



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

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



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.



Mike Rebeiro
Chair of Trustees



Chief Executive's overview



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 stylized, handwritten signature in black ink, appearing to read 'Sue An'.

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.



Every donation
we receive makes
a real difference to
the families that
rely on us

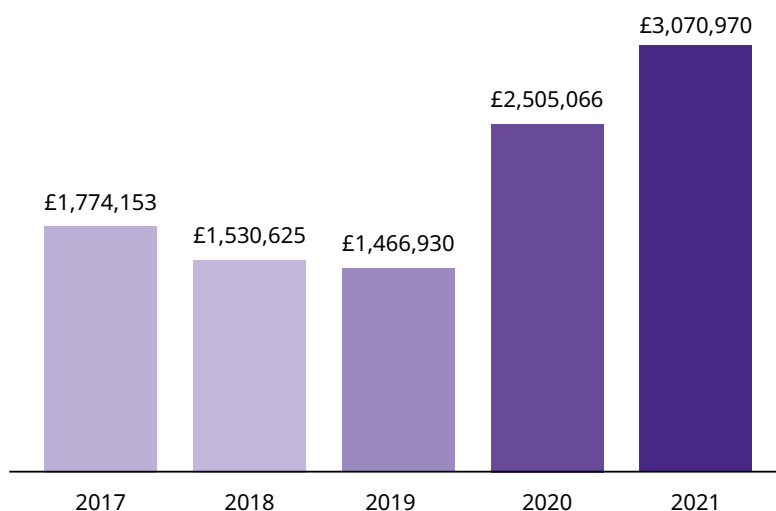


Financial summary

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

Bank	HSBC, 29 Bowen Square, Daventry, Northamptonshire, NN11 4ER
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, Devonshire House, 60 Goswell Road, London, EC1M 7AD
Registered charity number (England and Wales)	1160647
Registered charity number (Scotland)	SC037892
Company registration number (England and Wales)	09454981
Registered address	11-12 Vantage Business Park, Bloxham Road, Banbury, Oxfordshire, OX16 9UX
Regional offices:	
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.

Turnover for the year
ending 31 March 2021

£3,070,970

expenditure being

£2,867,774

resulting in an
operational surplus of

£203,196

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.

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 £
Income from:					
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
Total income		1,238,266	1,832,704	3,070,970	2,505,066
Expenditure on:					
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
Total expenditure		986,597	1,881,177	2,867,774	2,273,352
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
Reconciliation of funds:					
Total funds brought forward		85,791	206,400	292,191	60,477
Total funds carried forward		329,154	166,233	495,387	292,191

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 £
Fixed assets:					
Tangible assets	9		47,340		56,766
Intangible assets			17,806		29,935
			65,146		86,701
Current assets:					
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
Liabilities:					
Creditors: Amounts falling due within one year	11		(584,103)		(282,343)
Net current assets			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)
Total net assets			495,387		292,191
The funds of the charity:					
Restricted income funds			166,233		206,400
Unrestricted income funds:					
Designated funds			62,000		-
General funds			267,154		85,791
Total charity funds	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
Total	70,528	-	70,528	149,260

3. ANALYSIS OF EXPENDITURE (current year)

	Charitable activities				Governance costs £	Support costs £	2021 Total £
	Fundraising £	External communications £	Membership services £	Adoption support services £			
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)	-	-
Total expenditure	70,991	338,607	131,174	2,327,002	-	-	2,867,774

3a. ANALYSIS OF EXPENDITURE (prior year)

	Charitable activities				Governance costs £	Support costs £	Total 2020 £
	Fundraising £	External communications £	Membership services £	Adoption support services £			
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)	-	-
Total expenditure	52,779	291,585	184,606	1,744,381	-	-	2,273,352

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
	2,083,241	1,487,810

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
	119.0	59.9

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 £
Cost or valuation					
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
Depreciation					
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
Net book value					
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
	464,610	377,664

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	-
	584,103	282,343

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	-
	50,000	115,060

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	243,085	148,335

14a. MOVEMENTS IN FUNDS (current year)

	On 1 April 2020 £	Income and gains £	Expenditure and losses £	Transfers £	On 31 March 2021 £
Restricted funds					
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)	-	-
Total restricted funds	206,400	1,832,704	(1,881,177)	8,306	166,233
Designated funds					
John Ellerman – to support social action work	-	-	-	50,000	50,000
50th anniversary celebration	-	-	-	12,000	12,000
Total designated funds	-	-		62,000	62,000
Unrestricted funds					
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
Total unrestricted funds	85,791	1,238,266	(986,597)	-	267,154
Total funds	292,191	3,070,970	(2,867,774)	-	495,387

14b. MOVEMENTS IN FUNDS (prior year)

	On 1 April 2019	Income and gains	Expenditure and losses	Transfers	On 31 March 2020
	£	£	£	£	£
Restricted funds					
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)	-	-
Total restricted funds	-	1,745,928	(1,539,518)	-	206,410
Unrestricted funds					
General funds	60,477	759,138	(733,824)	-	85,791
Total unrestricted funds	60,477	759,138	(733,824)	-	85,791
Total funds	60,477	2,505,066	(2,273,342)	-	292,201

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)
Total Funds	166,233	329,154	495,387

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)
Total Funds	206,400	85,791	292,191

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)	-
Net cash provided by operating activities	389,006	94,539

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
Balance at the end of the year	107,952	424,019	(3,619)	528,351

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
	32,614	16,884	43,092	20,413

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.

Head Office

Units 11 and 12
Vantage Business Park
Bloxham Road
Banbury OX16 9UX

Phone 01295 752240

Email info@adoptionuk.org.uk

Wales Office

Penhevad Studios
Penhevad Street
Cardiff CF11 7LU

Phone 029 2023 0319

Email wales@adoptionuk.org.uk

Scotland Office

Gf2 Rooms 3 & 4
Great Michael House
14 Links Place
Edinburgh EH6 7EZ

Phone 0131 202 3670

Email scotland@adoptionuk.org.uk

Northern Ireland Office

Adoption UK (at Groundwork)
63-75 Duncairn Gardens
Belfast BT15 2GB

Phone 028 9077 5211

Email northernireland@adoptionuk.org.uk

Adoption UK helpline
0300 666 0006
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.

Registered Charity No. 1160647 (England and Wales) Registered Charity No. SC037892 (Scotland)
Adoption UK Charity is a company limited by guarantee Company Number 9454981