



ANNUAL REPORT 2023-24

Adoption UK Charity

Company number 09454981

CONTENTS	2
ABOUT US	3
WHAT DRIVES US	5
CHAIR’S REPORT	6
CHIEF EXECUTIVE’S OVERVIEW	7
IMPACT REPORT	8
THE YEAR IN REVIEW	9
FINANCIAL SUMMARY AND FUNDRAISING	11
OUR VISION OF SUCCESS	13
REFERENCE AND ADMINISTRATIVE DETAILS	14
STRUCTURE, GOVERNANCE AND MANAGEMENT	16
FINANCIAL REVIEW	19
STATEMENT OF THE BOARD’S RESPONSIBILITIES	22
INDEPENDENT AUDITORS’ REPORT	23
STATEMENT OF FINANCIAL ACTIVITIES	27
BALANCE SHEET	28
STATEMENT OF CASH FLOWS	29
NOTES TO THE FINANCIAL STATEMENTS	30

About us

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



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



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



The year in review

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

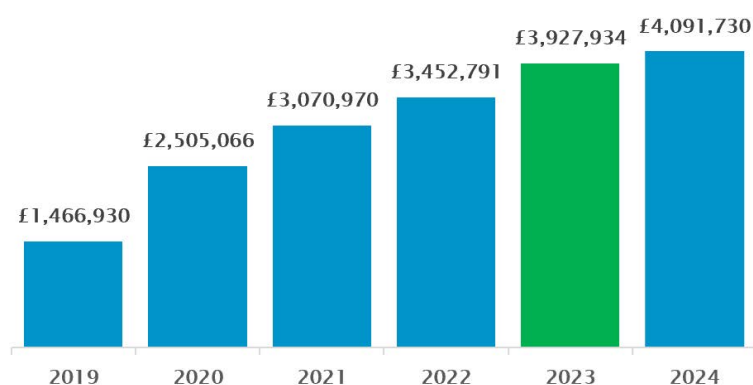
Most of our income continues to be secured from adoption support contracts, devolved government grants to deliver support services and charitable grants for service development pilots and key support projects. We also rely heavily on donations and membership subscriptions to help us represent and meet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

Income: Years ending 31 March



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.

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 29th May 1961 Charitable Trust

Moondance Foundation

Our vision of success

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

Trustees

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

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

Officers

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

Principal advisors to Adoption UK

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

Company details

Registered charity number (England and Wales)	1160647
Registered charity number (Scotland)	SC037892
Company registration number (England and Wales)	09454981

Offices

Registered head office	Bloxham Mill, Barford Road, Bloxham, Oxfordshire OX15 4FF
Northern Ireland	63-75 Duncairn Gardens, Belfast, BT15 2GB
Scotland	Great Michael House, 14 Links Place, Edinburgh, EH6 7EZ
Wales	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, LL97HT

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.

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

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

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

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 report⁴, 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. 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

	Notes	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
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
Total Income		1,926,917	2,164,813	4,091,730	3,927,934
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
Total Expenditure		1,854,472	2,167,056	4,021,528	3,570,670
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
Total funds carried forward		741,642	38,632	780,274	710,072

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 £
Fixed Assets:					
Tangible Assets			77,596		33,657
Intangible Assets			4,369		7,914
	9		81,965		41,571
Current Assets:					
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	
Liabilities:					
Creditors: Amounts falling due within one year	11	(278,061)		(480,126)	
Net current assets			714,142		694,082
Total assets less Current Liabilities			796,107		735,653
Creditors: amounts falling due after one year	12		(15,833)		(25,581)
Total net assets			780,274		710,072
The funds of the charity:					
Restricted income funds			38,632		40,875
Unrestricted income funds:					
Designated funds			-		18,970
General funds			741,642		650,227
Total charity funds	14a		780,274		710,072

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

(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
Total	530,036	-	530,036	835,194

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
Total	47,688	-	47,688	104,222

2c INCOME FROM INVESTMENT ACTIVITIES

	Unrestricted £	Restricted £	Total 2024 £	Total 2023 £
Interest	6,693	-	6,693	917
Total	6,693	-	6,693	917

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
Total	1,342,500	2,164,813	3,507,313	2,987,601

3 ANALYSIS OF EXPENDITURE (current year)

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

3a. ANALYSIS OF EXPENDITURE (prior year)

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

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
	3,072,393	2,785,825

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

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
	122.0	127.2

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
	£	£	£	£	£
Cost					
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
Depreciation					
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
Net book value					
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
	642,351	970,243

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
	278,061	480,126

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
	15,833	25,581

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	57,178	61,455

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 £
Restricted funds					
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)	-	-
Total restricted funds	40,875	2,164,813	(2,167,055)		38,632
Designated funds					
John Lewis	18,970	-	(18,970)	-	-
Total designated funds	18,970		(18,970)		
Unrestricted funds					
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
Total unrestricted funds	650,227	1,926,917	(1,835,504)		741,641
Total funds	710,072	4,091,730	(4,021,529)		780,273

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 £
Restricted funds					
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 rd 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
Total restricted funds	157,053	1,728,377	(1,869,355)	24,800	40,875
Designated funds					
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
Total designated funds	80,000	18,970	(80,000)	-	18,970
Unrestricted funds					
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
Total unrestricted funds	115,755	2,180,587	(1,621,315)	(24,800)	650,227
Total funds	352,808	3,927,934	(3,570,670)	-	710,072

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)
Total Funds	38,632	741,642	780,274

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)
Total Funds	40,874	693,198	710,072

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

	2024 £	2023 £
Net income for the reporting period	70,202	357,264
(as per the statement of financial activities)		
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
Net cash provided by operating activities	213,453	75,018

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

