

Charity number: 1172481  
Company number: 10152838



**SAFE PLACES FOR CHILDREN UK**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2022**

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# SAFE PLACES FOR CHILDREN UK

## TRUSTEES AND ADMINISTRATIVE INFORMATION

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### Trustees

Keith Mason  
Christopher Saunders

### Office address

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### Independent Auditor

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Mitre House  
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Harrogate  
HG1 5RX

### Bankers

Royal Bank of Scotland  
Western Avenue  
Chatham  
ME4 4RT

### Solicitors

Veale Wasbrough Vizards LLP  
Narrow Quay House  
Narrow Quay  
Bristol  
BS1 4QA

# SAFE PLACES FOR CHILDREN UK

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, are pleased to present their annual trustees' report together with the financial statements for the year to 31 December 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### Objectives and activities

The charity's objectives are:

- The relief of:
  - a) children, young adults and disabled people in need; and
  - b) the families of children, young adults and disabled people in need in particular but not exclusively by providing residential, therapeutic and rehabilitation services and family support services;
- the relief of those in need by reason of financial hardship, ill health, disability, youth, age or other disadvantage; and
- the advancement of such other objects or purposes in any part of the world which are exclusively charitable according to the law of England and Wales and are in the opinion of the trustees connected with children, young adults or disabled people in need in such manner as the trustees may in their absolute discretion think fit.

The purposes of the charity are:

- To provide therapeutic residential care of high needs children, young adults and disabled people, providing rehabilitation services in addition to the immediate needs of the young people.
- In addition, we seek to use the experiences and knowledge gained working with traumatised young people in other locations to bring about improvements in the efficiency and effectiveness of other organisations working in this sector.
- Working with the local authorities and departments, we aim to raise the standards and the quality of care delivered to all high needs young people by the various agencies and charities.

The objectives for this year are:

- To continue to develop a team of educated, excellent, enthusiastic staff to guide young people along a personal growth journey.
- To select and appropriately fit out houses within the community to provide accommodation for the young people in a way that facilitates their care, safety and rehabilitation.
- To institute training, review and verification programs to ensure the highest possible standard of care is provided.

## **SAFE PLACES FOR CHILDREN UK**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Funding**

We have established working relationships with various Trustees of the Health and Social Care trusts in a range of jurisdictions in Northern Ireland and England. We have broad agreement on the pricing structure and cost recovery models for caring for young people.

We have increased the pricing structure per young person in Northern Ireland for the financial year 2023 with a base rate of 6,500 per child per week. Safe Places are currently supporting four young people across two houses. As the complex needs of a child or young person reduces due to the intense therapeutic work we deliver, we work alongside the Trusts and Local authorities to secure less-intensive models of care and provide outreach support during the young persons transition out of Safe Places, whilst simultaneously providing outreach support to new young people transitioning into our service, this increases revenue during this period. Across England and Northern Ireland, we have an average of 25 referrals to our service per day, which reduces the ongoing concern of business/revenue continuity. The Northern Ireland Trusts are under a huge amount of pressure to not only place children and young people but also to bring young people back to their communities as some young people are placed down south in Ireland or other countries. Safe Places have been able to assist with this and now have 4 young people being supported locally.

Safe Places have an exemplary reputation in providing therapeutic residential care and are the only private provider in Northern Ireland. The regulator 'RQIA' and the Trusts continue to provide exceptional feedback regarding the quality of care provided by Safe Places.

We have determined that we can provide the appropriate services at the best cost to ensure the ongoing viability of Safe Places for Children UK.

#### **Fundraising**

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. The charity does not actively raise funds or solicit donations directly from the general public at present. The charity does not work directly with commercial sponsors in relation to fundraising. The Trustees are not aware of any complaints made in respect of fundraising during the period.

#### **Public Benefit**

In planning the activities for the year to meet the charitable objects, the trustees have complied with their duties in Section 17 of the Charities Act 2011 and have considered the Charity Commission's general guidance on public benefit.

#### **Financial Review**

The charity received income of £1,816,895 (2021 – £1,787,805). There was an increase in income compared to 2021 as the charity took on more contracts to provide services to local authorities.

Expenditure of £2,067,745 (2021 – £1,871,326) was incurred in relation to the charity's operations. The operations included therapeutic residential services and ancillary activities.

#### *Reserves policy*

The charity held a deficit on unrestricted funds of £1,354,811 as at 31 December 2022 (2021 – deficit of £1,103,961). The charity recognises the need to have positive unrestricted funds and is taking steps to achieve

this in due course. The charity expects to receive continued support from the connected charity Safe Places for Children Secretariat.

**Going Concern**

We were supported during start-up by the parent organisation, Safe Places for Children Secretariat, and by the Australian not-for-profit Safe Places Community Services Limited. These organisations continue to provide backup funding, management expertise, emergency staffing requirements and administrative support. With these arrangements in place, we are able to continue establishing our presence in the industry and bring better outcomes for young people. The charity recognises the need to have positive unrestricted funds and is taking steps to achieve this in due course. The charity expects to receive continued support from the connected charity Safe Places for Children Secretariat.

The Trustees have reviewed cash flow forecasts for 2023 and 2024 in order to consider going concern and are confident that the charity will have the resources available to it that it will need for at least the 12 months following the approval of these financial statements.

Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**Risk management**

The trustees have a risk management strategy which comprises:

- monthly review and check to ensure standards are maintained, policies upheld and procedures followed in both practical application and documentation;
- ongoing work by a dedicated Quality and Systems team;
- ongoing work by team reviewing documentation, licencing and other requirements for working in this highly regulated industry;
- an annual review of the principal risks and uncertainties that the charity faces, including financial risks;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that barriers to entry is the major financial risk for the charity. The approach of Safe Places for Children UK is different from those used by other organisations in residential care, and requires changes in thinking in the funding and placement agencies.

Attention has also been focussed on non-financial risks arising from fire, health and safety of staff and young people. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular awareness training for staff working in these operational areas.

**Future Plans**

Since the financial year end, we have made significant progress in continuing to establish the organisation as a premium provider of therapeutic care, this has been acknowledged by the regulator in Northern Ireland and

## **SAFE PLACES FOR CHILDREN UK**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022**

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the individual trusts. Placements continue in our homes and we have achieved great outcomes for the children and young people. We have received payments from the South-Eastern Trust of HSC and Belfast Trust in Northern Ireland for these services.

We previously provided therapeutic care to young people via a tendered contract with Cheshire East Council providing services to a significant number of young people. The CEC contracts were mutually terminated in July and August 2023, despite having some great outcomes for young people, including transitioning children and young people back home to their families or to a lessor intensive model of care. CEC was unwilling to increase the pricing structure to ensure the ongoing service was financially viable for Safe Places.

Safe Places have completed all registration documentation with OFSTED for the Nantwich property and we will look to support children and young people from January 2024 and increase our overall revenue, this will be outside of the constraints of a tendered agreement. Nantwich property will be on a fee for service basis under an individual contract for specific young person for a specified period.

Safe Places for Children UK have commenced supporting Safe Places community Service Ltd in Australia to source additional staffing resources, an agreed pricing schedule is in place this includes cost recovery for fixed costs and various pay points throughout the various stages. Safe Places UK have a well-established training team that will also train prospective staff before they travel to Australia. The international recruitment project is underway and has generated additional revenue.

#### **Trustees**

The following Trustees have held office during the period and to the date of signing the accounts:

- Keith Mason (resigned 11 April 2022, appointed 6 July 2022)
- Christopher Saunders
- Maninder Singh (resigned 17 November 2022)
- Anthony Thompson (appointed 22 March 2022, resigned 25 August 2022)

**Structure, Governance & Management**

*Constitution*

The charity is constituted as a company limited by guarantee and was incorporated on 28 April 2016. It is governed by its Memorandum and Articles of Association. There is currently one member. The charity was registered with the Charity Commission on 7 April 2017.

*Appointment of trustees*

As set out in the Articles of Association the trustees are nominated by Safe Places for Children Secretariat.

*Trustee induction and training*

The trustees have undergone orientation to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity.

*Related parties and co-operation with other organisations*

None of our trustees receive remuneration or other benefit from their work as a trustee with the charity. Any connection between a trustee or senior manager of the charity with an employee or contractor must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party.

The charity has a close relationship with Safe Places Community Services Limited in Australia, a non-profit with extensive experience and successes in the care and rehabilitation of troubled young people, and Safe Places for Children Secretariat (Registered Charity Number 1173449) the UK charity's parent. Safe Places Community Services Limited provides administration support, training and advice, as well as providing funding for the establishment phase of Safe Places for Children UK. The charity has not been asked to repay any of these funds, and we have assurances that repayment will be required only as and when the charity has capacity to repay.

Our view is that Safe Places Communities Services Limited and the charity are connected parties pursuant to the Australian accounting standards and the United Kingdom accounting standards.

*Pay policy for senior staff*

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings, subject to market comparative review.



**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Trustees Responsibilities**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Signed on behalf of the Trustees on

30/10/2023



Keith Mason  
Trustee

Company Number 10152838

Registered office: Triad House, Mountbatten Court, Worrall Street, Congleton, Cheshire, CW12 1DT

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SAFE PLACES FOR CHILDREN UK  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Opinion**

We have audited the financial statements of Safe Places for Children UK for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the 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 charitable company's state of affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SAFE PLACES FOR CHILDREN UK  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report which includes the Directors' 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' Annual Report.

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

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

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees (who are also 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 to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SAFE PLACES FOR CHILDREN UK  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Further, the charitable company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through material fine, litigation or restrictions on the charitable company's operations. We identified the most significant other laws and regulations to be specific requirements as found in the Education and Skills Act 2008 and the Childcare Act 2006 and guidance issued by Ofsted and the Regulator and Quality Improvement Authority.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SAFE PLACES FOR CHILDREN UK  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. 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 with 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 due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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



Sally Appleton (Senior Statutory Auditor)  
for and on behalf of Saffery LLP

Chartered Accountants  
Statutory Auditors

Mitre House  
North Park Road  
Harrogate  
HG1 5RX

Date: 3 November 2023

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

## SAFE PLACES FOR CHILDREN UK

### STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account) FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
<b>Income from:</b>			
Charitable activities	2	1,816,895	1,787,805
<b>Total income</b>		<u>1,816,895</u>	<u>1,787,805</u>
<b>Expenditure on:</b>			
Charitable activities	3	2,067,745	1,871,326
<b>Total expenditure</b>		<u>2,067,745</u>	<u>1,871,326</u>
<b>Net expenditure for the year</b>		(250,850)	(83,521)
Deficit balances brought forward at 1 January 2022	15	<u>(1,103,961)</u>	<u>(1,020,440)</u>
<b>Deficit balances carried forward at 31 December 2022</b>		<u><b>(1,354,811)</b></u>	<u><b>(1,103,961)</b></u>

During the above financial period, the charity's activities derived from continuing operations.  
The charity has no other recognised gains and losses from those stated above.

All funds are unrestricted.

The notes on pages 14 to 21 form an integral part of these financial statements.

## SAFE PLACES FOR CHILDREN UK

### BALANCE SHEET AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
<b>Fixed assets</b>	<b>9</b>	402,592	420,720
<b>Current assets</b>			
Debtors	<b>10</b>	81,868	29,836
Cash at bank and in hand		21,233	135,446
		<u>103,101</u>	<u>165,282</u>
<b>Creditors: Amounts falling due within one year</b>	<b>11</b>	<u>(226,616)</u>	<u>(171,075)</u>
<b>Net current assets/(liabilities)</b>		(123,515)	(5,793)
<b>Total assets less current assets/(liabilities)</b>		279,077	414,927
<b>Creditors: Amounts falling due after one year</b>	<b>12</b>	<u>(1,633,888)</u>	<u>(1,518,888)</u>
<b>Net Liabilities</b>		<u><b>(1,354,811)</b></u>	<u><b>(1,103,961)</b></u>
<b>Represented by</b>			
Unrestricted deficit		<u>(1,354,811)</u>	<u>(1,103,961)</u>
<b>Total deficit in funds</b>		<u><b>(1,354,811)</b></u>	<u><b>(1,103,961)</b></u>

The notes on pages 14 to 21 form an integral part of these financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 30 October 2023 and signed on their behalf by:



Keith Mason  
Trustee

Company Number 10152838

# SAFE PLACES FOR CHILDREN UK

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	A	(229,213)	25,329
<b>Net cash used in operating activities</b>		<u>(229,213)</u>	<u>25,329</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	(606)
<b>Net cash used in investing activities</b>		<u>-</u>	<u>(606)</u>
<b>Cash flows from financing activities</b>			
Cash inflows from new borrowings		115,000	-
Repayment of borrowings		-	(15,314)
<b>Net cash from financing activities</b>		<u>115,000</u>	<u>(15,314)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(114,213)	9,409
<b>Cash and cash equivalents at the beginning of the year</b>		<u>135,446</u>	<u>126,037</u>
<b>Cash and cash equivalents at the end of the year</b>	B	<u><u>21,233</u></u>	<u><u>135,446</u></u>

### A. Reconciliation of net income to net cash flow

	2022	2021
	£	£
<b>Net deficit for the reporting period</b>	(250,850)	(83,521)
<b>Adjustments for:</b>		
Depreciation charges	18,128	18,087
Decrease/(increase) in debtors	(52,032)	15,131
Increase in creditors	55,541	75,632
<b>Net cash inflow/(outflow) from operating activities</b>	<u>(229,213)</u>	<u>25,329</u>

### B. Analysis of cash and cash equivalents

	1 January 2022	Movement	31 December 2022
	£	£	£
Cash at bank and in hand	135,446	(114,213)	21,233
Loans payable	(1,518,888)	(115,000)	(1,633,888)
	<u>(1,383,442)</u>	<u>(229,213)</u>	<u>(1,612,655)</u>

The notes on pages 14 to 21 form an integral part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1 Accounting policies**

**1.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. They also comply with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The charity constitutes a public benefit entity as defined by FRS 102.

**1.2 Accounting exemptions**

The charity meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in accordance with paragraph 1.12 of FRS102. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and the compensation of key management personnel.

**1.3 Going concern**

At the time of approving the financial statements, the trustees are of the view that the relationship between Safe Places Community Services Limited and Safe Places for Children UK, along with the long-term viability and resources of the Australian operation, and the demonstrated willingness of the placement agencies to utilise our services and pay the associated costs, indicate that the charity is a going concern. The Trustees have reviewed cash flow forecasts for 2023 and 2024 in order to consider going concern and are confident that the charity will have the resources available to it that it will need for at least the 12 months following the approval of these financial statements.

Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements. The charity recognises the need to have positive unrestricted funds and is taking steps to achieve this in due course through the increase in operations driving increasing surpluses over the high base running costs. The charity expects to receive continued support from the connected charity Safe Places for Children Secretariat, providing onward funding from Safe Places Communities Services Limited.

**1.4 Fund accounting**

All funds are unrestricted general funds and are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

**1.5 Tangible fixed assets**

Expenditure on the acquisition of individual fixed assets are capitalised at cost. Depreciation is provided to write off the cost of the asset less estimated residual value in equal instalments over their expected useful economic lives as follows:

- |                              |          |
|------------------------------|----------|
| • Buildings and improvements | 50 years |
| • Motor Vehicles             | 4 years  |
| • Computer Equipment         | 5 years  |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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Land is estimated to represent 20% of the value of buildings and is not depreciated.

**1.6 Incoming resources**

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Income from charitable activities represents the delivery of the charity's core services and is recognised as the service is performed.
- Income received by way of donations, legacies and gifts is included in full in the Statement of Financial Activity when receivable.

**1.7 Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

**1.8 Taxation**

The company is a registered charity and is not normally liable to United Kingdom income tax or corporation tax on its charitable activities. The company is unable to recover all of its VAT which is therefore expended through the Statement of Financial Activities.

**1.9 Financial instruments**

The Charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost. For debt instruments this is calculated using the effective interest rate method.

**1.10 Critical accounting judgements**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

No key judgements or assumptions have been made by the Trustees in the preparation of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**2 Income from charitable activities**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Residential care	1,614,658	1,688,010
Outreach care	86,360	82,951
Other income	115,877	16,844
	<u>1,816,895</u>	<u>1,787,805</u>

**3 Charitable activities costs**

	<b>Direct costs</b> <b>(Note 4)</b> <b>£</b>	<b>Support</b> <b>costs</b> <b>(Note 5)</b> <b>£</b>	<b>Total</b> <b>2022</b> <b>£</b>
Therapeutic residential services	1,556,750	-	1,556,750
Other	-	510,995	510,995
	<u>1,556,750</u>	<u>510,995</u>	<u>2,067,745</u>
	<b>Direct costs</b> <b>(Note 4)</b> <b>£</b>	<b>Support</b> <b>costs</b> <b>(Note 5)</b> <b>£</b>	<b>Total</b> <b>2021</b> <b>£</b>
Therapeutic residential services	1,411,220	-	1,411,220
Other	-	460,106	460,106
	<u>1,411,220</u>	<u>460,106</u>	<u>1,871,326</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**4 Direct costs of charitable activities**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Staff and related costs	1,322,352	1,261,476
Residential premises costs	201,910	125,056
Travel costs	32,488	24,689
	<u>1,556,750</u>	<u>1,411,220</u>

**5 Support costs**

Support costs are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Staff and related costs	200,361	196,288
Travel	10,676	7,244
Office costs	110,243	98,844
Depreciation	18,128	18,087
Insurance	64,316	54,479
Service fees	34,963	-
Governance costs (note 6)	72,308	84,164
	<u>510,995</u>	<u>460,106</u>

**6 Governance costs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Audit fees		
- Current Year	23,064	16,000
- Prior Year	-	21,600
Accounting and Tax Fees	2,300	4,440
Legal and Professional Fees	46,944	42,124
	<u>72,308</u>	<u>84,164</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**7 Direct staff costs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,296,371	1,233,815
Social security costs	136,925	121,208
Other pension costs	47,127	44,635
	<u>1,480,423</u>	<u>1,399,659</u>

The average monthly number of employees (based on head count) during the year was 47 (2021: 45).

The number of employees with emoluments for the year over £60,000 are as shown below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
£60,000 - £69,999	-	1
£70,000 - £79,999	1	-
£80,000 - £89,999	1	-
	<u>1</u>	<u>-</u>

The key management personnel of the charity currently comprise individuals working for Safe Places Community Services Limited in Australia. There is no charge to the charity for their services at present.

**8 Trustees' remuneration and benefits**

There was no trustees' remuneration or other benefits for the year ended 31 December 2022 or for the year ended 31 December 2021. See note 15 for details of other related party transactions.

There were no trustees' expenses paid for the year ended 31 December 2022 or for the year ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**9 Tangible fixed assets**

	Computer equipment £	Buildings £	Motor vehicles £	Totals £
<b>Cost</b>				
At 1 January 2022	10,077	416,863	35,894	462,834
Additions	-	-	-	-
<b>At 31 December 2022</b>	<b>10,077</b>	<b>416,863</b>	<b>35,894</b>	<b>462,834</b>
<b>Depreciation</b>				
At 1 January 2022	3,752	21,243	17,119	42,114
Charge for year	2,015	7,139	8,973	18,128
<b>At 31 December 2022</b>	<b>5,767</b>	<b>28,383</b>	<b>26,092</b>	<b>60,242</b>
<b>Net book value</b>				
<b>At 31 December 2022</b>	<b>4,310</b>	<b>388,480</b>	<b>9,802</b>	<b>402,592</b>
At 31 December 2021	6,325	395,620	18,775	420,720

**10 Debtors**

	2022 £	2021 £
Trade debtors	59,035	9,245
Prepayments	3,244	744
Other debtors	19,589	19,847
	<b>81,868</b>	<b>29,836</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**11 Creditors: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	22,407	1,747
Tax and social security	33,178	33,352
Accruals and other creditors	151,031	135,976
Deferred income	20,000	-
	<u>226,616</u>	<u>171,075</u>

**12 Creditors: Amounts falling after one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Loan from parent charity	1,633,888	1,518,888
	<u>1,633,888</u>	<u>1,518,888</u>

Creditors greater than one year represent a loan from Safe Places for Children Secretariat (Registered Charity Number 1173449). The loan is interest free and has no fixed repayment date.

**13 Operating lease commitment**

Minimum lease payments commitment under operating leases due as follows

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	17,640	6,308
Between two and five years	<u>1,470</u>	<u>-</u>

**14 Company Status**

The company does not have a share capital and is limited by the guarantee of its member, Safe Places for Children Secretariat (Registered Charity Number 1173449). At 31 December 2022 the total of such guarantees was £1 (2021 - £1).

**15 Related Party Transactions**

Anthony Thompson, a trustee, is a trustee of Safe Places for Children Secretariat. The charity received loans in the year of £nil (2021: £nil) from Safe Places for Children Secretariat.

As at 31 December 2022 the balance of loans owing to Safe Places for Children Secretariat is £1, 633,888 (2021: £1, 518,888).

Anthony Thompson is a Director of Safe Places Community Services Limited, serving as Chairman. Safe Places Communities Services Limited is a similar organisation operating in Australia on which this charity has been modelled. The view of the Trustees is that Safe Places Communities Services Limited and this charity are connected parties pursuant to the Australian accounting standards and the United Kingdom accounting standards.

During the year Safe Places Communities Services Limited paid net expenses of £115,000 (2021 - £15,314) on behalf of the charity. These amounts are included in the increased loan payable to Safe Places for Children Secretariat at 31 December 2022.

Keith Mason is a Trustee of Safe Places for Children UK but is also the Managing Director of the Charity. He receives remuneration for his employment as managing Director, which is separate to his role as a Trustee, for which no remuneration is received.

There are no other related party transactions that require disclosure.

**16 Post Balance Sheet Events**

Following the year end, the Charity was informed by Safe Places Community Services Limited that the loan provided to the Charity (see note 12) was to be forgiven during the year ending 31 December 2023.