financial Statements (continued)

### 16 ANALYSIS OF CHANGES IN DEBT

	At 1 April 2022	Cash flows	Other non-cash changes	At 31 March 2023
	£	£	£	£
<b>Cash</b>	134,182	66,958	-	201,141
Loans falling due within one year	(10,000)		-	(10,000)
Loans falling due after one year	(35,833)	(10,000)	252	(25,581)
Balance at the end of the year	<b>88,349</b>	<b>56,958</b>	<b>252</b>	<b>165,560</b>

### 17 ANALYSIS OF CASH AND CASH EQUIVALENTS

	As at 01 April 2022	Cashflows	Other changes	At 31 March 2023
	£	£	£	£
Cash at bank and in hand	<b>134,182</b>	<b>66,958</b>	-	201,140
Short-term deposits	-	-	-	-
	<b>134,182</b>	<b>66,958</b>	-	<b>201,140</b>

### 18 OPERATING LEASE COMMITMENTS

The charitable company's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2023	Equipment 2023	Property 2022	Equipment 2022
	£	£	£	£
Less than one year	<b>42,655</b>	<b>1,323</b>	<b>52,242</b>	<b>1,765</b>
One to five years	<b>1,080</b>	-	<b>9,830</b>	<b>441</b>
	<b>43,735</b>	<b>1,323</b>	<b>62,072</b>	<b>2,206</b>

### 19 LEGAL STATUS OF THE CHARITABLE COMPANY

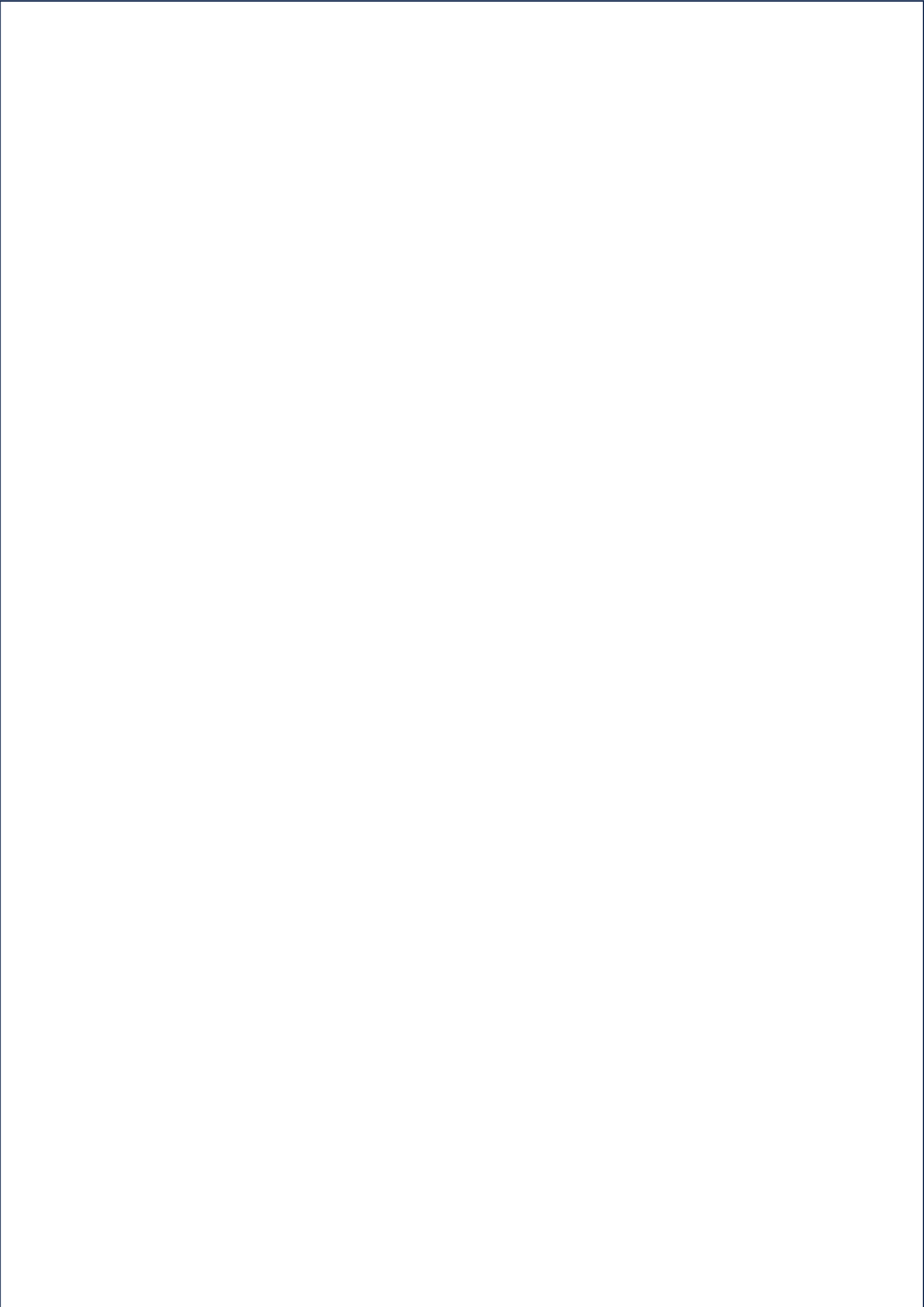
The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

### 20 CAPITAL COMMITMENTS

There were no capital commitments not provided for in the financial statements (2022: None)

### 21 POST BALANCE SHEET EVENTS

There were no post balance sheet events.



**Adoption UK Charity**

**Bloxham Mill Business Centre**

**Barford Road**

**Bloxham**

**OX15 4FF**

Company number 09454981

Charity number (England and Wales) 1160647

Charity number (Scotland) SC037892



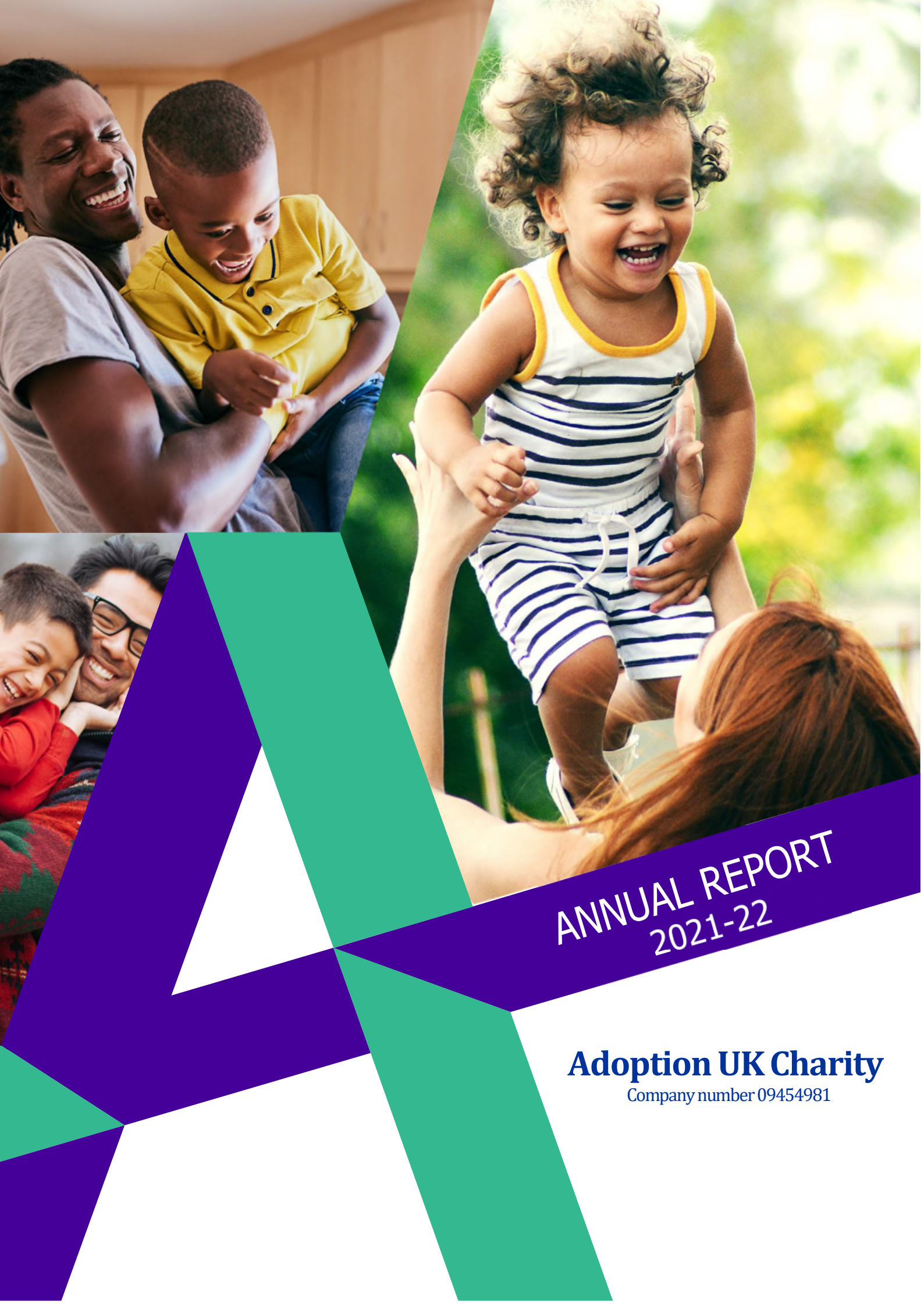
**ADOPTION UK CHARITY**

England & Wales - Charity number 1160647

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# Accounts

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**ANNUAL REPORT**  
2021-22

**Adoption UK Charity**  
Company number 09454981

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# About us

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Adoption UK Charity (Adoption UK) is the leading charity for those parenting or supporting adopted children. With over 6,000 members we are the largest voice of adopters in the UK. We work with adopters, adopted people, professionals and decision makers in England, Scotland, Wales and Northern Ireland. We also work with kinship families and those parenting children with a Special Guardianship Order.

## Why families need us

Being an adoptive parent is extraordinary, and most families tell us they would encourage others to adopt. But adopting can be tough. Three quarters of adopted children have suffered significant violence, abuse or neglect in their birth families, which has lasting impacts on their mental and physical health, relationships and learning. Adoption takes resilience, understanding and the right support from the start.

## What we do

We help adoptive families build brighter futures for vulnerable children. We offer community support, expert advice, therapeutic services and advocacy. In campaigning for improvements to policy and practice, we draw on our growing evidence base about the experience of adopters and adopted people

# What drives us

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## Vision

An equal chance of a bright future for every child unable to live with their birth parents.



## Purpose

To secure the right support at the right time for the children at the heart of every adoptive and kinship care family.



## Values

### We are open

We champion every adoptive and kinship care family - we value diversity, equality and inclusion.

We're honest about the realities of adoption and kinship care, and about what needs to change.

We work constructively with others - we stand up for great ideas, good decisions and excellent support for families.

### We are stronger together

We pioneer peer support in adoption and kinship care.

We enable families to build, and draw strength from, their networks.

We work with families to build an expert case for better support.

### We are determined

We won't stop until every adoptive and kinship care family has what they need to thrive.

We will empower every adoptive and kinship care family to ask for, and get, what they need.

Together, our community is a powerful force for change in the lives of the children we love.

# Chair's report

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This annual report covers a pivotal period for Adoption UK Charity. Having adapted and responded well to the impact of the Covid-19 pandemic, this year spanned a period of change as the world started to emerge from the effects of the pandemic and we faced the beginnings of a difficult time for the wider economy with the rise in the cost of living creating new challenges across the charity sector.

The pandemic caused significant disruption to the support available to many adoptive and kinship families, from their schools, professionals, and family and friends. Many families are still struggling with the ongoing impacts of this disruption and are now struggling with emerging financial constraints. It is vital that as a charity we continue to adapt our services to support the families who need us.

Our successful approach of converting many of our services to virtual delivery across the last two years saw us broadening our reach and growing our range of services; including popular webinars, online training for parents and carers; and further expansion of our membership community support groups. We were able to reach over 25,000 families over this period, connecting people, providing direct support, and influencing policy and practice on behalf of the whole adoption community.

However, without the benefit of ongoing access to the additional funding we saw during the Covid pandemic; and without central government funding in England, we have faced challenges in maintaining universal services at the same levels. We closed the year with a 12.4 per cent growth in income, bringing in over £3.4m for the first time; but an unexpected quarter four fall in planned income and increased costs resulted in a small year end deficit. I am very grateful to the funders and partners whose flexibility has allowed the contribution and adaptation of our work, and to those funders who have continued to support us.

Our status as a four-nation charity continues to benefit our work, enabling us to support adoptive families and individuals wherever they are and to learn from the developments in each nation. This has created conditions for important partnerships driving the development of innovative projects – including our Adopter Voice programme in England, the original Therapeutic and Educational Support Service for Adoption (TESSA) in Northern Ireland (which has since expanded across the UK), our FASD Hub and the Kinship Care Advisory Support Service in Scotland, and the Connected programme for adopted young people in Wales.

In 2022-23 we are growing our income sources, consolidating to ensure that we emerge from the economic downturn a stronger, more agile organisation, able to focus on investing in our staff and volunteers and building our reserves. All this puts us in a much stronger position to achieve our vision and purpose of supporting children who cannot live with their birth family, throughout their lives.

A handwritten signature in black ink, appearing to read 'Mike Rebeiro', with a horizontal line underneath it.

Mike Rebeiro  
Chair of Trustees

## Chief Executive's overview

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Emily Frith  
Chief Executive

I am delighted to have joined Adoption UK in October 2022, and have been warmly welcomed by our committed and passionate team. I have joined at a time of reflection and change for the adoption sector as a whole and for Adoption UK itself. Like many charities, the Covid-19 pandemic turned the lives of our staff, volunteers and everyone we support upside down and more recently the rising cost of living has added new challenges and pressures to the wider charity and adoption sectors. These challenges have coincided with a time when the role of adoption within children's social care is being reflected upon and a renewed focus has been given to the role of kinship care, and modernizing and adapting adoption policy and practice.

The last quarter of 2021-22 financial year gave clear indications that the coming year would present new challenges for the families we support and for Adoption UK. Our services across all four nations remain strong and the new services introduced in recent years are now established, with strong clinical leadership, setting a standard in integrated early support for families experiencing the effects of early childhood trauma. Our family membership service continues to grow and we're reaching thousands of families and individuals with expert help, friendship and support

Short term funding during the pandemic saw us transition to the online delivery of training, webinars and support groups; and while we will continue with this approach where it works well, we are also returning to providing opportunities for face to face engagements and support. Many families are again enjoying the events we host across the UK, including visits to pantomimes, theme parks and other activities.

Our Adoption Barometers in 2021 and 2022 further explored and highlighted the challenges faced by adoptive families and young people; and in our 2022 report we shared the experiences of over 330 adopted people. Evidence from the Adoption Barometer influenced the development of the NICE Quality Standard on FASD, and we have influenced policy and practice in all nations of the UK, including Northern Ireland's landmark Adoption and Children Act (2022).

Following our 50<sup>th</sup> anniversary in 2021, we are looking forward to our next 50 years, exploring how we can respond to the changing needs of families and adopted people.

We ended March 2022 in a good position and the next couple of years will see us transitioning to become stronger, more secure and able to extend our range of services for children, young people and adopted adults.

Emily Frith  
Chief Executive

# AdoptionUK Together we're family

Our work 2021-2022

Our families continued to face the challenges of Covid and the growing impacts of rises to the cost of living



In the past year Adoption UK has helped more than

**23,000 families**

Build brighter futures for vulnerable children



Through the efforts of our fantastic donors, supporters and fundraising events we raised more than

**£150,000**

to help us support even more families



**1,500**

New members joined our community of thousands



**6,156**

People took part in our webinars, online events, community engagement and WOW events



Our peer support services gave

**521 families**

the guidance and connection they needed



**2,700 people**

contacted our helplines to access support, information and advice about adoption matters, kinship and fetal alcohol spectrum disorder.



**2,452**

Adopters and prospective adopters gave their views in the 2021 Adoption barometer, as did

**159**

adopted young People



## Thank You



to all those who helped us keep going this past year your on-going support is needed more than ever and makes a huge difference to the lives of vulnerable children



## Membership

We are delighted that so many of those families who received family membership subscriptions, funded through the Adoption Support Fund have chosen to stay with us and that overall we welcomed around 1,500 families to the adoption UK membership community.

Our members continue to benefit from the legacy of the growth in online resources developed during Covid. We are excited by the prospect of rolling out new groups and have already delivered or planned some WOW events across the country.

As families who joined us during Covid begin to self-fund their memberships (at just £4.50 a month) and as prospective and newly approved adopters join our family, we are excited about our future plans to grow member benefits, creating many new opportunities to bring families together.

The Health and Social Care Board in Northern Ireland contributes to the ongoing enrolment of family membership to Northern Ireland's adoptive families.

However, it is still the case that the majority of our family members self-fund in order to benefit from the sense of community Adoption UK and benefits that membership provides, and because they want to engage in our policy and practice improvement activities. Our bi-monthly magazine, *Adoption Today*, also remains a highly valued aspect of the membership offer, as do the new digital offerings we now provide.

Each year we look to build on our resources and activities for members and our online delivery of training, webinars and support groups makes access to members resources more accessible than ever.

However, for many, there's no substitute for meeting in person. Young people especially can't get as much from a virtual meeting as they can from a family event, and we have started bringing back in-person activities already, with plans in place for exciting new activities.

A key focus for us going forward will be the broadening of our family membership style subscriptions to wider relatives and friends as well as development of an adopted person membership to support the adopted adult communities; these were launched in autumn 2022.

Some of our community activities were funded through a grant in 2021-22, as they are in 2022-23; but we will need to fundraise to ensure that the community events, activities and supports are not eroded by increasing costs and reduced funding in 2023.



# Fundraising

## Your support

We would like to say a huge thank you to each and every person who has supported Adoption UK Charity this year. Every donation we receive makes a real difference to the families that rely on us – and in this very difficult year, many needed our support more than ever. To all our volunteers, members and donors who had to think flexibly and creatively to help us keep our services going – we simply couldn't have done it without you.

## Trusts, foundations and corporates

We are extremely grateful to all the many the charitable trusts, foundations and corporate sponsors who have supported Adoption UK Charity this year. In particular, we would like to recognise the support of:

BBC Children in Need

Dulverton Trust

Halifax Foundation

The National Lottery Community Fund

Henry Smith Charity

John Ellerman Foundation

The Morrisons Foundation

The Corra Foundation

The Harris Charitable Trust

Tesco

Waterloo Foundation

The Alexander Hoare Foundation Trust

The Shanly Foundation

The Corra Foundation

The Harris Charitable Trust

The National Lottery Community Fund

Waterloo Foundation

and many others.

## Community giving

Despite ongoing challenges with the Covid pandemic, our incredible community of members, supporters and volunteers raised and donated thousands of pounds this year through events and activities including such as running, cycling, walking, birthday giving and even donating their own pocket money. We have been inspired by their dedication, inventiveness and tenacity.

Some of the highlights included a ball held on behalf of Adoption UK and another charity which raised £29,000 for us in November 2021 and our Big Give 2021 Christmas Challenge in December 2021 which raised over £27,000. These events helped provide vital funding for our advice and community support services.



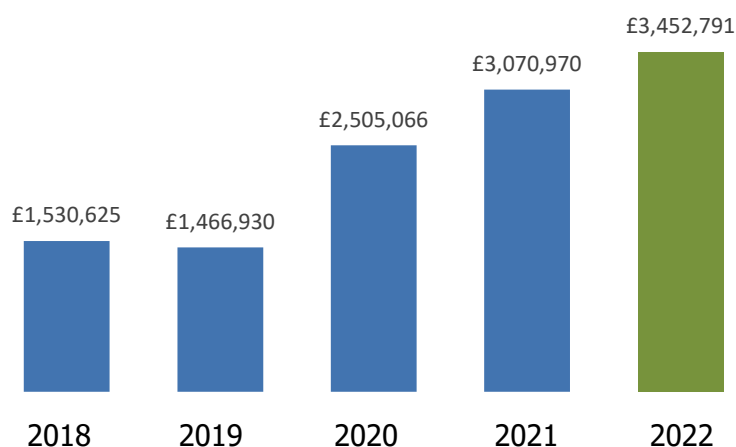
# Financial summary

## Income

Most of our income is made up of adoption support contracts and grants to deliver support services. We also rely heavily on donations and membership subscriptions to help us represent and meet the needs of the families we serve.

After several years of income decline, driven by changes in the adoption sector, the last three years have seen major service and income growth.

## Income 2018-2022



Our total income for the year rose by 11.2% per cent from £3,070,970 in 2020-21 to £3,452,791 in 2021-22. This further increase was in large part due to on-going contributions from service programmes introduced in the last three years – including the Connected service in Wales, the FASD Hub in Scotland, the PATHWAYS-UK therapeutic services programme (formerly known as TESSA) and the second year of our Kinship Care Advice and Support Service in Scotland. Our income from donations and community fundraising events was less adversely impacted by the lockdowns and during the first half of the year we still benefited from some Covid-related grants. In addition, we saw a small number of additional grants to support project development work, particularly across our development of youth services. This revenue enabled us to fund extended universal and core services, as well as invest in new ways of working.

## Expenditure

One of the biggest areas of challenge for us was the impact of a combination of the cost of investment in fundraising and therapeutic teams as well as the impact of service growth.

Our expenditure increased from £2,867,774 in 2020-21 to £3,595,370 in 2021-22, an increase of 25 per cent during the year. The key areas of cost growth were activities around bringing in-house the psychology and therapeutic expertise required to deliver our PATHWAYS service (overlapping with external costs for therapeutic services), increased activity for our external therapeutic support and unforeseen additional costs as the cost of living increased.

These factors mean that our unrestricted reserves fell from £329,154 in 2020-21 to £195,755. This remains well below our own reserves policy target of six months' worth of operating costs. We are taking steps to reduce unrestricted costs and overheads in 2022, ahead of longer term plans to increase our reserves further over the subsequent three years.

## New vision of success

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In early 2020 we published a business strategy setting ourselves four big goals for the next three years. These were:

- Goal one: Broaden and deepen our community of adoptive and kinship families and individuals
- Goal two: Pioneer and expand our peer-led services
- Goal three: Increase our influence on policy and practice decisions which improve life chances for adoptive and kinship care children
- Goal four: Create a strong charity that will empower our community

While these goals remain valid and sit at the heart of our plans across the next few years, the rapid change required during the Covid pandemic, the post-Covid increased competition for funding and increasing costs means that Adoption UK, like many charities, is reviewing our short to medium term goals and the activities that deliver them.

Forecasts and early results in 2022-23 have prompted the charity to plan a change programme that will reduce dependence on fundraising and income growth to meet our core costs. We will do this through a programme of restructuring that will achieve reduced premises costs, reduced staff numbers (while protecting capacity for service delivery), reduction of overheads and reduced indirect costs. This means that while we will maintain our service delivery capacity in 2022, we will become a slimmer, more agile, cost effective and efficient organisation by March 2023.

We have also recruited a new Chief Executive who will take the charity through this phase of change and who, along with the senior leadership team, will work closely with the board of trustees to implement a programme of planned growth and development, investing in key areas of the business, to help us deliver our goals.

### Staff and volunteers

The majority of our staff, volunteers and trustees are personally connected with adoption and kinship care – either as adopters, carers or adopted people. We draw our expertise from the heart of the community we serve to bring the lived experience of adoption and kinship care into every part of our work.

Our unique position means that we can support adoptive and kinship care families now, while also championing the needs we anticipate our community will have in the future.

Understanding of attachment and trauma is growing all the time, and we have a key role to play in connecting, supporting and influencing for and with adoptive and kinship care families.

Our priority is to ensure adoption, education and health systems give children who cannot remain with their birth parents an equal chance to thrive.

We will work closely with our colleagues and volunteers, with partners in children's care and education, and with our inspiring community of adoptive and kinship care families to deliver on these aims.

# Reference and administrative details

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## Trustees

Mike Rebeiro	Chair of Trustees
Tony Eastwood	Chair Of Finance and Scrutiny Committee
Anna Jaques	Elected 23 June 2021; Chair of People and Culture Committee and Co-Vice Chair
Melissa Shackleton	Co-Vice Chair of Trustees
Wesley Graham	Trustee
Clare Hudson	Trustee
Henrietta Delalu	Trustee, elected 23 June 2021
Anju Mahbubani	Trustee, elected 23 June 2021
Jordina Walker	Trustee, elected 23 June 2021
Anuradha Parekh	Trustee, elected 23 June 2022
Daniella Stuart	Trustee, elected 27 July 2022
Jeremy Langley	Resigned 03 May 2022
Emily Boardman	Resigned 02 November 2022
Eleanor Bradford	Resigned 01 December 2021
Beth Clarke	Resigned 05 May 2022

## Other registered individuals

William Joel Sadler	Registered as a Director on 05 January 2023, Joel is a paid employee, acting the in the role of Chief Operating Officer and does not hold any voting rights on the Board of Trustees.
Jacquie Joy	Company Secretary

## Senior leadership

Dr Sue Armstrong Brown	Chief Executive, resigned 01 March 2022
Emily Frith	Chief Executive, appointed 03 October 2022

Bank	HSBC, 15 Church Street, rugby, Warwickshire, CV21 3PN
Accountant	Crossley Third Sector, Star House, Star Hill, Rochester, Kent, ME1 1UX
Solicitor (charity)	Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES
Auditors	Moore Kingston Smith LLP, 9 Appold Street, London, EC2A 2AP
Registered charity number (England and Wales)	1160647
Registered charity number (Scotland)	SC037892
Company registration number (England and Wales)	09454981
Registered address	Bloxham Mill, Barford Road, Bloxham, Oxfordshire, OX15 4FF
Regional offices:	
Northern Ireland	63-75 Duncairn Gardens, Belfast, BT15 2GB
Wales	Penhevad Studios, Penhevad Street, Cardiff, CF11 7LU (until 31 December 2022); Office 9 – Big Yellow, 65 Penarth Road, Cardiff, CF10 5DL (from 01 January 2023).
Scotland	Great Michael House, 14 Links Place, Edinburgh, EH6 7EZ

# Structure, governance and management

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## Trustees

The trustees are responsible for Adoption UK Charity. As stated by the Charity Commission, their responsibilities are to ensure the charity is carrying out its purposes for the public benefit, comply with the charity's governing documents and the law, act in the charity's best interests, manage the charity's resources responsibly, act with reasonable care and skill, and ensure the charity is accountable. The trustees agree an outline plan and budget annually.

In planning the activities, the trustees have had regard to the guidance on public benefit issued by the Charity Commission.

Trustees are appointed by existing trustees. The induction and training of trustees includes:

- Reading an induction pack. This includes: the Charity Commission's booklet, *The essential trustee: what you need to know, what you need to do (CC3)*; our Memorandum and Articles of Association; our key policies and procedures; our most recent annual accounts/report; our most recent strategic plan; and other relevant documents.
- Meeting with the chair of trustees and chief executive. The nature of this meeting will largely depend on what was covered during the recruitment process. But it will be an opportunity for new trustees to ask questions about Adoption UK and discuss more about their role as a trustee.
- Getting to know the staff team. Within approximately three months of becoming a trustee, we will arrange for them to meet with senior leaders. Trustees are all encouraged to attend the annual Adoption UK conference – but particularly during their first year.
- Updates from the Charity Commission. As part of our endeavour to not only be compliant but be an example of good practice, we ask trustees to commit to reading, and disseminating as necessary, updates from the Charity Commission. The Trustees have recently reviewed our practices using the 'Charities Governance Code', agreeing some governance changes and are about to review the potential impact of the Charities Act 2022.

The governing documents of Adoption UK are our Memorandum and Articles of Association dated 24 February 2015 and the charity is constituted as a company limited by guarantee.

## Leadership

The Trustees delegate certain duties and responsibilities to the Chief Executive, who is supported by a team of senior leaders. Our Chief Executive is Emily Frith, who joined Adoption UK in October 2022.

Emily is supported by a Senior Leadership Team comprised of our Chief Operating Officer (Joel Sadler), Director of Public Affairs and Communications (Alison Woodhead), Wales Director (Ann Bell), Scotland Director (Fiona Aitken) and Northern Ireland Director (EJ Havlin) who represent all areas of our work and are responsible for day-to-day decision making.

The role of the senior leadership team is to support the CEO in the delivery of the strategy decided by the board of and includes: appointing staff and decisions regarding expenditure – as long as staff appointments and expenditure are in-line with our strategy – budget, and delegated authority agreed by trustees.

Remuneration of senior staff is reviewed annually by the trustees as part of our budget setting and all staff roles are subject to independent salary benchmarking, by reference to charity sector information.

## External engagement

Adoption UK recognises the importance of engaging with key stakeholders in the sector and other experts, as well as our service users. As part of our review of activities in 2022 we have ended the practice of using nation-based advisory boards in Scotland, Northern Ireland and Wales and will be moving to a theme based approach to engage with a wide range of stakeholders on a regular basis.

## Risk management

The trustees and senior leadership team consider the risks to Adoption UK Charity on a regular basis, reflecting on internal and external changes, and assess whether existing practices, processes, systems and reporting mechanisms are effective and adequate to minimise risk and mitigate the impacts should risk events occur. The senior leadership team and trustees are informed about risk management using a risk register as a dashboard. Assessment of risk is also built into the development and ongoing monitoring of each service delivery programme. The main risks detailed in the register and our plans to manage them are:

### Staff and volunteer wellbeing

Trustees and senior leaders continue to monitor and manage the potential wellbeing and health risks to staff, volunteers and our services, with most staff working from home since spring 2020. We have transformed how we work and deliver many of our services for families via video or audio channels. We will continue to offer virtual supports alongside any resumption of face-to-face activities. Our flexible and responsive approach to activities has allowed us to maintain existing grants and funding streams in most areas and also meant we were able to access additional funding during the first Covid lockdowns.

We have plans to invest further in staff learning, development and wellbeing and utilize annual staff surveys to inform how we support staff and volunteers.

### Mission drift

Trustees regularly review the activities of the charity in the context of the values, purpose and mission of the organisation. In December 2020 we reviewed and restated our purpose to take us forward in line with our charitable purposes and these will be reviewed further as we restructure the organisation and agree any changes to our strategy and business plans.

### Loss of operational capacity

The charity has grown over the previous two years as we built our delivery staff teams and strengthened our senior leadership team and board of trustees. Although this growth was directly related to the expansion of our service provision and created a rise in income, it also gave rise to increased overheads and indirect costs, which are now at risk of inflationary pressures. We are also conscious of sector funding challenges and therefore we are using 2022-23 to restructure, reducing unrestricted spend, overheads and indirect costs in order to safeguard core activities and service delivery. We will continue to invest in areas of the business that will drive income growth and support sustainability

## Financial risk

Our reserves policy states that Adoption UK Charity should have sufficient funds to meet its financial commitments, to demonstrate future sustainability and security, to ensure that we can manage future unforeseen financial difficulties, and to ensure that excessive funds are not held without any identifiable reason or for any unidentifiable purpose. Our aim of holding between three and six-months' worth of operating costs as reserves has not been possible over the last six years; as a consequence of this, in 2022 trustees agreed to implement a number of organisational changes to better position the charity for year on year growth; by reducing unrestricted spend and central overheads, premises costs and indirect costs, enabling more of our income growth to contribute to reserves and strategic developments.

## External factors

Our work is impacted by the continually changing landscape of fostering and adoption in the UK – as a result of legal precedence, government policy, legislative change and social work practice. We make sure we stay on top of what is happening and are creating an organisation that, while having a clear direction, remains agile so we can effectively respond to these changes. A broad funding base is a vital factor in ensuring our resilience in an ever-changing landscape and to this end we are developing a varied and sustainable approach to income generation.

## Governance and compliance

Adoption UK Charity is committed to meeting all of the requirements of the Charity Commission, Companies House, Care Inspectorate Wales, Ofsted and other relevant regulatory bodies. We are also committed to being a model of good practice in governance and regulatory compliance. We ensure we are aware of the impact of changes to legislation and guidelines and, as our activities develop, we actively check whether that introduces the need for us to comply with additional legislation or guidelines.

## External changes

Along with most other charities and organisations operating in the adoption sector we are conscious of the risks and impacts that can emerge from legislative change and public funding decisions. We are proactive in not just horizon scanning, but in actively engaging with the UK and devolved governments to influence and drive change in the agenda. In order not to be overly reliant on a small number of government grants and local authority income, we continue to diversify our activities and income streams. We are also investing in strengthening our capacity and expertise to grow unrestricted funding and mitigating those risks.

## Health, safety and environment

As an employer and provider of services to the adoption community, we understand areas of risk including workload and working hours, travel/commuting, working environments, travel and manual handling. We aim to mitigate these risks through policies and guidelines, training, good line management and peer-to-peer accountability.

## Safeguarding

We have an approved safeguarding policy which is reviewed regularly and is part of the induction process. This is supported by a safeguarding lead and a contingent of safeguarding contacts to ensure 24-hour cover. There is an annual refresher of awareness training.

# Financial review

## Financial position at the end of March 2022

We are pleased that 2021-22 saw us increase our income by 11.2% compared to the prior year; however, an unexpected Q4 fundraising fall, rising supplier costs, higher than planned project, delivery and staff costs created meant that we ended the year reporting a deficit.

The turnover for the year ending 31 March 2022 was £3,452,791, expenditure being £3,595,370, resulting in an overall deficit of £142,579 for the year.

The charity's restricted reserves position fell from £166,233 to £157,053 as we utilised reserves held for restricted grant funded work during the year, in line with the agreement of funders.

The total reserves position on 31 March 2022 was £352,808, of which £195,755 are unrestricted reserves. We designated £80,000 for spend against specific projects in 2022-23, meaning that we have total free reserves of £115,755 at the year end.

Notable sources of income during the year included:

- Year 2 of the £270,000 per annum contract with Scottish Government to deliver the Scotland Kinship Care Advice and Support Service.
- An award of a £100,000 grant from Barclays in December 2021 to fund development of our Chance To Thrive youth services.
- A £98,000 grant from Corra Foundation The Promise project in Scotland.
- £866,442 year 3 of the National Lottery Communities Fund, supporting delivery of the TESSA support service.

## Reserves policy

Our reserves policy is to ensure that Adoption UK Charity has sufficient funds to meet its financial commitments, to demonstrate that we are sustainable into the future, to ensure that we can manage future unforeseen financial difficulties and to ensure that excessive funds are not held without any identifiable reason or for any unidentifiable purpose.

It is the trustees' general view that the desirable level of free reserves is six months' of operating cost, with additional consideration of a risk-based approach that considers known income for the year ahead and the security of that income. Based on the risk-based calculations the trustees consider that for 2022-23, the desirable unrestricted reserves level would be approximately £675,000. Our unrestricted reserves are £195,755.

The trustees acknowledge that the charity's reserves position at the end of the year is significantly lower than our policy target. However, our short term loan commitment is reduced from the prior year £118,679 following a combination of repayments and conversion into unrestricted grants. Our remaining short term loan commitment is £10,000 with longer term loan commitments of £35,833, both relating to a bounce back loan. See note 20 in the notes to the financial statements for further information.

## Fundraising

Our fundraising plans are approved by the trustees and monitored by the senior leadership team. Although our income (see more details below) is derived from a number of sources, a significant proportion of our income comes from grant giving trusts and foundations, as well as central government grants. In addition, we operate a subscription membership offer and we work in partnership with agencies and local authorities, who commission our services and support programmes. Our fundraising activities are primarily conducted by our staff team and volunteers – from time-to-time drawing on the expertise of advisors.

### Our approach to fundraising

During the year, around 4.3 per cent of Adoption UK's income was generated from our general fundraising activities – often thanks to individuals raising income at Adoption UK events or their own events and activities.

We do not employ the services of any fundraising agencies or third parties, nor do we run telephone or door-to-door fundraising campaigns. Our relationship with our supporters is very important to us and the charity does not wish for them to feel under any pressure to donate.

We have a close relationship with our fundraisers and support them in delivering their events and complying with the relevant codes of practice. Where we work with commercial participators, contracts are exchanged so we can ensure compliance with the code of fundraising practice, applicable laws and adherence to best practice.

We received no complaints about our fundraising practices in the year to 31 March 2022, nor for the year ended 31 March 2021.

### Fundraising practices

As part of our commitment to best practice, we adhere to the standards set by the Fundraising Regulator and the Institute of Fundraising. We aim to ensure that our fundraising is respectful, open, honest and accountable to the public. Adoption UK is registered with the Fundraising Regulator.

We have a clearly documented complaints procedure in place, enabling any concerns regarding our fundraising activities to be responded to quickly. During the year, there have been no instances of non-compliance with the requirements of the fundraising code of practice and no complaints have been received by the charity regarding fundraising activities.

Our fundraising policy clearly states the steps that should be followed to protect vulnerable people and ensure that anyone who wants to support the charity has the relevant capacity to make the decision to donate.

## Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. With current committed income streams and costs forecast up to 31 March 2024, trustees have taken steps to restructure the organisation that has assured a very positive 2023-24 budget, which carries high confidence in delivering significant contributions to reserves.

The trustees have considered the impact of the latter stages of coronavirus pandemic and the likely impacts on income and expenditure as a consequence of UK economic uncertainty and inflationary pressures. Income growth was 11.2 percent in 2021-22, which followed a prior year growth of 22 percent and is forecast to grow by a further 10.5% in 2022-23. Trustees were prudent in their assumptions on continued growth and, having regard to the emerging external economic challenges for the third sector, the wider economy and for our staff, made budget adjustments linked to a business change plan that incorporates restructuring of some services and departments, as well as driving a reduction in current and future unrestricted spend, including overheads and indirect costs.

These adjustments, restructuring and adjusted fundraising plans have delivered a 2022-23 forecast and 2023-24 budget that delivers reserves growth and elimination of current short and long term debt. The charity did not make use of the furlough scheme during the year.

As of 31 March 2022, the charity had net current assets of £324,422 (2021: £480,240) and our unrestricted reserves fell to £195,755 (2020: £329,154), which are below our reserves policy risk adjusted target of £675,000. A review of our risk adjusted reserves target will be undertaken in 2023 and the current year-end forecast and budget for 2022-23 and 2023-24 respectively indicate significant reserves growth.

Trustees have considered forecasts and projections and based on the recent income growth, the level of reserves, the delivered and forecast reductions in our unrestricted costs, overheads and indirect costs, our cash position, our forecast 2022-23 and 2023-24 budget surpluses and our managed pipeline of additional income opportunities. They have concluded that there are no material uncertainties as to the charity's ability to continue in operational existence for the foreseeable future. The charity continues to adopt the going concern basis in preparing the financial statements.

## Statement of the board's responsibilities

The trustees (who are also directors of Adoption UK Charity for the purposes of company law) are responsible for preparing the trustees' annual report (including the strategic report) and the financial statements, in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial period that 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 laid out by the 'Accounting and Reporting by Charities: Statement of Recommended Practice 2015' (Charities SORP)
- make judgements and estimates that are reasonable and prudent
- state whether FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' has been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charitable company. These records should also enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, as amended by The Charities Accounts (Scotland) Amendment (No 2) Regulations 2014.

Trustees 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 board of trustees is aware:

- there is no relevant audit information of which the company's auditors are unaware and
- they have taken all the steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The trustees' annual report is approved by the trustees of the charity. The strategic report, which forms part of the annual report, is approved by the trustees in their capacity as directors in company law of the charity.

By order of the board of trustees on 25 April 2023 and signed on its behalf:



Mike Rebeiro,  
Chair of Trustees

# Independent auditor's report

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To the trustees and members of Adoption UK Charity

## Opinion

We have audited the financial statements of Adoption UK Charity ('the company' for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, 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, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

## 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 financial statements section of our report. We are independent of the Corporation 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 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 directors with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and,

except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 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;
- 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 exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 19, 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, the Companies Act 2006 and Section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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 objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

## **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 charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and in respect of the consolidated financial statements, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Luke Holt (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street

London

EC2A 2AP

Date: 25/04/2023

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

# Statement of financial activities

(for the year ending 31 March 2022)

		Unrestricted 2022	Restricted 2022	Total 2022	Total 2021
	Notes	£	£	£	£
<b>Income from:</b>					
Donations and legacies	2	249,079	-	249,079	70,528
Charitable activities					
External Communications		77,842	-	77,842	59,251
Membership Services		361,242	-	361,242	335,012
Adoption Support Services		858,292	1,874,629	2,732,921	2,591,197
Other trading activities		31,406	-	31,406	14,813
Investments		301	-	301	169
<b>Total Income</b>		<b>1,578,162</b>	<b>1,874,629</b>	<b>3,452,791</b>	<b>3,070,970</b>
<b>Expenditure on:</b>					
Fundraising	3	168,072	-	168,072	70,991
Charitable activities					
External Communications	3	452,866	-	452,866	338,608
Membership Services	3	304,907	-	304,907	131,174
Adoption Support Services	3	698,682	1,970,843	2,669,525	2,327,003
<b>Total Expenditure</b>		<b>1,624,527</b>	<b>1,970,843</b>	<b>3,595,370</b>	<b>2,867,774</b>
<b>Net (expenditure)/income for the year and net movement in funds</b>	4	(46,366)	(96,214)	(142,578)	203,196
Transfers between funds		(87,033)	87,033	-	-
<b>Net movement in funds</b>		<b>(133,398)</b>	<b>(9,180)</b>	<b>(142,578)</b>	<b>203,196</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		329,153	166,233	495,387	292,191
<b>Total funds carried forward</b>		<b>195,755</b>	<b>157,053</b>	<b>352,808</b>	<b>495,387</b>

The company's income and expenditure all relate to continuing operations. The company has no recognised gains or losses other than shown above. Movements in funds are disclosed in Note 14a to the financial statements. The accompanying notes form an integral part of these financial statements.

# Balance sheet

(as at 31 March 2022)

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed Assets:</b>					
Tangible Assets	9		58,913		47,340
Intangible Assets			6,306		17,806
			<b>64,219</b>		<b>65,146</b>
<b>Current Assets:</b>					
Stock		5,853		2,702	
Debtors	10	514,211		464,610	
Cash at bank and in hand		134,182		597,031	
		<b>654,246</b>		<b>1,064,343</b>	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	11	(329,825)		(584,103)	
<b>Net current assets</b>			<b>324,422</b>		<b>480,240</b>
Total assets less Current Liabilities			388,641		545,387
Creditors: amounts falling due after one year	12		(35,833)		(50,000)
<b>Total net assets</b>			<b>352,808</b>		<b>495,387</b>
<b>The funds of the charity:</b>					
Restricted income funds			157,053		166,233
Unrestricted income funds:					
Designated funds			80,000		62,000
General funds			115,755		267,154
<b>Total charity funds</b>	14a		<b>352,808</b>		<b>495,387</b>

The accompanying notes form an integral part of these financial statements. The accounts on pages 28 to 43 were approved and authorised for issue by the Board of Trustees on 25 April 2023 and signed on its behalf by:



Mike Rebeiro, Chair of Trustees

Registered Company Number: 09454981

# Statement of cash flows

(as at 31 March 2022)

		2022	2022	2021	2021
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
<b>Net cash provided by operating activities</b>	15		(417,648)		389,006
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		301		169	
Purchases of fixed assets		(45,502)		(15,156)	
<b>Net cash used in investing activities</b>			(45,201)		(14,987)
Change in cash and cash equivalents in the year			(462,849)		374,019
Cash and cash equivalents at the beginning of the year			597,031		223,012
<b>Cash and cash equivalents at the end of the year</b>			<b>134,182</b>		<b>597,031</b>

# Notes to the financial statements

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For the year ended 31 March 2022

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## 1 ACCOUNTING POLICIES

### a. Statutory information

Adoption UK Charity is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is Bloxham Mill, Barford Road, Bloxham, Oxfordshire, OX15 4FF.

### b. Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements. The financial statements have been prepared in accordance with the '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 (FRS102) including Update Bulletin 2, (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

### c. Public benefit entity

Adoption UK constitutes a public benefit entity as defined by FRS 102.

### d. Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. With current committed income streams and costs forecast up to 31 March 2024, trustees have taken steps to restructure the organisation that has assured a very positive 2023-24 budget, which carries high confidence in delivering significant contributions to reserves.

The trustees have considered the impact of the latter stages of coronavirus pandemic and the likely impacts on income and expenditure as a consequence of UK economic uncertainty and inflationary pressures. Income grew 11.2 percent in 2021-22, which followed a prior year growth of 22 percent. Trustees were prudent in their assumptions on continued growth and, having regard to the emerging external economic challenges for the third sector, the wider economy and for our staff, made budget adjustments linked to a business change plan that incorporates restructuring of some services and departments, as well as driving a reduction in current and future unrestricted spend, including overheads and indirect costs.

These adjustments, restructuring and adjusted fundraising plans have delivered a 2023-24 budget that delivers reserves growth and elimination of current short and long term debt. The charity did not make use of the furlough scheme during the year.

As of 31 March 2022, the charity had net current assets of £324,422 (2021: £480,240) and our unrestricted reserves fell to £195,755 (2020: £329,154), which are below our reserves policy risk adjusted target of £675,000.

Trustees have considered forecasts and projections and based on the recent income growth, the level of reserves, the delivered and forecast reductions in our unrestricted costs, overheads and indirect costs, our cash position, our forecast 2023-24 budget surplus and our managed pipeline of additional income opportunities. They have concluded that there are no material uncertainties as to the charity's ability to continue in operational existence for the foreseeable future. The charity continues to adopt the going concern basis in preparing the financial statements.

#### e. Income

Income is included in the statement of financial activities when the charitable company is entitled to the income, receipt is probable, and the amount can be measured reliably. Donations are accounted for when they are received. Unrestricted contract income is recognised in proportion to the work completed, receipts in advance of the provision of services of a specified service is deferred to future accounting periods, subject to the criteria for income recognition.

Income from government and other grants, whether capital grants or revenue grants, is recognised when the charitable company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

#### f. Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

#### g. Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in attracting third party voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services, events and other training activities undertaken to further the purposes of the charitable company and their associated support costs.
- Other expenditure represents those items not falling into any other heading.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### h. Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charitable company is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

## Notes to the Financial Statements (continued)

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Support and governance costs are reallocated to each of the activities on the following basis, which is an estimate, based on staff time, of the amount attributable to each activity.

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

### i. Operating leases

Rental charges are charged on a straight-line basis over the term of the lease.

### j. Tangible and intangible fixed assets

Items of equipment are capitalised where the combined purchase price exceeds £500. Depreciation and amortisation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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

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

- Computer equipment            Three years
- Systems development        Four years
- Office equipment              Four years
- Fixtures and fittings         Five years
- Leasehold improvements     Five years

### k. Stocks

Stocks are publications stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

### l. Debtors

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

### m. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

## Notes to the Financial Statements (continued)

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### n. Creditors and provisions

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

### o. Pensions

All qualifying employees are invited to join the charitable company's defined contribution scheme. For those employees who are 'opted in' to the defined contribution scheme, the charitable company contributes a current equivalent of three per cent of gross salary into the scheme. The charitable company's contribution is charged to the statement of financial activities in the financial year. The charitable company has no liability under the scheme other than for the payment of those contributions.

### p. Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have the most significant effect on amounts recognised in the financial statements:

- Depreciation and amortisation charges are based on the estimated useful life of the assets held.

## 2 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Donations	241,533	-	241,533	64,699
Gift aid	7,546	-	7,829	5,829
Total	249,079	-	249,079	70,528

### 3 ANALYSIS OF EXPENDITURE (current year)

	Charitable activities						2022 Total £
	Fundraising	External Communications	Membership Services	Adoption Support Services	Governance costs	Support costs	
	£	£	£	£	£	£	
Staff Costs (Note 5)	106,464	260,778	200,181	1,922,289	-	324,247	<b>2,813,959</b>
Other staff costs	10,059	389	3,907	27,637	-	13,813	<b>55,805</b>
Trustees' meeting expenses and other costs	-	-	-	-	655	-	<b>655</b>
Online and publication costs	-	61,302	-	(460)	-	1,714	<b>62,556</b>
Fundraising, events and PR costs	1,472	13,490	449	9,234	-	570	<b>25,215</b>
Partnership, groups and training costs	2,234	417	8,852	65,057	4,580	4,019	<b>85,159</b>
Premises and office costs	6,588	9,036	22,118	21,003	817	359,724	<b>419,286</b>
Professional fees	3,000	4,377	-	17,155	23,338	84,864	<b>132,734</b>
	<b>129,817</b>	<b>349,789</b>	<b>235,507</b>	<b>2,061,915</b>	<b>29,390</b>	<b>788,951</b>	<b>3,595,369</b>
Support costs	<b>36,881</b>	<b>99,375</b>	<b>66,907</b>	<b>585,788</b>	-	<b>(788,951)</b>	-
Governance costs	<b>1,374</b>	<b>3,702</b>	<b>2,492</b>	<b>21,822</b>	<b>(29,390)</b>	-	-
<b>Total expenditure</b>	<b>168,072</b>	<b>338,607</b>	<b>131,174</b>	<b>2,669,525</b>	-	-	<b>3,595,369</b>

### 3a. ANALYSIS OF EXPENDITURE (prior year)

#### Charitable activities

	Fundraising	External Communication	Membership Services	Adoption Support Services	Governance costs	Support costs	2021 Total
	£	£	£	£	£	£	£
Staff Costs (Note 5)	45,678	177,971	66,720	1,656,415	-	136,457	<b>2,083,241</b>
Other staff costs	298	926	315	42,122	298	9,494	<b>53,452</b>
Trustees' meeting expenses and other costs	-	-	-	-	13	-	<b>13</b>
Online and publication costs	-	44,095	-	1,660	-	169	<b>45,923</b>
Fundraising, events and PR costs	154	20,952	329	22,525	-	-	<b>43,960</b>
Partnership, groups and training costs	1,500	254	6,299	65,822	-	598	<b>74,472</b>
Premises and office costs	8,108	20,653	31,083	42,798	94	338,821	<b>441,557</b>
Professional fees	950	5,535	-	26,831	14,608	77,230	<b>125,155</b>
	<b>56,688</b>	<b>270,386</b>	<b>104,746</b>	<b>1,858,173</b>	<b>15,013</b>	<b>562,768</b>	<b>2,867,774</b>
Support costs	<b>13,931</b>	<b>66,448</b>	<b>25,741</b>	<b>456,648</b>	-	<b>(562,768)</b>	-
Governance costs	<b>372</b>	<b>1,773</b>	<b>687</b>	<b>12,182</b>	<b>(15,013)</b>	-	-
<b>Total expenditure</b>	<b>70,991</b>	<b>338,607</b>	<b>131,174</b>	<b>2,327,002</b>	-	-	<b>2,867,774</b>

**4 NET INCOME FOR THE YEAR**

This is stated after charging:

	<b>2022</b>	2021
	<b>£</b>	£
Depreciation	<b>46,429</b>	40,666
Operating lease rentals:		
Property	<b>77,178</b>	81,901
Other	<b>3,110</b>	6,804
Auditors' remuneration (excluding VAT):		
Audit	<b>13,588</b>	14,404

**5 ANALYSIS OF STAFF COSTS, KEY MANAGEMENT COSTS AND TRUSTEE EXPENSES**

Staff costs were as follows:

	<b>2022</b>	2021
	<b>£</b>	£
Salaries and wages	<b>2,000,984</b>	1,664,084
Temporary/agency staff	<b>575,812</b>	242,689
Redundancy and termination costs	<b>24,689</b>	3,790
Social security costs	<b>161,564</b>	130,193
Employer's contribution to defined pension schemes	<b>50,687</b>	42,285
Other forms of employee benefits	<b>223</b>	201
	<b>2,813,959</b>	2,083,241

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

	<b>2022</b>	2021
	<b>No.</b>	No.
£60,000 - £69,999	<b>1</b>	1

The total employee benefits including pension contributions of the key management personnel were £312,045 (2021 - £318,667).

The trustees were not paid or received any other benefits from employment with the charitable company in the year. No trustee received payment for professional or other services supplied to the charitable company.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,459 (2021 - £644)

## 6 STAFF NUMBERS

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

	<b>2022</b>	2021
	<b>No.</b>	No.
Fundraising	<b>2.9</b>	1.9
External Communications	<b>6.2</b>	5.4
Membership Services	<b>7.8</b>	4.0
Adoption Support Services	<b>111.0</b>	103.9
Support	<b>7.1</b>	3.8
	<b>135.0</b>	119.0

Of the average number of employees listed, the average number of full-time equivalent staff was 47 (2021 – 19).

## 7 RELATED PARTY TRANSACTIONS

There were no related party transactions during 2022 (2021 – none)

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

## 8 TAXATION

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

## 9 TANGIBLE FIXED ASSETS

	Intangible Assets	Office Equipment	Computer Equipment	Fixtures and Fittings	<b>Total</b>
	£	£	£	£	£
<b>Cost or valuation</b>					
Balance brought forward	76,456	1,750	89,622	4,482	<b>172,310</b>
Additions in year	-	-	45,502	-	<b>45,502</b>
Disposals in year	-	-	-	-	-
At the end of the year	76,456	1,750	135,124	4,482	<b>217,812</b>
<b>Depreciation</b>					
Balance brought forward	58,650	1,276	45,197	2,041	<b>107,164</b>
Charge for the year	12,500	438	32,818	673	<b>46,429</b>
Eliminated on disposal	-	-	-	-	-
At the end of the year	71,150	1,714	78,015	2,714	<b>153,593</b>
<b>Net book value</b>					
As at 31 March 2022	5,306	37	57,109	1,768	<b>64,219</b>
As at 31 March 2021	17,806	474	44,425	2,441	65,146

All of the above assets are used for charitable purposes

## 10 DEBTORS

	<b>2022</b>	2021
	£	£
Trade debtors	<b>371,322</b>	319,845
Other debtors	<b>5,281</b>	5,695
Prepayments	<b>33,064</b>	24,494
Accrued income	<b>104,544</b>	114,575
	<b>514,211</b>	<b>464,610</b>

**11 CREDITORS: amounts falling due within one year**

	<b>2022</b>	2021
	<b>£</b>	£
Trade creditors	<b>26,788</b>	19,147
Taxation and social security	<b>93,161</b>	98,836
Other creditors	<b>3,238</b>	11,455
Accruals	<b>151,645</b>	92,900
Deferred income	<b>44,993</b>	243,085
Loan notes	-	118,679
Bounceback Loan	<b>10,000</b>	-
	<b>329,825</b>	584,103

Loan notes issued 20/10/2016, were repaid in full and/or converted into unrestricted grant payments in 2021-22.

**12 CREDITORS: amounts falling due more than one year**

	<b>2022</b>	2021
	<b>£</b>	£
Bounceback Loan	<b>35,833</b>	50,000
	<b>35,833</b>	50,000

The Bounceback loan was the government backed Covid-19 support loans to help businesses impacted by the pandemic. This unsecured loan is repayable over 5 years at a fixed rate of 2.5% interest

**13 DEFERRED INCOME**

Deferred income comprises contracts, training and other income where the activity to deliver services funded by this income does not occur until the following year.

	<b>2022</b>	2021
	<b>£</b>	£
Balance at the beginning of the year	<b>243,085</b>	148,335
Amount released to income in the year	<b>(243,085)</b>	(148,335)
Amount deferred in the year	<b>44,993</b>	243,085
Balance at the end of the year	<b>44,993</b>	243,085

**14a MOVEMENTS IN FUNDS (CURRENT YEAR)**

	Income & gains	Expenditure & losses	Transfers	At 31 March 2022
	£	£	£	£
<b>Restricted funds</b>				
National Lottery - TESSA	866,422	(1,113,393)	80,738	-
Department of Health: Northern Ireland	15,826	(16,832)	1,006	-
Scottish Government (FASD Project)	220,315	(220,315)	-	-
Wales 3 <sup>rd</sup> Sector Grant	185,000	(185,513)	513	-
Corra Foundation (The Promise)	42,000	(32,515)	-	<b>9,485</b>
Corra Foundation (Brothers & Sisters)	98,000	(19,600)	-	<b>78,400</b>
National Adoption Service (Wales)	187,500	(187,827)	327	-
NAS (Natwest Covid)	17,500	(17,870)	370	-
Health and Social Care Board	98,766	(99,645)	879	-
Halifax Foundation	5,800	(9,000)	3,200	-
WCVA	37,500	(18,005)	-	<b>19,495</b>
Barclays Charity Trust	100,000	(50,327)	-	<b>49,673</b>
<b>Total restricted funds</b>	<b>1,874,629</b>	<b>(1,970,842)</b>	<b>87,033</b>	<b>157,053</b>
<b>Designated funds</b>				
John Ellerman - to support policy work	50,000	(50,000)		<b>50,000</b>
50th Anniversary celebration	-	-	(12,000)	-
FASD Glasgow and Clyde	20,000			<b>20,000</b>
Children in Hearing	10,000			<b>10,000</b>
<b>Total designated funds</b>	<b>80,000</b>	<b>(50,000)</b>	<b>(12,000)</b>	<b>80,000</b>
<b>Unrestricted funds</b>				
Fundraising	249,079	(168,072)	-	<b>81,007</b>
Membership	361,242	(304,906)	-	<b>56,336</b>
Trading income including adoption support	109,549	(452,866)	12,000	<b>(331,317)</b>
Other including core grants	778,292	(648,682)	(87,033)	<b>42,576</b>
Other	-	-	-	<b>267,154</b>
<b>Total unrestricted funds</b>	<b>1,498,162</b>	<b>(1,574,526)</b>	<b>(87,033)</b>	<b>115,756</b>
<b>Total funds</b>	<b>3,372,791</b>	<b>(3,545,369)</b>	<b>-</b>	<b>402,809</b>

**14b MOVEMENTS IN FUNDS (Prior year)**

	Income & gains	Expenditure & losses	Transfers	At 31 March 2021
	£	£	£	£
<b>Restricted funds</b>				
National Lottery - TESSA	912,564	(871,976)	-	<b>166,233</b>
Department of Health: Northern Ireland	15,826	(16,282)	456	-
Department for Education Covid Relief	216,050	(216,050)	-	-
Henry Smith - Wales	16,350	(20,113)	3,763	-
Wales 3 <sup>rd</sup> Sector Grant	185,541	(185,541)	-	-
Scottish Government (FASD Project)	190,006	(238,982)	-	-
Children in Need	18,100	(18,100)	-	-
National Adoption Service (Wales)	165,000	(196,779)	-	-
Robertson Trust	10,000	(10,000)	-	-
R S MacDonald	10,000	(10,000)	-	-
Waterloo Foundation	10,000	(10,000)	-	-
Health and Social Care Board	74,217	(78,304)	4,087	-
Halifax Foundation	9,050	(9,050)	-	-
<b>Total restricted funds</b>	<b>1,832,704</b>	<b>(1,881,177)</b>	<b>8,306</b>	<b>166,233</b>
<b>Designated funds</b>				
John Ellerman - to support policy work	-	-	50,000	<b>50,000</b>
50th Anniversary celebration	-	-	12,000	<b>12,000</b>
<b>Total designated funds</b>	<b>-</b>	<b>-</b>	<b>62,000</b>	<b>62,000</b>
<b>Unrestricted funds</b>				
General funds	1,238,266	(986,597)	(70,306)	<b>267,154</b>
<b>Total unrestricted funds</b>	<b>1,238,266</b>	<b>(986,597)</b>	<b>(8,306)</b>	<b>329,154</b>
<b>Total funds</b>	<b>3,070,970</b>	<b>(2,867,774)</b>	<b>-</b>	<b>495,387</b>

### **Purposes of restricted funds**

#### National Lottery Community Fund (TESSA)

Funding to develop and deliver therapeutic education support services in adoption, a new approach to supporting adoptive families

#### Department of Health: Northern Ireland

Partially funding Leadership for Adoption UK's support services across Northern Ireland

#### The Promise: Corra Foundation

Funding to develop resources to support adoptive parents and kinship carers to support brothers and sisters living in their care, or living separately.

#### Brothers and Sisters: Corra Foundation

Funding for AUK Scotland to pilot services for adoptive parents of brothers and sisters living together and apart to strengthen sibling relationships, and develop resources for families and practitioners based on engagements with these groups.

#### Welsh Government (Adoptive Community Support Services Grant)

Funding to deliver support to the adoption community in Wales with particular emphasis on those families where the children are now teenagers.

#### Scottish Government (FASD Project)

Funding for the development and provision of resources and support for families with children affected by fetal alcohol spectrum disorder.

#### WCVA : Wales

Funding to increase the resilience of Adoption UK by developing and marketing a training package and a counselling service designed to meet the needs of adopted young people

#### National Adoption Service: Wales

Funding to support additional TESSA service provision to adoptive families across Wales and to fund Adoption UK's children and young people support activities as part of the Wales Connected service.

#### Barclays Charity Trust

Funding to enable Adoption UK develop and launch a UK-wide model for services to support and engage with adopted children and young people, building on the successes and experience of devolved nation support services.

#### Health and Social Care Board

Funding to provide universal and community support services to adoptive families across Northern Ireland.

#### Halifax Foundation

Funding for Adoption UK's office rent and associated costs in Northern Ireland.

**Analysis of net assets between funds**

<b>2022</b>	Restricted funds £	Unrestricted funds £	<b>Total £</b>
Fixed assets	-	64,219	<b>64,219</b>
Net current assets	157,053	167,369	<b>324,422</b>
Long term liabilities	-	(35,833)	<b>(35,833)</b>
<b>Total Funds</b>	<b>157,053</b>	<b>195,756</b>	<b>352,808</b>

<b>2021</b>	Restricted funds £	Unrestricted funds £	<b>Total £</b>
Fixed assets	-	65,146	<b>65,146</b>
Net current assets	166,233	314,007	<b>480,240</b>
Long term liabilities	-	(50,000)	<b>(50,000)</b>
<b>Total Funds</b>	<b>166,233</b>	<b>329,154</b>	<b>495,387</b>

**15 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2022 £</b>	2021 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>(142,578)</b>	203,196
Depreciation changes	<b>46,429</b>	36,152
Dividends, interest and rent from investments	<b>(301)</b>	(169)
(Profit)/loss on the disposal of fixed assets	-	558
Decrease/(increase) in stocks	<b>(3,151)</b>	(485)
(Increase)/decrease in debtors	<b>(49,601)</b>	(86,946)
Increase/(decrease) in creditors	<b>(272,612)</b>	286,700
(Increase)/decrease in debt (cash movements)	<b>4,167</b>	(50,000)
<b>Net cash provided by operating activities</b>	<b>(417,648)</b>	<b>389,006</b>

**16 ANALYSIS OF CHANGES IN DEBT**

	<b>At 1 April 2021</b>	<b>Cash flows</b>	<b>Other non- cash changes</b>	<b>At 31 March 2022</b>
	£	£	£	£
<b>Cash</b>	597,030	(462,849)	-	134,182
Loans falling due within one year	(118,679)	(76,821)	31,858	(10,000)
Loans falling due after one year	50,000	(4,437)	9,730	(35,833)
Balance at the end of the year	<b>428,351</b>	<b>(544,106)</b>	<b>41,588</b>	<b>88,349</b>

**17 OPERATING LEASE COMMITMENTS**

The charitable company's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	<b>Property 2022</b>	<b>Equipment 2022</b>	Property 2021	Equipment 2021
	£	£	£	£
Less than one year	<b>52,242</b>	<b>1,765</b>	27,139	14,337
One to five years	<b>9,830</b>	<b>441</b>	5,475	2,547
	<b>62,072</b>	<b>2,206</b>	32,614	16,884

**18 LEGAL STATUS OF THE CHARITABLE COMPANY**

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**19 CAPITAL COMMITMENTS**

There were no capital commitments not provided for in the financial statements (2021: None)

**20 POST BALANCE SHEET EVENTS**

After the year end the organisation underwent a restructure to realign key services to better support future business priorities and to reduce salaries, overheads and support costs.

The effect of this is an overall reduction in headcount, which will reduce both salaries and associated overheads costs in the following financial year.

**ADOPTION UK CHARITY**

England & Wales - Charity number 1160647

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# Accounts

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ANNUAL REPORT  
2020-21

Adoption UK Charity

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# About us

Adoption UK Charity (Adoption UK) is the leading charity for those parenting or supporting adopted children. With over 6,000 members we are the largest voice of adopters in the UK. We work with adopters, adopted people, professionals and decision makers in England, Scotland, Wales and Northern Ireland. We also work with kinship families and those parenting children with a Special Guardianship Order.

## Why families need us

Being an adoptive parent is extraordinary, and most families tell us they would encourage others to adopt. But adopting can be tough. Three quarters of adopted children have suffered significant violence, abuse or neglect in their birth families, which has lasting impacts on their mental and physical health, relationships and learning. Adoption takes resilience, understanding and the right support from the start.



We help adoptive families build brighter futures for vulnerable children

## What we do

We help adoptive families build brighter futures for vulnerable children. We offer community support, expert advice, therapeutic services and advocacy. In campaigning for improvements to policy and practice, we draw on our growing evidence base about the experience of adopters and adopted people.





# What drives us

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## Vision

An equal chance of a bright future for every child unable to live with their birth parents.

## Purpose

To secure the right support at the right time for the children at the heart of every adoptive and kinship care family.

## Values



### We are open

We champion every adoptive and kinship care family - we value diversity, equality and inclusion.

We're honest about the realities of adoption and kinship care, and about what needs to change.

We work constructively with others - we stand up for great ideas, good decisions and excellent support for families.



### We are stronger together

We pioneer peer support in adoption and kinship care.

We enable families to build, and draw strength from, their networks.

We work with families to build an expert case for better support.



### We are determined

We won't stop until every adoptive and kinship care family has what they need to thrive.

We will empower every adoptive and kinship care family to ask for, and get, what they need.

Together, our community is a powerful force for change in the lives of the children we love.

# Chair's report

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**Mike Rebeiro,**  
Chair of Trustees

This annual report covers one of the most extraordinary periods of Adoption UK Charity's history as we – along with the rest of the world – adapted and responded to the impact of the Covid-19 pandemic.

I'm proud that, despite the challenges and unpredictability, we closed the year with a 22.5 per cent growth in income, bringing in over £3m for the first time. Thanks to the many individuals and organisations who supported us, over 25,000 families engaged with our work to connect, support and influence on behalf of the adoptive community in 2020-21.

Early in the pandemic, it became clear that adoptive and kinship families faced a widening support gap caused by the disruption of their normal provision from schools, professional services, family and friends.

Staff and volunteers worked to convert our services to virtual delivery and carry out research to highlight the needs of our community. We avoided staff furloughs and redundancies, opting instead to maintain as much of our support activity as possible with the help of emergency funding from the government and partner agencies.

Successes of this approach included: launching a series of popular webinars that were attended by more than 6,000 people; providing online training for more than 1,000 parents and carers; welcoming almost 6,500 parents and carers to our community support groups; and expanding our peer support services – where adopters receive one-to-one support from experienced parent partners and mentors – to more than 500 families.

Our status as a four-nation charity has continued to benefit our work, enabling Adoption UK to support adoptive families and individuals wherever they are. This has created conditions for important partnerships driving the development of innovative projects – including the FASD Hub Scotland and the Kinship Care Advisory Support Service in Scotland, the Connected programme for adopted young people in Wales, Adopter Voice in England, and the original Therapeutic and Educational Support Service for Adoption (TESSA) in Northern Ireland.

I am very grateful to the funders and partners whose flexibility has allowed the continuation and adaptation of our work, and to the new funders who have supported us.

We are investing in our staff and volunteers, our digital capability and our fundraising ability to ensure we can rebuild our reserves and rise to the challenges we have set ourselves. We have emerged from last year stronger and more agile as an organisation, and with a long to-do list on behalf of the community we serve.

A handwritten signature in dark ink, appearing to read 'Mike Rebeiro', with a horizontal line underneath it.

**Mike Rebeiro**  
Chair of Trustees



# Chief Executive's overview

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**Sue Armstrong Brown**  
Chief Executive

The Covid-19 pandemic turned the lives of our staff, volunteers and members upside down. Everyone has made huge adjustments, and many of us have endured stress and worry. Despite that, 2020-21 has also been a year of tremendous success and development for Adoption UK Charity.

This year we launched important new service areas and saw developments in others. Our membership numbers have risen strongly, and we are once again offering training in all four nations of the UK. Our Welsh youth programme Connected has expanded, we welcomed a new Kinship service in Scotland and, following the successful launch of the programme in Wales last year, TESSA went live in Scotland and England, setting a new standard in integrated early support for families at risk of the effects of early childhood trauma. We're reaching thousands of families and individuals with expert help, friendship and support.

The pandemic accelerated our plans for digital transformation, and we made the leap to the online delivery of training, webinars and support groups. Our dynamic new virtual activities have transformed our offer, and we now have a superb stream of readily accessible resources for adoptive and kinship families and professionals, no matter where they are. We also refreshed our peer support services, allowing us to step into the widening support gap faced by many adopters. Because of this, we're engaging more adopters, adopted people and carers online than ever before. And we've found new ways to work together, despite the huge restrictions imposed on us.

Amid the chaos of the pandemic, it would have been easy for our priority issues to sink out of view. Instead, we've produced important evidence on these issues, captured more media awareness and coverage of them and ensured our community's needs remained front of mind for decision makers. Our *Adoption Barometer 2020* is the reference point for adoption experience across the UK. Our FASD Hub Scotland was front and centre during FASD (fetal alcohol spectrum disorder) month in September, and we were able to bring the adoption experience to life in each of the national adoption weeks, leading two of them in Northern Ireland and Scotland.

We've also got a new look. This year we carried out a comprehensive review of our brand and developed and launched a new visual identity. We thought hard about what we do and who we do it for and decided to refresh our values, vision and purpose – allowing us to better reflect the charity we are today. The changes have been well received and they couldn't be more vital. The way we present and talk about ourselves has a direct impact on the way adoptive families are supported and represented.

The year 2021 marked a major milestone as Adoption UK turned 50. As part of the programme of events planned to celebrate our five-decade anniversary, we launched our 50 Faces project in January, showcasing the unique stories of 50 people who have a connection to adoption.

We ended March 2021 in a strong position and will continue to build on this success as we seek to implement our new strategy, which is available on the Adoption UK website.

A handwritten signature in black ink that reads "Sue An". The signature is fluid and cursive, with a long horizontal flourish at the end.

**Sue Armstrong Brown**  
Chief Executive

# AdoptionUK Together we're family

Our work 2020-2021

The lives of our families were turned upside down by the Covid-19 pandemic



The adoption community rallied to bolster one another and we worked harder than ever before to get our families the help they need



In the past year Adoption UK helped more than **25,000 families**



build brighter futures for vulnerable children



We provided vital advice and support to the **2,839 people** who contacted our helpline



Our peer support services gave

**514 families** the guidance and connection they needed



**6,445** adopters and adopted people



came to our community groups for support, companionship and fun

**3,311** new members joined our community of thousands



**6,268** families

took part in our webinars and online events

We've been in the national news **80 times**

Our trainers gave **1,220** parents and carers better insight and stronger skills



We worked with **307 politicians** and adoption sector leaders to influence policies and practice



Our fantastic donors and fundraisers provided more than



**£70,000**

to help us support even more families



AUK was quoted **47 times** in UK parliaments



**Thank You** to all those who helped us keep going through the toughest of times



Your support makes a huge difference to the lives of vulnerable children





# Membership

We are delighted to report that family membership numbers grew by 56.6 per cent during the year, with around 6,900 UK households subscribed at year end. This means that around 12,000 individuals are now members of our community, with access to our broad range of support and benefits.

Family membership numbers grew by

56.6%  
during the year

Our membership growth was due in no small part to the Department for Education (DfE)'s decision to relax the Adoption Support Fund parameters so that Regional Adoption Agencies (RAAs) in England could apply for funding to provide annual Adoption UK subscriptions to their adopters.

Our challenge in the coming year will be to retain the new members we gained through DfE funding, as once their subsidised subscription comes to an end, these families will need to make the decision to self-fund. We have plans in place to motivate them to do this, but we do anticipate some drop off in numbers.

While the DfE funding only applied to families in England, a grant from the Health and Social Care Board in Northern Ireland funds the ongoing enrolment and provision of family membership to Northern Ireland's adoptive families.

However, it is still the case that the majority of our family members self-fund in order to benefit from the sense of community Adoption UK membership provides, and because they want to engage in our policy and practice improvement activities. Our bi-monthly magazine, *Adoption Today*, also remains a highly valued aspect of the membership offer, as do the new digital offerings we now provide.

The Covid-19 pandemic accelerated our plans for digital transformation, and we made the leap to online delivery of training, webinars and support groups. This means we're now able to welcome many more into our membership events. This has been a positive for us and we will keep these new online services after the pandemic.

However, for many, there's no substitute for meeting in person. Young people especially can't get as much from a virtual meeting as they can from a family event, and we will be bringing back in-person activities as soon as we safely can.

A key focus for us going forward will be working out how best to marry our new digital support with our traditional in-person support, to give our families the very best of what we have to offer.

The ongoing development of RAAs has made it necessary to reposition our agency offer. This year we brought an end to agency membership and focused instead on marketing the range of training, support and community services that they can commission us to deliver. Agencies who choose to purchase any of our services now become an 'Adoption UK Associate' for one year and benefit from a range of resources and discounts.

Going forward we intend to continuously add value to our membership offer, growing our community and making Adoption UK membership the obvious decision for adoptive families across the UK.



# Fundraising

## Your support

We would like to say a huge thank you to each and every person who has supported Adoption UK Charity this year. Every donation we receive makes a real difference to the families that rely on us – and in this very difficult year, many needed our support more than ever. To all our volunteers, members and donors who had to think flexibly and creatively to help us keep our services going – we simply couldn't have done it without you.

## Trusts, foundations and corporates

We are extremely grateful to all the many the charitable trusts, foundations and corporate sponsors who have supported Adoption UK Charity this year. In particular, we would like to recognise the support of:

BBC Children in Need,  
Courant Fund for Children,  
Danske Bank,  
Dulverton Trust,  
Enkalon Foundation,  
Foremost Magnets,  
Foundation Scotland,  
Halifax Foundation,  
Henry Smith Charity,

John Ellerman Foundation,  
M&S Gateway Banbury,  
Mulberry UK,  
Robertson Trust,  
RS MacDonald  
Charitable Trust,  
Tesco,  
The Clothworkers  
Charitable Trust,

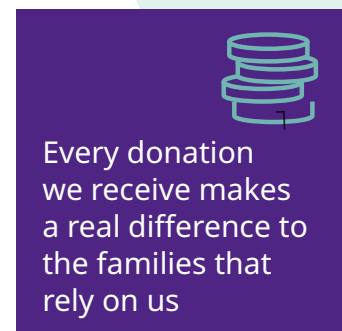
The Corra Foundation,  
The Harris Charitable Trust,  
The Morrisons Foundation,  
The National Lottery  
Community Fund,  
The Sebastian and  
Juliet Bailey Charitable Fund,  
Waterloo Foundation,  
and many others.

## Community giving

Despite several national lockdowns, our incredible community of members, supporters and volunteers – aged from two to 69 – raised and donated thousands of pounds this year through events such as egg hunts, bear hunts, running, cycling, walking, and even donating their own pocket money. We have been inspired by their dedication, inventiveness and tenacity.

One highlight was in April 2020, when 14 amazing fundraising heroes – including Adoption UK ambassador Tessa Sanderson – supported us through the 2.6 challenge. They managed to raise an amazing £7,674 including gift aid, all while sticking to social distancing restrictions.

Another was our Big Give 2020 Christmas Challenge – our most successful winter appeal ever. Everyone from philanthropists, comedians, poker players, quizzers and businesses to our members, staff, trustees and ambassadors got involved and helped us to raise over £32,000, including gift aid. This has provided vital funding for our advice and support services, which have faced a huge increase in demand during the pandemic.

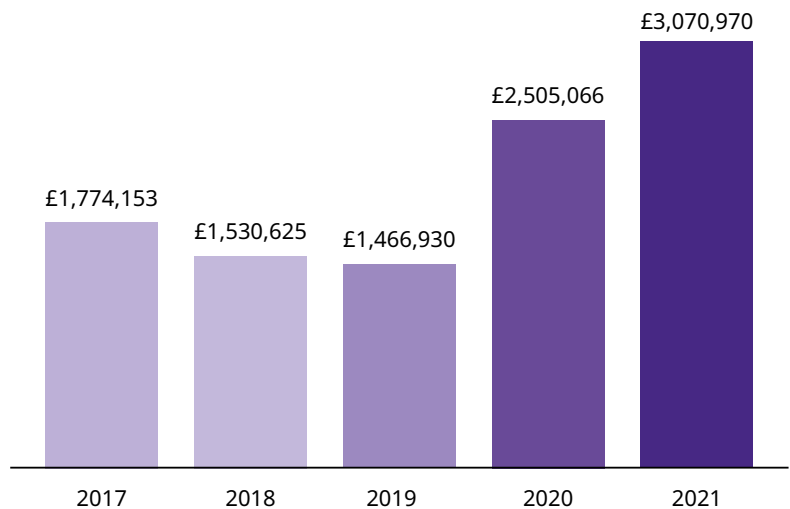


# Financial summary

## Income

Most of our income is made up of adoption support contracts and grants to deliver support services. We also rely heavily on donations and membership subscriptions to help us represent and meet the needs of the families we serve.

After several years of income decline, driven by changes in the adoption sector, the last two years have seen major service and income growth. Our total income for the year rose by 22.5 per cent from £2,505,066 in 2019-20 to £3,070,970 in 2020-21.



This increase was in large part due to contributions from service programmes introduced in the last three years – including the Connected service in Wales, the FASD Hub in Scotland, the TESSA-UK therapeutic services programme and the first year of our Kinship Care Advice and Support Service in Scotland. While our income from donations and community fundraising events was adversely impacted by the lockdowns, we benefited from Covid-related grants and the opening up of the Adoption Support Fund to allow for the provision of peer and membership services, which meant RAAs could use it to purchase subscriptions for their adopters. This revenue enabled us to fund extended universal and core services, as well as invest in new ways of working.

We are very grateful to all the families, trusts, foundations and companies who supported us this year.

## Expenditure

Our expenditure increased by 26 per cent during the year, mainly due to the increase in the support we provided. We recruited an additional 61 sessional, part-time and full-time staff and invested in equipment, systems and licensing to enable online service delivery and staff to work from home or work flexibly during the pandemic. Progress this year in growing service income allowed us to direct a greater share of our unrestricted income to reserves, lifting our unrestricted reserves from £85,791 in 2019-20 to £329,154 in 2020-21. However, this remains well below our own reserves policy target of six months' worth of operating costs. We are taking steps to increase our reserves further over the next two to three years.

Our expenditure increased by **26%** during the year, due to the increase in the support we provided

## Vision of success

Our new business strategy is available on the Adoption UK website. We're setting ourselves four big goals for the next three years.

### Goal one: Broaden and deepen our community of adoptive and kinship families and individuals

#### Objectives

- Grow our membership of families and their ability to connect, support and advocate for themselves and for each other.
- Extend our range of tailored support for sub-communities of adopters and carers.
- Co-develop and launch a membership and support offer for adopted adults.
- Co-develop and launch a youth programme for adopted young people.
- Consolidate our support for kinship care families.
- Build relationships, extend membership and provide support for family and friends of adoptive and kinship care families.

### Goal two: Pioneer and expand our peer-led services

#### Objectives

- Develop our universal support services (helplines, online forum) using digital technology to provide a wider range of help for those affected by adoption and kinship care.
- Establish 'Adoption UK Associates' as a network of professional agencies who will work with us to support adoptive and kinship care families.
- Maintain our position at the forefront of peer support services in adoption.
- Provide an innovative and affordable training programme for families and professionals.
- Work in partnership with adoption and kinship authorities to extend our community services to the families they are responsible for.
- Develop and increase our unique programme of peer-supported therapeutic services.

### Goal three: Increase our influence on policy and practice decisions which improve life chances for adoptive and kinship care children

#### Objectives

- Increase the profile and coverage of adoption and kinship care issues in the media.
- Champion the interests of adoptive and kinship care families in policy and practice decisions.
- Research and publish evidence of the lived experience of adoption and kinship care.
- Build an active campaigning community to participate in advocacy on key issues.
- Engage an increasing proportion of the adoptive and kinship care community in our communications.
- Widen our network of supporters and champions to speak out in support of the communities we serve.

## Goal four: Create a strong charity that will empower our community

### Objectives

- Build our brand to strengthen our ability to deliver our goals and provide the right support for adopted and kinship care children at the right time, every time.
- Increase our capacity and capability to bring in the revenue which resources our work.
- Celebrate the diversity of adoptive and kinship care communities by proactively demonstrating our commitment to inclusion, diversity and equality.
- Demonstrate the outputs and impact of our work to improve the lives of adoptive and kinship care families.
- Invest in staff and volunteer support and development.
- Ensure our governance is in line with charity commission good practice guidelines and managed to meet social care regulatory requirements.

Ninety per cent of our staff, volunteers and trustees are personally connected with adoption and kinship care – either as adopters, carers or adopted people. We draw our expertise from the heart of the community we serve to bring the lived experience of adoption and kinship care into every part of our work.

Our unique position means that we can support adoptive and kinship care families now, while also championing the needs we anticipate our community will have in the future.

Understanding of attachment and trauma is growing all the time, and we have a key role to play in connecting, supporting and influencing for and with adoptive and kinship care families.

Our priority is to ensure adoption, education and health systems give children who cannot remain with their birth parents an equal chance to thrive.

We know that our goals are ambitious. We will work tirelessly to achieve them, with our colleagues and volunteers, with partners in children's care and education, and with our inspiring community of adoptive and kinship care families.

90%

of our staff, volunteers  
and trustees are  
personally connected  
with adoption and  
kinship care

# Reference and administrative details

## Trustees

Mike Rebeiro	Elected 4 September 2020 (Chair of Trustees from 2 December 2020)
Peter Seymour	Resigned 4 March 2021
Mary Greenwood	Resigned 4 March 2021
Tony Eastwood	Elected 26 September 2019 (Chair Of Finance and Scrutiny Committee)
Emily Boardman	
Eleanor Bradford	
Tony Breslin	Resigned 4 March 2021
Beth Clarke	
Henrietta Delalu	Elected 23 June 2021
Jane Game	Resigned 2 June 2020
Wesley Graham	
Clare Hudson	
Anna Jaques	Elected 23 June 2021
Jeremy Langley	
Anju Mahbubani	Elected 23 June 2021
Melissa Shackleton	
Jordina Walker	Elected 23 June 2021
Chief Executive	Dr Sue Armstrong Brown

<b>Bank</b>	HSBC, 29 Bowen Square, Daventry, Northamptonshire, NN11 4ER
<b>Accountant</b>	Crossley Third Sector, Star House, Star Hill, Rochester, Kent, ME1 1UX
<b>Solicitor (charity)</b>	Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES
<b>Auditors</b>	Moore Kingston Smith LLP, Devonshire House, 60 Goswell Road, London, EC1M 7AD
<b>Registered charity number (England and Wales)</b>	1160647
<b>Registered charity number (Scotland)</b>	SC037892
<b>Company registration number (England and Wales)</b>	09454981
<b>Registered address</b>	11-12 Vantage Business Park, Bloxham Road, Banbury, Oxfordshire, OX16 9UX
<b>Regional offices:</b>	
Northern Ireland	63-75 Duncairn Gardens, Belfast, BT15 2GB
Scotland	Great Michael House, 14 Links Place, Edinburgh, EH6 7EZ
Wales	Penhevad Studios, Penhevad Street, Cardiff, CF11 7LU

# Structure, governance and management

## Trustees

The trustees are responsible for Adoption UK Charity. As stated by the Charity Commission, their responsibilities are to ensure the charity is carrying out its purposes for the public benefit, comply with the charity's governing documents and the law, act in the charity's best interests, manage the charity's resources responsibly, act with reasonable care and skill, and ensure the charity is accountable. The trustees agree an outline plan and budget annually, and in December 2020 they also agreed a new strategic framework for the organisation.

In planning the activities, the trustees have had regard to the guidance on public benefit issued by the Charity Commission.

Trustees are appointed by existing trustees. The induction and training of trustees includes:

- Reading an induction pack. This includes: the Charity Commission's booklet, The essential trustee: what you need to know, what you need to do (CC3); our Memorandum and Articles of Association; our key policies and procedures; our most recent annual accounts/report; our most recent strategic plan; and other relevant documents.
- Meeting with the chair of trustees and chief executive. The nature of this meeting will largely depend on what was covered during the recruitment process. But it will be an opportunity for new trustees to ask questions about Adoption UK and discuss more about their role as a trustee.
- Getting to know the staff team. Within approximately three months of becoming a trustee, we will arrange for them to meet with senior leaders. Trustees are all encouraged to attend the annual Adoption UK conference – but particularly during their first year.
- Updates from the Charity Commission. As part of our endeavour to not only be compliant but be an example of good practice, we ask trustees to commit to reading, and disseminating as necessary, updates from the Charity Commission. This year the trustees reviewed our practices using the 'Charities Governance Code' and have agreed governance changes.

The governing documents of Adoption UK are our Memorandum and Articles of Association dated 24 February 2015 and the charity is constituted as a company limited by guarantee.

## Leadership

Along with the trustees, Adoption UK has a number of senior leaders. Our Chief Executive is Dr Sue Armstrong Brown. Sue is supported by a Senior Leadership Team comprised of our Chief Operating Officer (Joel Sadler), Director of Services (Eleanor Haworth), Director of Public Affairs and Communications (Alison Woodhead), Wales Director (Ann Bell), Scotland Director (Fiona Aitken), Northern Ireland Director (EJ Havlin), Director of Membership (Rob Langley-Swain - left on 15 October 2021), Director of Fundraising and Business Development (James Alterman – started 9 August 2021) who represent all areas of our work and are responsible for day-to-day decision making.

This includes appointing staff and decisions regarding expenditure – as long as staff appointments and expenditure are in-line with our strategy – budget, and delegated authority agreed by trustees.

Remuneration of senior staff is reviewed annually by the trustees as part of our budget setting and all staff roles are subject to independent salary benchmarking, by reference to charity sector information.

## Advisory Boards

As part of our desire to engage with key stakeholders in the sector and other experts, we hold Advisory Boards in Scotland, Northern Ireland and Wales – although these have no governance or executive responsibility. Those who sit on these Advisory Boards advise staff and trustees on adoption sector needs and changes and how best to achieve our objective through our activities.

## Risk management

The trustees and senior leadership team consider the risks to Adoption UK Charity on a regular basis, reflecting on internal and external changes, and assess whether existing practices, processes, systems and reporting mechanisms are effective and adequate to minimise risk and mitigate the impacts should risk events occur. The senior leadership team and trustees are informed about risk management using a risk register as a dashboard. Assessment of risk is also built into the development and ongoing monitoring of each service delivery programme. The main risks detailed in the register and our plans to manage them are:

**Covid-19 impact**  
The charity continues to monitor and manage the potential wellbeing and health risks to staff, volunteers and our services, with most staff working from home since spring 2020. We have transformed how we work and deliver many of our services for families via video or audio channels. We expect to continue to offer virtual supports alongside any resumption of face-to-face activities. Our flexible and responsive approach to activities has allowed us to maintain existing grants and funding streams in most areas and also meant we were able to access additional funding during the first Covid lockdowns.



We have transformed how we work and now deliver many of our services for families via video or audio channels

### Mission drift

Trustees regularly review the activities of the charity in the context of the values, purpose and mission of the organisation. In December 2020 we reviewed and restated our purpose to take us forward in line with our charitable purposes.

### Loss of operational capacity

After several years of downsizing to achieve financial stability, the charity has grown over the last two years as we have built our delivery staff teams and strengthened our senior leadership team and board of trustees. This growth has enabled the expansion of our service provision and created a rise in income over that period. However, we are conscious of sector funding challenges and therefore are being careful not to expand beyond our current and forecast means – instead investing in areas of the business that will drive income growth.

### Financial risk

Our reserves policy is to ensure that Adoption UK Charity has sufficient funds to meet its financial commitments, to demonstrate that we are sustainable into the future, to ensure that we can manage future unforeseen financial difficulties, and to ensure that excessive funds are not held without any identifiable reason or for any unidentifiable purpose. This means that we have sought to hold between three- and six-months' worth of operating costs as reserves – something we have been unable to achieve over the last six years. In 2018 trustees agreed to invest in key areas of the charity so we could position the organisation for sustainable growth and build resilience by growing our reserves position over the subsequent five years. This remains the policy and we have amended our reserves policy to take greater account of forecast income risks.

## External factors

Our work is impacted by the continually changing landscape of fostering and adoption in the UK – as a result of legal precedence, government policy, legislative change and social work practice. We make sure we stay on top of what is happening and are creating an organisation that, while having a clear direction, remains agile so we can effectively respond to these changes. Our broad funding base is a vital factor in ensuring our resilience in an ever-changing landscape.

## Governance and compliance

Adoption UK Charity is committed to meeting all of the requirements of the Charity Commission, Companies House, Care Inspectorate Wales, Ofsted and other relevant regulatory bodies. We are also committed to being a model of good practice in governance and regulatory compliance. We ensure we are aware of the impact of changes to legislation and guidelines and, as our activities develop, we actively check whether that introduces the need for us to comply with additional legislation or guidelines.

## External changes

Along with most other charities and organisations operating in the adoption sector we are conscious of the risks and impacts that can emerge from legislative change and public funding decisions. We are proactive in not just horizon scanning, but in actively engaging with the UK and devolved governments to influence and drive change in the agenda. In order not to be overly reliant on a small number of government grants and local authority income, we continue to diversify our activities and income streams. We are also investing in strengthening our capacity and expertise to grow unrestricted funding and mitigating those risks.



We are proactive in not just horizon scanning, but in actively engaging with the UK and devolved governments to influence and drive change in the agenda

## Health, safety and environment

As an employer and provider of services to the adoption community, we understand areas of risk including workload and working hours, travel/commuting, working environments, travel and manual handling. We aim to mitigate these risks through policies and guidelines, training, good line management and peer-to-peer accountability.

## Safeguarding

We have an approved safeguarding policy which is reviewed regularly and is part of the induction process. This is supported by a safeguarding lead and a contingent of safeguarding contacts to ensure 24-hour cover. There is an annual refresher of awareness training.

# Financial review

## Financial position at the end of March 2021

We are pleased to be able to report that 2020-21 was a positive year in which we significantly improved our financial position, despite the early challenges resulting from the impact of the pandemic and national lockdowns.

The turnover for the year ending 31 March 2021 was £3,070,970, expenditure being £2,867,774, resulting in an operational surplus of £203,196 for the period.

The charity's restricted reserves position fell from £206,400 to £166,233 as we utilised reserves held for restricted grant funded work during the year, in line with the agreement of funders.

The total reserves position on 31 March 2021 was £495,386, of which £329,154 are unrestricted reserves. We have designated £62,000 for spend against specific projects in 2021-22, meaning that we have total free reserves of £267,154 at the year end.

Notable successes during the year included:

- The September 2020 launch of a £270,000 per annum 33-month contract with Scottish Government to deliver the Scotland Kinship Care Advice and Support Service.
- An award of a £216,050 grant from the Department for Education in England to help us meet the increased needs of adopters for universal supports, home education advice and information and online community engagement during the pandemic.
- Working with Regional Adoption Agencies to access the Adoption Support fund to commission family memberships and peer support services.

## Reserves policy

Our reserves policy is to ensure that Adoption UK Charity has sufficient funds to meet its financial commitments, to demonstrate that we are sustainable into the future, to ensure that we can manage future unforeseen financial difficulties and to ensure that excessive funds are not held without any identifiable reason or for any unidentifiable purpose.

It is the trustees' general view that the desirable level of free reserves is six months' of operating cost, which in the 2020-21 year was approximately £558,000. We finished with £267,154 of free reserves. We plan to move to a risk-based reserves calculation to inform future levels and foresee that for 2021-22, the desirable reserves level would be approximately £665,000.

The trustees acknowledge that the charity's reserves position at the end of the year included a commitment to repay three 2016 five-year loan notes of £10,000, £40,000 and £50,000, resulting in payment to the value of £118,679 (including interest) in October 2021. However, we have since been advised that the £50,000 loan note will be converted to an unrestricted grant and the charity has been gifted 10 per cent of the £40,000 loan note; this reduces our repayment commitment by 50 per cent. See note 20 in the notes to the financial statements for further information.

Turnover for the year  
ending 31 March 2021

£3,070,970

expenditure being

£2,867,774

resulting in an  
operational surplus of

£203,196

## Fundraising

Our fundraising plans are approved by the trustees and monitored by the senior leadership team. Although our income (see more details below) is derived from a number of sources, a significant proportion of our income comes from grant giving trusts and foundations, as well as central government grants. In addition, we operate a subscription membership offer and we work in partnership with agencies and local authorities, who commission our services and support programmes. Our fundraising activities are primarily conducted by our staff team and volunteers – from time-to-time drawing on the expertise of advisors.

### Our approach to fundraising

During the year, around 2.3 per cent of Adoption UK's income was generated from our general fundraising activities – often thanks to individuals raising income at Adoption UK events or their own events and activities, the majority of which were run virtually in 2020-21 due to the pandemic.

We do not employ the services of any fundraising agencies or third parties, nor do we run telephone or door-to-door fundraising campaigns. Our relationship with our supporters is very important to us and the charity does not wish for them to feel under any pressure to donate to us.

We have a close relationship with our fundraisers and support them in delivering their events and complying with the relevant codes of practice. Where we work with commercial participators, contracts are exchanged so we can ensure compliance with the code of fundraising practice, applicable laws and adherence to best practice.

We received no complaints about our fundraising practices in the year to 31 March 2021, nor for the year ended 31 March 2020.

### Fundraising practices

As part of our commitment to best practice, we adhere to the standards set by the Fundraising Regulator and the Institute of Fundraising. We aim to ensure that our fundraising is respectful, open, honest and accountable to the public. Adoption UK is registered with the Fundraising Regulator.

We have a clearly documented complaints procedure in place, enabling any concerns regarding our fundraising activities to be responded to quickly. During the year, there have been no instances of non-compliance with the requirements of the fundraising code of practice and no complaints have been received by the charity regarding fundraising activities.

Our fundraising policy clearly states the steps that should be followed to protect vulnerable people and ensure that anyone who wants to support the charity has the relevant capacity to make the decision to donate.

## Going concern

Adoption UK responded well to the impacts of the pandemic in 2020, having already invested in key IT developments in 2019 which enabled more than 90 per cent of staff to immediately switch to working from home when the first lockdown occurred. Further investment during the year enabled all staff to work from home and to work flexibly to balance work needs and home pressures. These changes have made the charity more agile in its ways of working and were extended into 2021. Such an approach has allowed us to operate without needing to furlough any staff or make any pandemic-related redundancies, ensuring the retention of our highly experienced staff.

The charity also made significant strides in translating traditionally face-to-face services into online or digital offers. This enabled us to retain grant and contract income, as well as take advantage of new grant and adoption support funding to grow our membership and service provision during the year.

To support our increased service provision, new grant and contracted funding service areas, we recruited an additional 61 staff during the year – including 39 on flexible sessional contracts (17 full time equivalent staff). This increased number of flexible workers has enabled us to be more agile as an organisation and will allow us to respond better to our planned service growth during the next three years, as well as emerging funding and contract opportunities.

The 22.5 per cent income growth in the year ending 31 March 2021 is testament to both our planned approach to capacity management and our investments in income generation, membership and service development over the past three years. It has meant that we have been able to respond to the changing circumstances, service and funding opportunities created by the pandemic.

The trustees approved a new three-year business strategy in December 2020 which will see the charity invest further in fundraising and membership to grow our unrestricted income and commit to growth in new and emerging service areas across the UK – including kinship care, adult adoptees and youth services. To support these development areas, the charity has committed to investing further in staff and volunteer development and retention. We have already put in place new performance management and recruitment and career pathways frameworks, and we are reviewing our digital, learning and development, volunteer management, ways of working and communications strategies, to ensure the organisation is equipped to deliver our new business strategy.

Our forecast income in 2021-22 is higher than last year's achieved year end income and the organisation has both an active pipeline of income opportunities and a greater fundraising capacity than in recent years.

Most of the charity's major grants and contracts run into 2022, 2023 or 2024, having already been secured during 2021, thus minimising major risks. We therefore entered 2021 with a significantly improved reserves position.

The Board of Trustees and the Finance and Scrutiny Committee each meet quarterly, where they review our progress against our budget and maintain an overview of our financial commitments, income, risks and pipeline.



# Statement of the board's responsibilities

The trustees (who are also directors of Adoption UK Charity for the purposes of company law) are responsible for preparing the trustees' annual report (including the strategic report) and the financial statements, in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial period that 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 laid out by the 'Accounting and Reporting by Charities: Statement of Recommended Practice 2015' (Charities SORP)
- make judgements and estimates that are reasonable and prudent
- state whether FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' has been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charitable company. These records should also enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, as amended by The Charities Accounts (Scotland) Amendment (No 2) Regulations 2014.

Trustees 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 board of trustees is aware:

- there is no relevant audit information of which the company's auditors are unaware and
- they have taken all the steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The trustees' annual report is approved by the trustees of the charity. The strategic report, which forms part of the annual report, is approved by the trustees in their capacity as directors in company law of the charity.

By order of the board of trustees on

and signed on its behalf:

**Mike Rebeiro,**  
Chair of Trustees

# Independent auditor's report

## To the trustees and members of Adoption UK Charity

### Opinion

We have audited the financial statements of Adoption UK Charity ('the company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable in law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 of 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, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

### 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 financial statements section of our report. We are independent of the 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 company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

## Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements and
- the trustees' annual report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 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.

## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, 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, the Companies Act 2006 and Section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those acts.

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 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.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### 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 charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and in respect of the consolidated financial statements, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

Luke Holt (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House

60 Goswell Road

London

EC1M 7AD

Date 24 November 2021

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

# Statement of financial activities

(for the year ending 31 March 2021)

	Notes	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
<b>Income from:</b>					
Donations and legacies	2	70,528	-	70,528	149,260
Charitable activities					
External communications		59,251	-	59,251	65,013
Membership services		335,012	-	335,012	267,277
Adoption support services		758,493	1,832,704	2,591,197	1,980,842
Other trading activities		14,813	-	14,813	41,305
Investments		169	-	169	1,369
<b>Total income</b>		<b>1,238,266</b>	<b>1,832,704</b>	<b>3,070,970</b>	<b>2,505,066</b>
<b>Expenditure on:</b>					
Fundraising	3	70,991	-	70,991	52,779
Charitable activities					
External communications	3	338,607	-	338,608	291,585
Membership services	3	131,174	-	131,174	184,607
Adoption support services	3	445,825	1,881,177	2,327,003	1,744,381
<b>Total expenditure</b>		<b>986,597</b>	<b>1,881,177</b>	<b>2,867,774</b>	<b>2,273,352</b>
Net income for the year and net movement in funds	4	251,669	(48,473)	203,196	231,714
Transfers between funds		(8,306)	8,306	-	-
Net movement in funds		243,363	(40,167)	203,196	231,714
<b>Reconciliation of funds:</b>					
Total funds brought forward		85,791	206,400	292,191	60,477
<b>Total funds carried forward</b>		<b>329,154</b>	<b>166,233</b>	<b>495,387</b>	<b>292,191</b>

The company's income and expenditure all relate to continuing operations. The company has no recognised gains or losses other than shown above. Movements in funds are disclosed in Note 14a to the financial statements. The accompanying notes form an integral part of these financial statements.

## Balance sheet

(as of 31 March 2021)

	Notes	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets:</b>					
Tangible assets	9		47,340		56,766
Intangible assets			17,806		29,935
			65,146		86,701
<b>Current assets:</b>					
Stock			2,702		2,217
Debtors	10		464,610		377,664
Cash at bank and in hand			597,031		223,012
			1,064,343		602,893
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	11		(584,103)		(282,343)
<b>Net current assets</b>			480,240		320,550
Total assets less current liabilities			545,387		407,251
Creditors: amounts falling due after one year	12		(50,000)		(115,060)
<b>Total net assets</b>			495,387		292,191
<b>The funds of the charity:</b>					
Restricted income funds			166,233		206,400
Unrestricted income funds:					
Designated funds			62,000		-
General funds			267,154		85,791
<b>Total charity funds</b>	14a		495,387		292,191

The accompanying notes form an integral part of these financial statements. The accounts on pages 28 to 43 were approved and authorised for issue by the Board of Trustees on \_\_\_\_\_ and signed on its behalf by:

**Mike Rebeiro, Chair of Trustees**

Registered Company Number: 09454981

## Statement of cash flows

(as of 31 March 2021)

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Net cash provided by operating activities	15		389,006		94,539
Cash flows from investing activities:					
Dividends, interest and rents from investments		169		1,369	
Purchases of fixed assets		(15,156)		(71,881)	
Net cash used in investing activities			(14,987)		(70,512)
Change in cash and cash equivalents in the year			374,019		24,027
Cash and cash equivalents at the beginning of the year			223,012		198,985
Cash and cash equivalents at the end of the year			597,031		223,012

# Notes to the financial statements

## 1. ACCOUNTING POLICIES

### a. Statutory information

Adoption UK Charity is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 11-12 Vantage Business Park, Bloxham Road, Banbury, Oxfordshire, OX16 9UX.

### b. Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements. The financial statements have been prepared in accordance with the '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 (FRS102) including Update Bulletin 2, (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

### c. Public benefit entity

Adoption UK constitutes a public benefit entity as defined by FRS 102.

### d. Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. With current committed income streams and costs forecast up to 31 March 2023, trustees have approved a strategic business plan that incorporates service growth and fundraising plans.

In particular, the trustees have considered the impact of the coronavirus pandemic, reflecting on our experience to date and our successful transition to operate with 95 per cent of staff working from home and incorporating online models for services engagement into our broader service delivery models. Income grew by 22 per cent compared to the prior year and costs have been controlled, resulting in a healthy operating surplus. The charity did not make use of the furlough scheme during the year.

As of 31 March 2021, the charity had net current assets of £480,239 (2020: £320,550) and our unrestricted reserves rose to £329,154 (2020: £85,791), demonstrating our progress in improving our liquidity and growing reserves.

Trustees have considered forecasts and projections and based on the recent income growth, the increased level of reserves and our managed pipeline of additional income opportunities. They have concluded that there are no material uncertainties as to the charity's ability to continue in operational existence for the foreseeable future. The charity continues to adopt the going concern basis in preparing the financial statements.

### e. Income

Income is included in the statement of financial activities when the charitable company is entitled to the income, receipt is probable, and the amount can be measured reliably. Donations are accounted for when they are received. Unrestricted contract income is recognised in proportion to the work completed, receipts in advance of the provision of services of a specified service is deferred to future accounting periods, subject to the criteria for income recognition.

Income from government and other grants, whether capital grants or revenue grants, is recognised when the charitable company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

#### **f. Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

#### **g. Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

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

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### **h. Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charitable company is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are reallocated to each of the activities on the following basis, which is an estimate, based on staff time, of the amount attributable to each activity.

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

#### **i. Operating leases**

Rental charges are charged on a straight-line basis over the term of the lease.

#### **j. Tangible and intangible fixed assets**

Items of equipment are capitalised where the combined purchase price exceeds £500. Depreciation and amortisation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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

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

- Computer equipment            Three years
- Systems development        Four years
- Office equipment              Four years
- Fixtures and fittings         Five years
- Leasehold improvements     Five years

#### **k. Stocks**

Stocks are publications stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

#### **l. Debtors**

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

#### **m. Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

#### **n. Creditors and provisions**

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

#### **o. Pensions**

All qualifying employees are invited to join the charitable company's defined contribution scheme. For those employees who are 'opted in' to the defined contribution scheme, the charitable company contributes a current equivalent of three per cent of gross salary into the scheme. The charitable company's contribution is charged to the statement of financial activities in the financial year. The charitable company has no liability under the scheme other than for the payment of those contributions.

#### **p. Critical accounting estimates and areas of judgement**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have the most significant effect on amounts recognised in the financial statements:

- Depreciation and amortisation charges are based on the estimated useful life of the assets held.

## 2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Donations	64,699	-	64,699	145,778
Gift aid	5,829	-	5,829	3,482
<b>Total</b>	<b>70,528</b>	<b>-</b>	<b>70,528</b>	<b>149,260</b>

## 3. ANALYSIS OF EXPENDITURE (current year)

	Charitable activities						
	Fundraising £	External communications £	Membership services £	Adoption support services £	Governance costs £	Support costs £	2021 Total £
Staff costs (Note 5)	45,678	177,971	66,720	1,656,415	-	136,457	2,083,241
Other staff costs	298	926	315	42,122	298	9,494	53,452
Trustees' meeting expenses and other costs	-	-	-	-	13	-	13
Online and publication costs	-	44,095	-	1,660	-	169	45,923
Fundraising, events and PR costs	154	20,952	329	22,525	-	-	43,960
Partnership, groups and training costs	1,500	254	6,299	65,822	-	598	74,472
Premises and office costs	8,108	20,653	31,083	42,798	94	338,821	441,557
Professional fees	950	5,535	-	26,831	14,608	77,230	125,155
	56,688	270,386	104,746	1,858,173	15,013	562,768	2,867,774
Support costs	13,931	66,448	25,741	456,648	-	(562,768)	-
Governance costs	372	1,773	687	12,182	(15,013)	-	-
<b>Total expenditure</b>	<b>70,991</b>	<b>338,607</b>	<b>131,174</b>	<b>2,327,002</b>	<b>-</b>	<b>-</b>	<b>2,867,774</b>

### 3a. ANALYSIS OF EXPENDITURE (prior year)

	Charitable activities						
	Fundraising £	External communications £	Membership services £	Adoption support services £	Governance costs £	Support costs £	Total 2020 £
Staff costs (Note 5)	31,591	176,706	115,858	989,680	-	173,975	1,487,810
Other staff costs	474	3,448	5,225	83,434	-	17,839	110,420
Trustees' meeting expenses and other costs	-	-	-	-	5,762	-	5,762
Online and publication costs	98	19,305	5,724	8,781	-	10,264	44,172
Fundraising, events and PR costs	1,735	6,959	1,021	69,941	-	22,247	101,903
Partnership, groups and training costs	-	-	-	44,567	-	87	44,654
Premises and office costs	7,266	15,896	16,151	155,528	-	177,206	372,047
Professional fees	-	5,100	-	8,554	14,285	78,645	106,584
	41,164	227,414	143,979	1,360,485	20,047	480,263	2,273,352
Support costs	11,150	61,600	39,000	368,514	-	(480,263)	-
Governance costs	465	2,571	1,628	15,382	(20,047)	-	-
<b>Total expenditure</b>	<b>52,779</b>	<b>291,585</b>	<b>184,606</b>	<b>1,744,381</b>	<b>-</b>	<b>-</b>	<b>2,273,352</b>

### 4. NET INCOME FOR THE YEAR

This is stated after charging:

	2021 £	2020 £
Depreciation	40,666	25,070
Operating lease rentals:		
Property	81,901	87,463
Other	6,804	10,834
Auditors' remuneration (excluding VAT):		
Audit	14,404	14,995

## 5. STAFF COSTS, KEY MANAGEMENT PERSONAL COSTS AND TRUSTEE EXPENSES

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	1,664,084	1,196,855
Temporary/agency staff	242,689	164,303
Redundancy and termination costs	3,790	-
Social security costs	130,193	96,322
Employer's contribution to defined pension schemes	42,285	30,074
Other forms of employee benefits	201	256
	<b>2,083,241</b>	<b>1,487,810</b>

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

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

The total employee benefits including pension contributions of the key management personnel were £318,667 (2020: £368,038).

The trustees were not paid and did not receive any other benefits from employment with the charitable company in the year. No trustee received payment for professional or other services supplied to the charitable company.

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £644 (2020: £2,177).

## 6. STAFF NUMBERS

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

	2021 No	2020 No
Fundraising	1.9	1.3
External communications	5.4	6.0
Membership services	4.0	4.6
Adoption support services	103.9	44.3
Support	3.8	3.7
	<b>119.0</b>	<b>59.9</b>

Of the average number of employees listed, the average number of full-time equivalent staff was 19 (2020: 16).

## 7. RELATED PARTY TRANSACTIONS

There were no related party transactions during 2021 (2020: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

## 8. TAXATION

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

## 9. TANGIBLE FIXED ASSETS

	Intangible assets £	Office equipment £	Computer equipment £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
Balance brought forward	79,861	1,950	134,848	6,643	223,302
Additions in year	-	-	15,156	-	15,156
Disposals in year	(3,404)	(200)	(60,382)	(2,161)	(66,147)
At the end of the year	76,456	1,750	89,622	4,482	172,310
<b>Depreciation</b>					
Balance brought forward	49,925	872	82,668	3,136	136,530
Charge for the year	12,129	437	22,912	673	36,152
Eliminated on disposal	(3,404)	(33)	(60,383)	(1,769)	(65,589)
At the end of the year	58,650	1,276	45,197	2,041	107,164
<b>Net book value</b>					
As of 31 March 2021	17,806	44,424	44,424	2,441	65,146
As of 31 March 2020	29,935	52,180	52,180	3,507	86,701

All the above assets are used for charitable purposes

## 10. DEBTORS

	2021 £	2020 £
Trade debtors	319,845	155,642
Other debtors	5,695	21,880
Prepayments	24,494	28,987
Accrued income	114,575	171,255
	<b>464,610</b>	<b>377,664</b>

## 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	19,147	44,866
Taxation and social security	98,836	28,166
Other creditors	11,455	15,150
Accruals	92,900	45,826
Deferred income	243,085	148,335
Loan notes	118,679	-
	<b>584,103</b>	<b>282,343</b>

Loan notes were issued on 20 October 2016. These are unsecured loans, on a five-year agreement at fixed interest rate of five per cent.

## 12. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	2021	2020
	£	£
Loan notes	-	115,060
Bounce back loan	50,000	-
	<b>50,000</b>	<b>115,060</b>

The 'bounce back loan' was awarded from the government-backed Covid-19 support loan scheme to help businesses impacted by the pandemic. This unsecured loan is repayable over five years at a fixed rate of two-and-a-half per cent interest.

## 13. DEFERRED INCOME

Deferred income comprises contracts, training and other income where the activity to deliver services funded by this income does not occur until the following year.

	2021	2020
	£	£
Balance at the beginning of the year	148,335	271,212
Amount released to income in the year	(148,335)	(271,212)
Amount deferred in the year	243,085	148,335
Balance at the end of the year	<b>243,085</b>	<b>148,335</b>

## 14a. MOVEMENTS IN FUNDS (current year)

	On 1 April 2020	Income and gains	Expenditure and losses	Transfers	On 31 March 2021
	£	£	£	£	£
<b>Restricted funds</b>					
National Lottery Community Fund (TESSA)	125,645	912,564	(871,976)	-	166,233
Department of Health: Northern Ireland	-	15,826	(16,282)	456	-
Department for Education: Covid Relief	-	216,050	(216,050)	-	-
Henry Smith: Wales	-	16,350	(20,113)	3,763	-
Third Sector Grant: Wales	-	185,541	(185,541)	-	-
Scottish Government: (FASD Project)	48,976	190,006	(238,982)	-	-
BBC Children in Need	-	18,100	(18,100)	-	-
National Adoption Service: Wales	31,779	165,000	(196,779)	-	-
Robertson Trust	-	10,000	(10,000)	-	-
R S MacDonald	-	10,000	(10,000)	-	-
Waterloo Foundation	-	10,000	(10,000)	-	-
Health and Social Care Board	-	74,217	(78,304)	4,087	-
Halifax Foundation	-	9,050	(9,050)	-	-
<b>Total restricted funds</b>	<b>206,400</b>	<b>1,832,704</b>	<b>(1,881,177)</b>	<b>8,306</b>	<b>166,233</b>
<b>Designated funds</b>					
John Ellerman – to support social action work	-	-	-	50,000	50,000
50th anniversary celebration	-	-	-	12,000	12,000
<b>Total designated funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,000</b>	<b>62,000</b>
<b>Unrestricted funds</b>					
Fundraising	-	70,528	(70,991)	-	(463)
Membership	-	335,012	(131,174)	-	203,838
Trading income including adoption support	-	74,233	(338,607)	(62,000)	(326,374)
Other including core grants	-	758,493	(445,825)	(8,306)	304,361
Other	85,791	-	-	-	85,791
<b>Total unrestricted funds</b>	<b>85,791</b>	<b>1,238,266</b>	<b>(986,597)</b>	<b>-</b>	<b>267,154</b>
<b>Total funds</b>	<b>292,191</b>	<b>3,070,970</b>	<b>(2,867,774)</b>	<b>-</b>	<b>495,387</b>

## 14b. MOVEMENTS IN FUNDS (prior year)

	On 1 April 2019	Income and gains	Expenditure and losses	Transfers	On 31 March 2020
	£	£	£	£	£
<b>Restricted funds</b>					
National Lottery Community Fund – TESSA	-	982,004	(856,359)	-	125,645
Moondance	-	13,818	(13,818)	-	-
Department of Health: Northern Ireland	-	15,826	(15,826)	-	-
Henry Smith: Wales	-	32,200	(32,200)	-	-
Executive grant: Scotland	-	75,000	(75,000)	-	-
Third Sector Grant: Wales	-	190,388	(190,388)	-	-
Hodge Foundation: Wales	-	2,500	(2,500)	-	-
Scottish Government (FASD Project)	-	157,000	(108,024)	-	48,976
National Adoption Service: Wales	-	165,000	(132,211)	-	31,789
Robertson Trust	-	10,000	(10,000)	-	-
R S MacDonald	-	10,000	(10,000)	-	-
Health and Social Care Board	-	83,992	(83,992)	-	-
Halifax Foundation	-	5,000	(5,000)	-	-
LGBT Grant	-	3,200	(3,200)	-	-
<b>Total restricted funds</b>	-	<b>1,745,928</b>	<b>(1,539,518)</b>	-	<b>206,410</b>
<b>Unrestricted funds</b>					
General funds	60,477	759,138	(733,824)	-	85,791
<b>Total unrestricted funds</b>	<b>60,477</b>	<b>759,138</b>	<b>(733,824)</b>	-	<b>85,791</b>
<b>Total funds</b>	<b>60,477</b>	<b>2,505,066</b>	<b>(2,273,342)</b>	-	<b>292,201</b>

## Purposes of restricted funds

### National Lottery Community Fund (TESSA)

Funding to develop and deliver therapeutic education support services in adoption – a new approach to supporting adoptive families.

### Department of Health: Northern Ireland

Partial funding for Adoption UK's leadership of support services across Northern Ireland.

### Department for Education Covid Relief Fund: England

Funding to support adoptive families during the Covid-19 lockdowns, through the provision of increased online information, advice and support – including education and home-schooling, webinars, social media engagement, online community activities and learning.

### Henry Smith: Wales

Funding to provide adoption support services to all new adoptive families in Wales for the first 1,000 days of their family life.

### Wales third sector grant

Funding to improve adoption support services across Wales and to articulate the service users' voices to inform the work of the National Adoption Service.

### Scottish Government (FASD project)

Funding for the development and provision of resources and support for families with children affected by fetal alcohol spectrum disorder.

### BBC Children in Need

Funding to drive engagement with young people that will inform the development of youth support services for adopted children and young people.

### National Adoption Service: Wales

Funding to support additional TESSA service provision to adoptive families across Wales and to fund Adoption UK's children and young people support activities as part of the Wales Connected service.

### Robertson Trust

Funding to support volunteer development in Scotland.

### R S MacDonald

Funding to support community engagement work with the adoption community.

### Waterloo Foundation

Funding for education development and online resources in Wales.

### Health and Social Care Board

Funding to provide universal and community support services to adoptive families across Northern Ireland.

### Halifax Foundation

Funding for Adoption UK's office rent and associated costs in Northern Ireland.

2021	Restricted funds	Unrestricted funds	Total
	£	£	£
Fixed assets	-	65,146	65,146
Net current assets	166,233	314,007	480,240
Long term liabilities	-	(50,000)	(50,000)
<b>Total Funds</b>	<b>166,233</b>	<b>329,154</b>	<b>495,387</b>

2020	Restricted funds	Unrestricted funds	Total
	£	£	£
Fixed assets	-	86,701	86,701
Net current assets	206,400	114,150	320,550
Long term liabilities	-	(115,060)	(115,060)
<b>Total Funds</b>	<b>206,400</b>	<b>85,791</b>	<b>292,191</b>

## 15 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for the reporting period (as per the statement of financial activities)	203,196	231,714
Depreciation changes	36,152	25,070
Dividends, interest and rent from investments	(169)	(1,369)
(Profit)/loss on the disposal of fixed assets	558	-
Decrease/(increase) in stocks	(485)	1,252
(Increase)/decrease in debtors	(86,946)	(51,481)
Increase/(decrease) in creditors	286,700	(110,647)
(Increase)/decrease in debt (cash movements)	(50,000)	-
<b>Net cash provided by operating activities</b>	<b>389,006</b>	<b>94,539</b>

## 16. ANALYSIS OF CHANGES IN DEBT

	On 1 April 2020	Cash flows	Other non-cash changes	On 31 March 2021
	£	£	£	£
Cash	223,012	374,019	-	597,030
Loans falling due within one year	(115,060)	-	(3,619)	(118,679)
Loans falling due after one year	-	50,000	-	50,000
<b>Balance at the end of the year</b>	<b>107,952</b>	<b>424,019</b>	<b>(3,619)</b>	<b>528,351</b>

## 17. OPERATING LEASE COMMITMENTS

The charitable company's total future minimum lease payments under non-cancellable operating leases are as follows for each of the following periods:

	Property 2021	Equipment 2021	Property 2020	Equipment 2020
	£	£	£	£
Less than one year	27,139	14,337	32,378	14,778
One to five years	5,475	2,547	10,714	5,635
	<b>32,614</b>	<b>16,884</b>	<b>43,092</b>	<b>20,413</b>

## 18. LEGAL STATUS OF THE CHARITABLE COMPANY

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

## 19. CAPITAL COMMITMENTS

There were no capital commitments not provided for in the financial statements (2020: none)

## 20. POST BALANCE SHEET EVENTS

After the financial year but before these financial statements were approved, the charity was made aware by the entity who issued the loan that a loan note of £50,000 had been agreed to be reclassified as an unrestricted grant. It was agreed by the entity who issued a second loan note of £40,000 that 10 per cent of the loan be converted to an unrestricted donation. Both loans are included within the creditors falling due within one year, having been reclassified as short-term creditors in the period.



Our vision is an equal chance of a bright future for every child unable to live with their birth parents. We work to secure the right support at the right time for the children at the heart of every adoptive and kinship care family.

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[adoptionuk.org](http://adoptionuk.org)



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For details on any of our policies on confidentiality, data protection, child and vulnerable adult protection, equal opportunities and complaints procedures, please contact any of our offices.

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Adoption UK Charity is a company limited by guarantee Company Number 9454981