THE CHILDREN'S FAMILY TRUST

England & Wales · Charity number 208607

Details

Other names	THE CHILDREN'S FAMILY TRUST LIMITED, CFT
Status	Registered
Legal form	Charitable company
Company number	00398875
Registered	1962-09-22
Register	View on the Charity Commission register

Contact

Address	Hanbury Court Unit 16 Harris Business Park Stoke Prior Bromsgrove Worcestershire B60 4DJ
Phone	01527574446
Email	enquiries@thecft.org.uk
Website	www.thecft.org.uk

Activities

Objects: THE RELIEF OF CHILDREN AND YOUNG PERSONS IN NEED, AND IN PARTICULAR THOSE IN THE CARE OF, OR ACCOMMODATED BY, A LOCAL AUTHORITY, BY PROVIDING THEM WITH, OR OTHERWISE ASSISTING IN THE PROVISION OF, A PLACEMENT OR PLACEMENTS IN SUITABLE ACCOMMODATION A0ND PROVIDING THEM WITH OR ASSISTING IN THE PROVISION OF, APPROPRIATE CARERS, WITH THE AIM OF PROVIDING THEM WITH A STABLE FAMILY LIFE PROVIDING FOR THEIR EDUCATION AND ESTABLISHMENT IN LIFE AND THE RELIEF OF POVERTY AND IN PARTICULAR THE ASSISTANCE OF ADULTS WHO HAVE AS CHILDREN BEEN IN LOCAL AUTHORITY CARE

Activities: The relief of children and young persons in need, and in particular those in the care of, or accommodated by, a long authority;The relief of poverty and in particular the assistance of adults who have as children been in local authority care.

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Classification

- **How:** Provides Services
- **What:** The Prevention Or Relief Of Poverty
- **Who:** Children/young People

Geography

- **Area of benefit:** NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£102,786	£9,413,577	£4,399,031	53
2024-12-31	£121,898	£9,596,413	£3,965,126	55
2023-12-31	£113,377	£9,061,414	£3,723,928	53
2022-12-31	£62,164	£8,521,568	£3,650,339	54
2021-12-31	£65,527	£7,577,729	£3,370,676	55

Trustees

Name	Role	Appointed
ALECIA FORREST-OLIVER		
DALE WILLIAMS		2013-09-23
Dr VALERIE WIGFALL		2012-11-07
Ian Andrew Brazier		2020-11-09
Margaret Hine		2015-04-29
NICHOLAS ANTHONY HARRISON		
Robert Porter		2025-09-04
Tom Gormley		2019-02-06

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THE CHILDREN'S FAMILY TRUST

England & Wales - Charity number 208607

Accounts

Company registration number: 00398875
Charity registration number: 208607

THE CHILDREN'S FAMILY TRUST
TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

The Children's Family Trust
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The trustees present their report and the financial statements for the year ended 31 December 2025.

Objectives and Activities

Aims and Objectives

Established as a Registered Charity in 1945 and operating as a company limited by guarantee, our stated objectives, as set out in our governing Memorandum of Association, are:

The relief of children and young persons in need, and in particular those in the care of, or accommodated by, a Local Authority, by

Providing them with, or otherwise assisting in the provision of, a placement or placements in suitable accommodation and providing them with or assisting in the provision of, appropriate Carers, with the aim of providing them with a stable family life.

Providing for their education and establishment in life.

The relief of poverty and in particular the assistance of adults who have as children been in Local Authority care.

Significant Activities

Our operational work in England is classified as an independent fostering agency. The standards applied by Ofsted are the primary measures of our success and are in the public domain, as are their Inspection Reports evaluating the quality of our work.

Overall, our purpose remains to provide a stable and successful family life for children in the care system with the aim of preparing them for successful adulthood. The Trust's guiding philosophy is that all children have the right to live 'a natural family life'. Predominantly we do this through the provision of foster care. Most of our income derives from the fees we charge for this service. Traditionally, but not now exclusively, we have experience in providing for sibling groups and permanent placements – reflected in our core values around a 'family for life'. However, increasingly, we also provide for children needing short-term care where we apply the same principles as if those children were placed on a 'family for life' basis.

It follows that we continue in the Trust's tradition of putting the interests of our children first, closely followed by those of our Carers and staff.

Public Benefit

Local Authorities have a statutory obligation to provide foster placements for those children brought into the State care system and needing to live away from home. Our work, as a Registered Charity, is to provide such placement opportunities on a transparently not-for-profit basis, to do so to the highest professional standards, and to deliver the best outcomes to those placed in our charge. Our placements are open to all Local Authorities, irrespective of location, and our matching process meets all professional best practices in endeavouring to provide an enduring placement for each individual child. As our fees are met by Local Authorities, and we are providing care for any child that they may present and for whom we are able to affect a suitable match, we work on an entirely inclusive and non-discriminatory basis for the public benefit.

Further, we use our charitable resources to extend and enhance our services, and to meet individual needs, particularly where these are for children no longer supported by the public purse. This is demonstrated by the Trust's continuing support of individuals, now adults, who have been in the care of the Trust but who need, from time to time, the support of the Trust through its Lifetime Carers. This intervention has, in the past, helped prevent the involvement of the State in the lives of families.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The trustees confirm that they have complied with the requirements of Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit.

Achievements and Performance

Main Achievements

The Trust continued to operate highly effectively throughout the year and as a result now provides for a growing number of children with highly complex needs who require the care of exceptionally skilled foster carers. The current economic climate within which we work continues to be 'squeezed' and the rise in the number of children coming into care continues to grow in demand, sadly. However, the number of children placed with our fostering families ebbed and flowed throughout 2025, largely as a result of the challenges we continue to face in recruiting new foster families to create greater capacity. Several of our larger contracts were due for retender during 2025 and we successfully retained these contracts as a result of keen pricing and negotiation. A number of other contracts were once again extended and through negotiation resulted in substantial uplifts in pricing, these uplifts continue to contribute significantly to our income.

There continues to be an acute national shortage of fostering families which means recruitment remains our greatest challenge. However, the appointment of a new Marketing & Media Manager in December 2023 has made a significant difference to our recruitment strategies and his creative work on various media platforms has resulted in a substantial increase in national enquiries during 2025, leading to an increase in new applicants currently being assessed. We continue to recruit only very high calibre families who choose to foster on a vocational basis and can demonstrate insight, resilience and compassion with a mix of skills and experience in order to provide a varied and diverse range of placements to Local Authorities. Our Fostering Panels are held regionally, and our panel members live locally to our regional offices. As we move into 2026 we have 9 families currently in assessment with several enquiries awaiting feedback.

The number of children we look after remained consistently above 200 throughout 2025 rising and falling on occasion. It is noticeable that most of the referrals we received across all regions were for children with considerable difficulties and who have experienced very traumatic early lives. For this reason alone, the calibre, quality and skills of our fostering families is of paramount importance. With this in mind we launched a 5-year road map in September 2024 with a view to becoming a fully trauma informed agency. This has involved appointing our own permanent full time highly skilled Psychotherapist and providing training in trauma informed practice for every foster carer and member of staff including administrators, panel members and our trustees. Our policies and procedures have also been reviewed and reworded to reflect this approach. In taking this approach and investing time and money into this plan it is hoped that by 2029 our carer and staff base will be ever more skilled and the Trust will be in a position to offer even the most challenging and complex children a 'family for life'.

It is important to note that during 2025 and moving into 2026 we have 24 young people who will turn 18 and have chosen to remain with their fostering families on a 'Staying Put' arrangement. And whilst this is absolutely a true reflection of our lived ethos of 'a family for life' any number of young people remaining with us also represents a substantial loss of income and a 'bed blocking' issue in some cases.

Key Operational Events and Milestones of the Year

Ofsted: All regions are registered with Ofsted and all Registered Managers appropriately experienced and qualified.

Our North-East Region:

Our North-East region continued its highly valued work throughout 2025. Placement numbers increased reaching 64 by the year end. The region currently has 4 young people on a Staying Put arrangement which is set to increase to 9 by the end of 2026. This arrangement means that whilst the young person remains living with their fostering family the Trust stops receiving a fostering fee for the placement. The local authority will, in most cases financially support the young person in placement but will not provide the Carer or Trust with any financial support. This represents the Trust with some dilemmas given our ethos of 'Family for Life'. Many of our Carers remain committed to the young person they care for, but this arrangement can potentially cause them some financial hardship, particularly if they do not have another spare bedroom or a second child in placement. Most of the children placed in the North East are 'family for life' placements, which tend to be stable and therefore provide a steady income source, which can be relied upon. The region's current Ofsted rating is a much-deserved 'Good'.

Our West Yorkshire Region

Our West Yorkshire office is now well established. The region continued its highly valued work throughout 2025. Placement numbers increased throughout 2025 and averaged out at 38 at the year end with an additional 3 young people on Staying Put arrangements. However, recruitment of new Foster Carers continues to prove challenging with local authorities in the region offering very competitive packages to potential Carers as well as the promise of always having children available to place. The region is due a full inspection early in 2026.

Our West Midlands Region:

2025 was a very successful year for the West Midlands office. The region continued its highly valued work throughout the year and increased the number of children placed substantially, averaging out at over 65 throughout the year. The region is extremely well established and has a highly skilled staff team who provide excellent support to a very experienced group of long-standing fostering families.
At the end of the year there were 43 approved Carers and another 2 prospective Carers in assessment who will be approved early in 2026. The region continues to receive upwards of 2000 referrals per month.

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Key Operational Events and Milestones of the Year - continued
The West Midlands team continues to operate in a congested and highly competitive market and is a major contributor to the placements available to Local Authorities across the region. In July 2025 the region underwent a full Ofsted Inspection and were awarded a judgement of 'Outstanding' across the board, very much deserved and a continuation of their previous judgement. In September the current Registered Manager retired and a new manager was promoted and appointed within the organization.

Our South-Central Region:

We have a staff team of 8 in the region including 3 Supervising Social Workers, 1 Principle Social Worker, a Support Worker and 2 Administrators and a Registered Manager. The region has continued to grow in a very 'organic' way with several families coming our way via 'word of mouth'. The region ended the year with 19 approved Carers and another 3 in assessment alongside 27 children in place. Our South-Central team continued its highly valued work throughout 2025 despite some very challenging circumstances regarding recruitment of new foster families and retirement of several families in the region. Placement numbers declined as a result of lack of capacity. However, at the start of 2026 3 new fostering families will be presented to panel, thus, hopefully increasing the region's capacity considerably.
The region receives an average of 500 referrals a month and their profile in the region is well established with local authorities, this has resulted in local authority placement teams specifically requesting placements with several our families in the region. It is worthy of note that this particular region operates in a fiercely competitive market with over 110 other fostering agencies in Hampshire alone. This is more than a third of the Independent Fostering Agencies (IFA's) in the United Kingdom!

The region's current Ofsted judgement of 'Good' was awarded in 2024.

Our East Midlands Region:

Our East Midlands region has ebbed and flowed this past year. However, toward the end of 2025 we have 8 approved Carers with 2 further applicants in assessment. The region has a part-time permanent administrator to cover the administration tasks as well as help with the recruitment for the region. There are also 2 Social Workers alongside 1 Principle Social Worker. During the past year the region has provided invaluable support to our bigger regions in the form of short break care for large sibling groups, thus giving our Carers a much-needed break regularly. It is hoped that by the close of 2026 the region will become registered with Ofsted and have a permanent office on the Lincolnshire / Nottinghamshire borders.

Summary:

The number of children cared for by the Trust on the 31st December 2025 were at approximately 214 plus 4 further children placed on enhanced fee arrangements and 22 young people on Staying Put arrangements.

Progress elsewhere

Our Head Office continues to provide a myriad of services and support to all regions. The team comprises of several highly skilled professionals including our Head of Service, our HR Manager, our Head of Finance and a Marketing & Media Manager, these roles are all supported by several excellent administrators.

Our Marketing & Media strategies proved invaluable throughout 2025. The acknowledgement and recognition that social media is without doubt enormously important in order to attract the right type of applicant to fostering has never been more evident. Raising our profile with local authorities has been key to our continued reputation as a high-quality provider of placements which is slowly paying off. Initial enquiries from potential applicants via our website and Facebook page continues to increase substantially.

We have also made progress in the management of our contracts and in our ability to respond to tendering opportunities, which has been a collaborative effort between Head Office and Social Work staff.

Skyrocket has grown in reputation across the sector and one day online courses were delivered during 2025 along with face to face Registered Manager training courses. Several more courses are likely to be planned for 2026. Skyrocket is now entirely operating under the umbrella of the Trust following the resignation of its partners Community Foster Care in the summer of 2024.

Financial Review

Financial Position
Our full results are given in the financial statements, later in this report.

The overall surplus for the year amounted to £434,318 (2024: £241,197 surplus).

Our income continues to come primarily from our child-care provision to Local Authorities. With an increase in the average number of children placed compared to the previous year our Local Authority income increased by £29,396 to £9,745,109 (2024: £9,715,713) or 0.1% when compared to 2024.

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Financial Position - continued
The Trust also provided a mix of Over 18 / Lifetime Carer support of £84,381 (2024: £85,814), which is met out of charitable donations, investment income and reserves.

Our financial asset strength remains principally in property, including an Investment Property.

It is the policy of the Trust to hold sufficient assets in cash, or in easily converted forms, to meet its forecast cash requirements and in order to fund continuing growth.

Close financial controls are in place to ensure that expenditure is planned and monitored. Decisions on where, when and how to invest internally to secure growth remain difficult judgements in our situation, where long lead-times are needed before results can be seen.

Reserves Policy
Free reserves, or unrestricted funds excluding designated funds (which are held as fixed assets), amounted to £3,253,460 as at 31st December 2025 (2024: £2,819,143). This represents 3.5 months (2024: 3.5 months) of total annual unrestricted expenditure excluding designated and restricted expenditure. The charity has a reserves policy to accumulate reserves equal to six months of total annual unrestricted expenditure excluding designated and restricted expenditure. As we come out of the global pandemic, the charity is continuing to ensure that we continue to work with Local Authorities, submit more tenders and increase the placement numbers. We are also continuing to develop a new region which will bring extra income. This will no doubt help us achieve the reserves that we should have.

The designated funds of £1,145,571 (2024: £1,145,571) are to meet costs in relation to our support to Lifetime Foster Carers.

The Trust looks at cash and liquid investments available to meet its known and planned requirements. As at 31st December 2025 the Trust had readily realisable cash reserves of £2,084,945 (2024: £1,526,368) to cover known and planned requirements of £216,434 (2024: £216,808). The known and planned requirements included, but was not limited to, the following:

- Working capital
- Dilapidations on leased offices
- Fixed Asset Repairs

Restricted funds will be spent in line with funding restrictions.

Investment Policy and Objectives
The Trust splits its investments to provide for capital growth and monthly income to support operations until the time when cash flow becomes reliably positive on a monthly basis. Details of these investments are given in the Financial Statements.

The Trust will explore options for investment advice in 2026.

Risk Management
The Trust undertakes a formal Risk Assessment on an annual basis. The Risk Assessment and Risk Register is updated alongside the 5 Year Business Plan. The 5 Year Business Plan takes account of risks identified in the Risk Assessment. Risks are colour coded. Red is critical, Amber is highly important or significant, and Green is minor. Risks are categorised as either Management and Governance, Operational, Financial or External. Controls are in place to reduce or eliminate each identified risk. The mitigation of risk is considered on an ongoing basis by key management. For example, before any operational changes or any developments in activities provided by the Trust, and, within Senior Management and Registered Management meetings. Any newly identified critical risks are flagged up to Trustees either before or at the next planned trustee meeting.

At December 2025 the principal risks facing the charity and the strategies to manage them were as follows:

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Risk Management - continued

Risk	Controls
The Trust is unable to respond to placement requests	Communicate closely with commissioners Explain ethos of the Trust as a permanency provider Use existing capacity to best effect without compromising quality Build placement capacity Work with commissioners to understand their needs
Local Authorities stance on Staying Put places	Review potential impact over next 5 years Maintain dialogue with local authorities concerned Review budget and 5 year plan to earmark potential carer support Look at staff training to meet needs of Staying Put / over 18 support
Government / Local Authority cuts push down fees unsustainable levels	Review service provision Review staff utilisation Find ways of making savings in delivery Reduce central cost database Find value suppliers, eg insurance, IT, HR, etc Review policy of limiting the number of placements in each area - increase placement numbers at lower fee Co-operate with other smaller providers in the sector Support the development of FFP and develop influence in government / local authorities
Sector consolidation harms small operators	Monitor changes to the number of agencies operating in the sector Research possible merger / purchase targets Get to critical mass and maintain placement numbers Compete on fee rates and foster carer fees Continue to build add on services Monitor LA for tender opprttunities

Future Developments
The Aims and Objectives for 2026 continue to be about recruitment, retention and raising the profile of the Trust. Recruitment of new Carers is vital if we are to increase our capacity to provide more families for children going forward.

However, targeted recruitment in the right geographical areas and identifying the right profile of potential Carers remains of paramount importance. As a result we have updated our website and plan to run 'targeted' campaigns' throughout the coming year.

Retention of Carers continues to be another one of our key objectives going into 2026. As such we have increased the additional 'one off' payments to all of our foster families for 2026 in recognition of the very challenging economic climate they are trying to operate in. We review both the maintenance and professional fees paid to our fostering families annually and continue to increase these fees year on year.

We have also recently increased our Long Service Awards for both foster carers and staff as a way of acknowledging the commitment they make to the Trust.
During 2025 we launched our Reward & Recognition Scheme for staff. This allows a peer on peer approach and nominated staff are rewarded monthly if selected and recognized for going that extra 'mile'.

In 2026 our current maternity policy and pay will be reviewed by our board of trustees to ensure we remain competitive with local authority employers and other similar fostering providers.

From the start of 2025 we agreed to continue to review our pension provision year on year for our staff.

We continue to close each of our offices one day per week to reduce our running costs throughout the winter. This plan will remain in place given its success and the cost savings made.

We also operate a 4-day week for all staff alongside flexible working options which continue to be appreciated and welcomed by all staff in providing a good work/life balance.

Structure, Governance and Management

Induction and Training of Trustees
The Trustees have chosen to manage the governance of the Trust as a small but involved group with complementary skills covering our heritage and core values, our professional work, education, and corporate business skills. The Trustees periodically consider whether, and where and when, additional or replacement skills and experiences are required.

Recruitment channels have included national advertising, executive search, the use of nationally accepted clearing houses, as well as individual networking to seek out specific skills or expertise. Appointments are made after a process that allows candidates to explore the Trust's work and become familiar with the management team and the Trustees and then by the Trustee body in its entirety. Trustees undergo induction and training in their responsibilities and development affecting both their role and the work of the Trust.

Organisational Structure
As an organisation, the Trust is governed by the Board of Trustees. We employ full-time executive, administrative and professional resources, as well as retaining professional advisers such as legal and audit firms.

As a Registered Charity, the Trust is not a profit-making organisation and no benefit may be derived by its Trustees, who are also Members of the Trust. Accordingly, we are classified as a 'voluntary organisation' within the terms of the Children's Act 1989, section 105.

As a charity and as a company limited by guarantee, the Trustees' Report and Financial Statements, and the Memorandum and Articles of Association are publicly available.

We also make them available to appropriate and interested parties, e.g. Local Authorities, existing/prospective Foster Carers, children in placement or on request. The Articles of Association set out the regulations that govern the company's internal affairs.

Apart from the Trustee body being required to meet the appropriate qualifications to act as Trustees and Directors, they and the staff of the Trust, and the retained Foster Carers, Foster Carers' own children over the age of sixteen, baby-sitters, regular visitors to the Foster Carers' homes, any domestic staff, and the members of the Fostering Panel are all subject to the Disclosure and Barring Service (DBS) checks, formally referred to as Criminal Records Bureau (CRB) checks. We extend this process to other key workers within supporting organisations e.g. human resources and information technology. Further, Foster Carers are subject to additional checks as part of their BAAF Form F-based selection process.

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Organisational Structure - continued
All our professional staff are qualified variously holding CQSW/Diploma in Social Work, Practice Teaching Awards, and Post-Graduate Diplomas in Social Work as well as relevant first and post graduate degrees. In addition, the Trust has engaged, on a sessional basis, further fully qualified and highly skilled professionals to deliver training on such topics as safeguarding, therapeutic approaches, first aid and de-escalation techniques for both our staff and fostering families. All our professional Social Work staff are registered with Social Work England, the regulatory body. Several also have experience in working within the private and voluntary sectors. The Social Work teams are supported by our Head Office staff, which includes Administration, HR, Marketing and Media and Finance.

All Foster Carers have passed the TDS induction standards. Throughout the year they are expected to attend a minimum of six mandatory training courses.

In order to remain current in matters affecting the work of the Trust, it has for many years been a member of the National Council for Voluntary Organisations (NCVO), Children England, The Fostering Network, Foster talk and Coram BAAF (British Association for Adoption and Fostering). We have also added our voice to FFP (Fairer Fostering Partnership) which campaigns within the fostering sector on behalf of 'not for profit' fostering agencies as well as our most recent membership of the National Association of Fostering Providers (NAFP). Through membership of these organizations the Trust looks both to learn from developments in good practice relating both to governance and child-care, and to influence the development and implementation of social policy generally and childcare policy and provision specifically.

The Trust is not a member of any larger organization nor has affiliate organizations.

The Trust has a policy and procedure to deal with any complaints and aims to secure early resolution of any such matters. The Trust received no formal complaints in 2025.

Related Parties
All related party transactions can be seen in note 19 to the Financial Statements.

Pay Policy for Senior Staff
The Trust needs to operate in a competitive environment yet balance its responsibility to be prudent with charitable monies. The Trust has a Compensation Policy and uses Compensation Guidelines that are reviewed regularly and set out how it will manage pay for senior staff and all other employees.

The over-arching premise is that basic salary ranges should meet the Trust objectives of attracting, retaining and motivating staff.

The Trust continues to commission the services of an external human resources provider to support our HR Manager. In setting salary ranges for all roles within the organization the Trust looks at a range or relevant benchmarks such as location, charity sector, charity income and number of employees. All proposed salary ranges are agreed by the Board of Trustees. We initially reviewed our pay structure and appraisal process during 2022 and a further review took place in 2025 in order for us to remain competitive in a very saturated market. This review was overseen and agreed by our board of trustees.

Currently, proposed salary changes by line managers, within the salary range for the role, are signed-off by the Chief Executive. The Chair of Trustees authorizes changes to the Chief Executive's pay.

Reference and Administrative Details

Trustees
Mr I Brazier
Mrs A Oliver
Mr N Harrison
Dr V Wigfall
Mr D Williams
Dr M Hine
Mr T Gormley
Mrs K Blackman (resigned July 2025)
Mr R Porter (appointed 04/09/2025)

Charity Number
208607

Company Number
00398875

Principal Address
Hanbury Court
Harris Business Park, Stoke Prior
Bromsgrove
Worcestershire
B60 4DJ

Registered Office
Hanbury Court
Harris Business Park, Stoke Prior
Bromsgrove
Worcestershire
B60 4DJ

Accountants
Cognitor Accountancy Limited
12 The Courtyard
Buntsford Drive
Bromsgrove
Worcestershire
B60 3DJ

Auditors
Cognitor Accountancy Limited
12 The Courtyard
Buntsford Drive
Bromsgrove
Worcestershire
B60 3DJ

Bankers
HSBC plc
22 Abington Street
Northampton

Solicitors
BPE Solicitors LLP
St James' House
St James' Square
Cheltenham

Other Information

Acknowledgements

This report is an opportunity for us to recognise those that help give us our distinctive quality. This quality results partly from the knowledge that our work is not undertaken for profit but to ensure that children get the care and support they need to become well-adjusted and contributing adults later in life. Our tagline of a 'family for life' underlines our commitment to those who need it that we will help them in their transition to independent adult living with supportive relationships beyond those provided within the state care system.

Our key debt is to our outstanding Foster Carers as it is they who provide the care to those children entrusted to us. Some of these individuals have provided decades of unflinching selfless service to their extended families, now often including grandchildren, and even great-grandchildren. Others are recent recruits who intend to work as Foster Carers for a set period of their lives. To all of them, for all their skill and dedication, we remain eternally grateful.

We additionally acknowledge that it is our staff team who organise and make this possible, and we would like to take this opportunity to thank them all. In addition to our direct staff we would like to recognise and thank our wider community of retained sessional Social Workers and other specialists, our Fostering Panel, key support firms and consultants of all types who give us the professionalism we need to provide such an excellent quality of care. Finally, as Chairman, I would like to thank the Trustees for their contribution as well as our other financial supporters who fund our growth and help to make the work of the Trust achievable.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of The Children's Family Trust 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. Under company law the trustees must not approve the financial statement unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; subject to any 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 company will continue in business.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at anytime the financial position of the charitable company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure of Information to Auditors

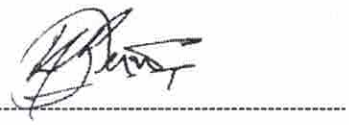
Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

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

Independent Auditors

In accordance with the charity's articles a resolution proposing that Cognitor Accountancy Limited, be reappointed as auditor of the chairty will be put at a general meeting.

The trustees' report was approved by the board of trustees and signed on its behalf by:



Mr I Brazier
Chairman
Date

Opinion

We have audited the financial statements of The Children's Family Trust (the "charity") for the year ended 31 December 2025 which comprise the Statement of Financial Activities (including Income and Expenditure Account), Balance Sheet, Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

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

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 12 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Director's Report prepared 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 Director's Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on Which We Are Required to Report by Exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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 or 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 1—10, 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
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.

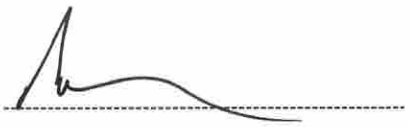
The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items. No issues were identified.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website 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 that 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.



Mark Warman FCCA. FCA (Senior Statutory Auditor)
for and on behalf of Cognitor Accountancy Limited , Statutory Auditor

Date

Cognitor Accountancy Limited
12 The Courtyard
Buntsford Drive
Bromsgrove
Worcestershire
B60 3DJ

The Children's Family Trust
Statement of Financial Activities (including Income and Expenditure Account)
For The Year Ended 31 December 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	8,833	-	8,833	22,512
Charitable activities:					
Foster care		9,745,109	-	9,745,109	9,715,713
Student fees		3,400	-	3,400	(400)
Investments	4	90,553	-	90,553	99,786
		9,847,895	-	9,847,895	9,837,611
EXPENDITURE ON:					
Raising funds	6	(74,811)	-	(74,811)	(63,656)
Charitable activities:	6				
Foster care		(9,253,693)	-	(9,253,693)	(9,446,305)
Fostering independence		(692)	-	(692)	(638)
Lifetime carer costs		(84,381)	-	(84,381)	(85,814)
		(9,413,577)	-	(9,413,577)	(9,596,413)
NET INCOME		434,318	-	434,318	241,198
NET MOVEMENT IN FUNDS		434,318	-	434,318	241,198
RECONCILIATION OF FUNDS:					
Total funds brought forward		3,964,713	412	3,965,125	3,723,927
TOTAL FUNDS CARRIED FORWARD	18	4,399,031	412	4,399,443	3,965,125

The notes on pages 18 to 26 form part of these financial statements.

The Children's Family Trust
Comparative Statement of Financial Activities (including Income and Expenditure Account)
For The Year Ended 31 December 2025

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM:				
Donations and legacies	3	22,512	-	22,512
Charitable activities:				
Foster care		9,715,713	-	9,715,713
Student fees		(400)	-	(400)
Investments	4	99,786	-	99,786
		9,837,611	-	9,837,611
EXPENDITURE ON:				
Raising funds	6	(63,656)	-	(63,656)
Charitable activities:	6			
Foster care		(9,446,305)	-	(9,446,305)
Fostering independence		(638)	-	(638)
Lifetime carer costs		(85,814)	-	(85,814)
		(9,596,413)	-	(9,596,413)
NET INCOME		241,198	-	241,198
NET MOVEMENT IN FUNDS		241,198	-	241,198
RECONCILIATION OF FUNDS:				
Total funds brought forward		3,723,515	412	3,723,927
TOTAL FUNDS CARRIED FORWARD	18	3,964,713	412	3,965,125

The notes on pages 18 to 26 form part of these financial statements.

The Children's Family Trust
Balance Sheet
As At 31 December 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
FIXED ASSETS					
Tangible Assets	12	1,779,733	-	1,779,733	1,949,987
Investments	13	6,093	-	6,093	6,093
		1,785,826	-	1,785,826	1,956,080
CURRENT ASSETS					
Debtors	14	929,132	-	929,132	883,121
Cash at bank and in hand		2,084,533	412	2,084,945	1,526,368
		3,013,665	412	3,014,077	2,409,489
Creditors: Amounts Falling Due Within One Year	15	**(354,460)**	**-**	**(354,460)**	**(354,442)**
NET CURRENT ASSETS (LIABILITIES)		**2,659,205**	**412**	**2,659,617**	**2,055,047**
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,445,031**	**412**	**4,445,443**	**4,011,127**
Creditors: Amounts Falling Due After More Than One Year	16	**(46,000)**	**-**	**(46,000)**	**(46,000)**
NET ASSETS		**4,399,031**	**412**	**4,399,443**	**3,965,125**
FUNDS OF THE CHARITY					
Restricted Funds				412	412
Unrestricted Funds				4,399,031	3,964,713
TOTAL FUNDS	18			4,399,443	3,965,125

For the year ending 31 December 2025 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.
The members have not required the charitable company to obtain an audit in accordance with section 476 of the Companies Act 2006.
The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.
On behalf of the board



Mr I Brazier
Chairman
Date

The notes on pages 18 to 26 form part of these financial statements.

The Children's Family Trust
Statement of Cash Flows
For The Year Ended 31 December 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Net cash generated from operations	1	318,670	379,329
Net cash generated from operating activities		318,670	379,329
Cash flows from investing activities			
Purchase of tangible assets		(88,634)	(458,666)
Proceeds from disposal of tangible assets		237,988	-
Interest received		10,182	17,183
Rents received from investment properties		80,371	82,603
Net cash generated from/(used in) investing activities		239,907	(358,880)
Increase in cash and cash equivalents		558,577	20,446
Cash and cash equivalents at beginning of year	2	1,526,368	1,505,922
Cash and cash equivalents at end of year	2	2,084,945	1,526,368

1. Reconciliation of income to cash generated from operations

	2025	2024
	£	£
Net income	434,318	241,197
Adjustments for:		
Interest income	(10,182)	(17,183)
Income from investments	(80,371)	(82,603)
Depreciation of tangible assets	54,386	46,210
Profit on disposal of tangible assets	(33,488)	-
Movements in working capital:		
(Increase)/decrease in trade and other debtors	(46,010)	187,404
Increase in trade and other creditors	17	4,300
Net cash generated from operations	318,670	379,325

2. Cash and cash equivalents

Cash and cash equivalents, as stated in the Statement of Cash Flows, relates to the following items in the Balance Sheet:

	2025	2024
	£	£
Cash at bank and in hand	2,084,945	1,526,368

3. Analysis of changes in net funds

	As at 1 January 2025	Cash flows	As at 31 December 2025
	£	£	£
Cash at bank and in hand	1,526,368	558,577	2,084,945

1. General Information

The Children's Family Trust is a company limited by guarantee, incorporated in England & Wales, registered number 00398875 and registered charity number 208607. The registered office is Hanbury Court, Harris Business Park, Stoke Prior, Bromsgrove, Worcestershire, B60 4DJ.

2. Accounting Policies

2.1. Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

The charitable company is a Public Benefit Entity as defined by FRS 102.

2.2. Going Concern Disclosure

The trustees have not identified any material uncertainties related to events or conditions that may cast significant doubt about the charitable company's ability to continue as a going concern.

At the time of approving the financial statements, the Trustees have a reasonable expectation that the has adequate resources to continue in operational existence for the foreseeable future. Thus the continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees have prepared detailed financial and trading performance projections for the ensuing year. Those projections are prepared as far as possible by including only known business that the company is contracted to, or extremely likely to contract to, and carry out during the year. Those projections are reviewed and revised at the end of each reporting period within the company's financial year. On the basis of those projections, the trustees have satisfied themselves, as far as they are reasonably able and unforeseen events aside, that the company is in a position whereby it may adopt a going concern basis of accounting in preparing the annual financial statements.

2.3. Fund Accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

2.4. Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earliest of the company being notified of an impending distribution or the legacy being received.

Gifts in kind for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified, and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donations received under gift aid or deeds of covenant is recognised at the time of the donation.

2.5. Resources Expended
All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the reserves.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

2.6. Tangible Fixed Assets and Depreciation
Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	2% straight line basis
Office Improvements	Over term of the lease
Fixtures, Fittings and Equipment	33% straight line basis

2.7. Investments
Investments in subsidiaries and joint ventures are recognised at cost less impairment.

2.8. Cash and Cash Equivalents
Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks, other short-term highly liquid investments that mature in no more than three months from the date of acquisition and are readily convertible to a known amount of cash with insignificant risk of change in value, and bank overdrafts.

2.9. Taxation
The charity is exempt from tax as all its income is charitable and applied for charitable purposes.

2.10. Employee Benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock of fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.11. Pensions
The charity has a group pension plan in place with Royal London. Since introduction uptake of the scheme has been very high with 52 employees in the scheme as at 31st December 2024 (2023: 48). The employee contribution rate is 5%. This is standard for all employees. The trust matches employees contribution rates up to 5% of salary.

In addition, the charity contributes to 2 individual personal pension schemes which were in place before the charityy group pension plan. Again, the trust matches employee contribution rates up to 5% of salary.

The annual contributions payable are charged to the Statement of Financial Activities.

3. Income from Donations and Legacies

	2025 Unrestricted funds £	2024 Unrestricted funds £
Donations and gifts	8,833	22,512

4. Investment Income

	2025 Unrestricted funds £	2024 Unrestricted funds £
Bank interest receivable	10,182	17,183
Rents received from investment properties	80,371	82,603
	90,553	99,786

5. Net Income/(Expenditure)

The net income is stated after charging/(crediting):

	2025 £	2024 £
Depreciation of tangible fixed assets - owned	54,386	46,210
Gain/Loss on disposal of tangible fixed assets	(33,488)	-

6. Analysis of Expenditure

	Activities undertaken directly £	Support costs (see note 7) £	2025 Total £
Raising funds	74,811	-	74,811
Foster care	7,685,361	1,568,332	9,253,693
Fostering independence	-	692	692
Lifetime carer costs	70,651	13,730	84,381
	7,830,823	1,582,754	9,413,577

	Activities undertaken directly £	Support costs (see note 7) £	2024 Total £
Raising funds	63,655	-	63,655
Foster care	7,997,844	1,448,462	9,446,306
Fostering independence	-	639	639
Lifetime carer costs	73,133	12,681	85,814
	8,134,632	1,461,782	9,596,414

7. Support Costs

	Foster care	Fostering independence	Lifetime carer costs	2025 Total
	£	£	£	£
Employee costs	887,241	-	-	887,241
General administration	565,500	-	13,730	579,230
Depreciation	7,882	-	-	7,882
Governance costs	107,709	692	-	108,401
	1,568,332	692	13,730	1,582,754

	Foster care	Fostering independence	Lifetime carer costs	2024 Total
	£	£	£	£
Employee costs	852,572	-	-	852,572
General administration	480,486	-	12,681	493,167
Depreciation	3,130	-	-	3,130
Governance costs	112,274	639	-	112,913
	1,448,462	639	12,681	1,461,782

8. Auditor's Remuneration

Remuneration received by the charitable company's auditors and their associates during the year was as follows:

	2025	2024
	£	£
Audit Services		
Audit of the company's financial statements	7,200	7,200

9. Staff Costs

Inclusive of gross salaries, social security and pension costs.

	2025	2024
	£	£
Wages and salaries	2,627,062	2,645,833

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

	2025	2024
£60,000 to £69,999	6	4
£70,000 to £79,999	-	1
£80,000 to £89,999	1	1
£110,000 to £119,999	1	1

For these employees employers pension contributions amounted to £105,856 (2024: £79,943).

The charity trustees were not paid and did not receive any other benefits from employment with the charity in the year (2024: £nil). No charity trustee received payment for professional services supplied to the charity (2024: £nil).

The key management personnel of the charity comprise of the trustees, the Chief Executive Officer and the Head of Service. The total employee benefits of the key management personnel were £222,624 (2024 on the same basis £190,006).

10. Average Number of Employees

Average number of employees during the year was as follows:

	2025	2024
Charitable Activities	44	45
Administration	9	9
	53	54

11. Taxation

The charity is exempt from taxation on its activities because all of its income is applied for charitable purposes.

12. Tangible Assets

	Land & Property			
	Buildings	Office Improvements	Fixtures, Fittings and Equipment	Total
	£	£	£	£
Cost				
As at 1 January 2025	2,155,396	133,725	290,192	2,579,313
Additions	44,555	23,693	20,386	88,634
Disposals	(236,000)	-	-	(236,000)
As at 31 December 2025	1,963,951	157,418	310,578	2,431,947
Depreciation				
As at 1 January 2025	236,554	117,463	275,311	629,328
Provided during the period	38,207	6,402	9,776	54,385
Disposals	(31,499)	-	-	(31,499)
As at 31 December 2025	243,262	123,865	285,087	652,214
Net Book Value				
As at 31 December 2025	1,720,689	33,553	25,491	1,779,733
As at 1 January 2025	1,918,842	16,262	14,881	1,949,985

13. Investments

	Subsidiaries	Other	Total
	£	£	£
Cost or Valuation			
As at 1 January 2025	2	6,091	6,093
As at 31 December 2025	2	6,091	6,093
Provision			
As at 1 January 2025	-	-	-
As at 31 December 2025	-	-	-
Net Book Value			
As at 31 December 2025	2	6,091	6,093
As at 1 January 2025	2	6,091	6,093

Subsidiaries

Details of the charitable company's subsidiaries as at 31 December 2025 are as follows:

Name of undertaking	Registered Office	Class of shares held	Direct holding	Indirect holding
CFT Trading Ltd	Hanbury Court, Harris Business Park, Stoke Prior, Bromsgrove, Worcestershire, B60 4DJ	Ordinary	100.00%	-

The aggregate capital and reserves and the result for the year of the subsidiaries listed above was as follows:

	Capital and Reserves	Profit/(loss)
	£	£
CFT Trading Ltd	2	-

Programme Related Investments

Investment in Skyrocket

Cost as at 1 January 2025 and 31 December 2025 £6,091

Net book value as at 31 December 2025 £6,091

The trust owns a half share of the net assets of Skyrocket Partnership Limited, a company incorporated in England. The joint venture provides training programmes specifically aimed at training and mentoring registered managers in the fostering sector.

The trust recognises the investment in the joint controlled entity at cost less and impairment to date. For the period ended 30 June 2025 the entity recorded a loss of £1,164 (2024: loss of £2,021) and had a deficit on reserves of £17,198 (2024 £16,034) at the balance sheet date.

14. Debtors

	2025	2024
	£	£
Due within one year		
Trade debtors	774,708	763,630
Other debtors	154,424	119,492
	929,132	883,122

15. Creditors: Amounts Falling Due Within One Year

	2025	2024
	£	£
Trade creditors	33,855	34,702
Amounts owed to group undertakings	2	2
Other creditors	23,738	21,463
Taxation and social security	59,764	54,700
Accruals and deferred income	237,101	243,576
	354,460	354,443

16. Creditors: Amounts Falling Due After More Than One Year

	2025	2024
	£	£
Other creditors	46,000	46,000

Other creditors relates to a dilapidations provision in respect of two properties.

17. Other Commitments

The total of future minimum lease payments under non-cancellable operating leases are as following:

	2025	2024
	£	£
Not later than one year	97,834	99,771
Later than one year and not later than five years	455,123	243,390
Later than five years	64,891	-
	617,848	343,161

18. Movement in Funds

	As at 1 January 2025	Income	Expenditure	Transfers	As at 31 December 2025
	£	£	£	£	£
Unrestricted funds					
General:					
General unrestricted fund	2,819,142	9,847,895	(9,329,195)	(84,382)	3,253,460
Designated:					
Unrestricted fund	1,145,571	-	(84,382)	84,382	1,145,571
Total unrestricted funds	3,964,713	9,847,895	(9,413,577)	-	4,399,031
Restricted funds					
Restricted fund	412	-	-	-	412
Total funds	3,965,125	9,847,895	(9,413,577)	-	4,399,443

	As at 1 January 2024	Income	Expenditure	Transfers	As at 31 December 2024
	£	£	£	£	£
Unrestricted funds					
General:					
General unrestricted fund	2,577,945	9,837,611	(9,510,600)	(85,814)	2,819,142
Designated:					
Unrestricted fund	1,145,571	-	(85,814)	85,814	1,145,571
Total unrestricted funds	3,723,516	9,837,611	(9,596,414)	-	3,964,713
Restricted funds					
Restricted fund	412	-	-	-	412
Total funds	3,723,928	9,837,611	(9,596,414)	-	3,965,125

19. Transactions with Trustees

None of the trustees received any remuneration or any other benefits from an employment with the charity or a related entity during the current or previous year.

The Trustees were reimbursed £997 (2024: £735) for their travel and subsistence costs, included in pursuance of the charity's objectives.

	2025	2024
	£	£
Travel	997	735

Number of trustees reimbursed for expenses during the year was 4 (2024: 4)

20. Related Party Disclosures

The trustees and management have taken steps to ensure all related party transactions are on normal commercial terms.

THE CHILDREN'S FAMILY TRUST

England & Wales - Charity number 208607

Accounts

Charity registration number 208607

Company registration number 00398875 (England and Wales)

THE CHILDREN'S FAMILY TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

THE CHILDREN'S FAMILY TRUST

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THE CHILDREN'S FAMILY TRUST

REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their annual report and financial statements for the year ended 31 December 2024.

The Trustees, who are also Directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 December 2024. 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 (FRS102).

Objectives and activities
Our objectives:

Established as a Registered Charity in 1945 and operating as a company limited by guarantee, our stated objectives, as set out in our governing Memorandum of Association, are:

1. The relief of children and young persons in need, and in particular those in the care of, or accommodated by, a Local Authority, by

    1. Providing them with, or otherwise assisting in the provision of, a placement or placements in suitable accommodation and providing them with or assisting in the provision of, appropriate Carers, with the aim of providing them with a stable family life.
    1. Providing for their education and establishment in life.

2. The relief of poverty and in particular the assistance of adults who have as children been in Local Authority care.

Our activities:

Our operational work in England is classified as an independent fostering agency. The standards applied by Ofsted are the primary measures of our success and are in the public domain, as are their Inspection Reports evaluating the quality of our work.

Overall, our purpose remains to provide a stable and successful family life for children in the care system with the aim of preparing them for successful adulthood. The Trust's guiding philosophy is that all children have the right to live *'a natural family life'*. Predominantly we do this through the provision of foster care. Most of our income derives from the fees we charge for this service. Traditionally, but not now exclusively, we have experience in providing for sibling groups and permanent placements – reflected in our core values around a *'family for life'*. However, increasingly, we also provide for children needing short-term care where we apply the same principles as if those children were placed on a *'family for life'* basis.

It follows that we continue in the Trust's tradition of putting the interests of our children first, closely followed by those of our Carers and staff.

Public benefit statement:

Local Authorities have a statutory obligation to provide foster placements for those children brought into the State care system and needing to live away from home. Our work, as a Registered Charity, is to provide such placement opportunities on a transparently not-for-profit basis, to do so to the highest professional standards, and to deliver the best outcomes to those placed in our charge. Our placements are open to all Local Authorities, irrespective of location, and our matching process meets all professional best practices in endeavouring to provide an enduring placement for each individual child. As our fees are met by Local Authorities, and we are providing care for any child that they may present and for whom we are able to affect a suitable match, we work on an entirely inclusive and non-discriminatory basis for the public benefit.

Further, we use our charitable resources to extend and enhance our services, and to meet individual needs, particularly where these are for children no longer supported by the public purse. This is demonstrated by the Trust's continuing support of individuals, now adults, who have been in the care of the Trust but who need, from time to time, the support of the Trust through its Lifetime Carers. This intervention has, in the past, helped prevent the involvement of the State in the lives of families.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Our structure:

As an organisation, the Trust is governed by the Board of Trustees. We employ full-time executive, administrative and professional resources, as well as retaining professional advisers such as legal and audit firms.

As a Registered Charity, the Trust is not a profit-making organisation and no benefit may be derived by its Trustees, who are also Members of the Trust. Accordingly, we are classified as a 'voluntary organisation' within the terms of the Children's Act 1989, section 105.

As a charity and as a company limited by guarantee, the Trustees' Report and Financial Statements, and the Memorandum and Articles of Association are publicly available.

We also make them available to appropriate and interested parties, e.g. Local Authorities, existing/prospective Foster Carers, children in placement or on request. The Articles of Association set out the regulations that govern the company's internal affairs.

Apart from the Trustee body being required to meet the appropriate qualifications to act as Trustees and Directors, they and the staff of the Trust, and the retained Foster Carers, Foster Carers' own children over the age of sixteen, baby-sitters, regular visitors to the Foster Carers' homes, any domestic staff, and the members of the Fostering Panel are all subject to the Disclosure and Barring Service (DBS) checks, formally referred to as Criminal Records Bureau (CRB) checks. We extend this process to other key workers within supporting organisations e.g. human resources and information technology. Further, Foster Carers are subject to additional checks as part of their BAAF Form F-based selection process.

All our professional staff are qualified variously holding CQSW/Diploma in Social Work, Practice Teaching Awards, and Post-Graduate Diplomas in Social Work as well as relevant first and post graduate degrees. In addition, the Trust has engaged, on a sessional basis, further fully qualified and highly skilled professionals to deliver training on such topics as safeguarding, therapeutic approaches, first aid and de-escalation techniques for both our staff and fostering families. All our professional Social Work staff are registered with Social Work England, the regulatory body. Several also have experience in working within the private and voluntary sectors. The Social Work teams are supported by our Head Office staff, which includes Administration, HR, Marketing and Media and Finance.

All Foster Carers have passed the TDS induction standards. Throughout the year they are expected to attend a minimum of six mandatory training courses.

In order to remain current in matters affecting the work of the Trust, it has for many years been a member of the National Council for Voluntary Organisations (NCVO), Children England, The Fostering Network, Foster talk and Coram BAAF (British Association for Adoption and Fostering). We have also added our voice to FFP (Fairer Fostering Partnership) which campaigns within the fostering sector on behalf of 'not for profit' fostering agencies as well as our most recent membership of the National Association of Fostering Providers (NAFP). Through membership of these organizations the Trust looks both to learn from developments in good practice relating both to governance and child-care, and to influence the development and implementation of social policy generally and childcare policy and provision specifically.

The Trust is not a member of any larger organization nor has affiliate organizations.

The Trust has a policy and procedure to deal with any complaints and aims to secure early resolution of any such matters. The Trust received no formal complaints in 2024.

Trustees / Registered Office and Charity & Company Details:

These details can be found in the "Reference and Administrative Details of The Charity" on page 11.

Pay Policy for Senior Staff:

The Trust needs to operate in a competitive environment yet balance its responsibility to be prudent with charitable monies. The Trust has a Compensation Policy and uses Compensation Guidelines that are reviewed regularly and set out how it will manage pay for senior staff and all other employees.

The over-arching premise is that basic salary ranges should meet the Trust objectives of attracting, retaining and motivating staff.

The Trust continues to commission the services of an external human resources provider to support our HR Manager. In setting salary ranges for all roles within the organization the Trust looks at a range or relevant benchmarks such as location, charity sector, charity income and number of employees. All proposed salary ranges are agreed by the Board of Trustees. We have reviewed our pay structure and appraisal process during 2024 and are confident that we remain competitive in a very saturated market. This review was overseen and agreed by our board of trustees.

Currently, proposed salary changes by line managers, within the salary range for the role, are signed-off by the Chief Executive. The Chair of Trustees authorizes changes to the Chief Executive's pay.

Achievements and performance
Our achievements and performance in 2024:

The Trust continued to operate highly effectively throughout the year and as a result now cares for more children than ever before in its entire history! The current economic climate within which we work has continued to be 'squeezed' and the rise in the number of children coming into care continues to grow in demand, sadly. However, the number of children placed with our fostering families ebbed and flowed throughout 2024, largely as a result of the challenges we continue to face in recruiting new foster families to create greater capacity. Several of our larger contracts were due for retender during 2024 and we successfully retained these contracts as a result of keen pricing and negotiation. A number of other contracts were once again extended and through negotiation resulted in substantial uplifts in pricing, these uplifts have contributed significantly to our income this past year.

There is now an acute national shortage of Foster families which means recruitment is our greatest challenge. However, greater focus on marketing and media strategies alongside 'refreshing' elements of our website is providing some early promising results. Targeted recruitment using several social media platforms is proving to be successful as it has two purposes, the first to raise our profile and the second to target those individuals from backgrounds with relevant experience, space and who are geographically well positioned to meet the needs of our current contracts. We continue to recruit very high calibre Carers who choose to foster on a vocational basis who have a mix of skills and experience to provide a varied and diverse range of placements to Local Authorities. Our Fostering Panels are held regionally, and our panel members live locally to our regional offices. As we move into 2025 we have 8 families currently in assessment with several enquiries awaiting feedback.

The number of children we look after remained consistently above 200 throughout 2024 rising and falling on occasion. It is noticeable that most of the referrals we receive across all regions are for children with considerable difficulties and who have experienced very traumatic early lives. For this reason alone, the calibre, quality and skills of the Foster Carer is extremely important.

It is important to note that during 2024 and moving into 2025 we have 16 young people who will turn 18 and have chosen to remain with their fostering families on a 'Staying Put' arrangement. And whilst this is absolutely what we are about 'a family for life' this unusually high number of young people remaining with us also represents a substantial loss of income and a 'bed blocking' issue in some cases.

Key operational events and milestones of the year included:

Ofsted: All regions are registered with Ofsted and all Registered Managers appropriately experienced and qualified.

Our North-East Region:

Our North-East region continued its highly valued work throughout 2024. Placement numbers increased reaching 67 by the year end (excluding Staying Put). This arrangement means that whilst the young person remains living with their Foster Family the Trust stops receiving a fostering fee for the placement. The local authority will, in most cases financially support the young person in placement but will not provide the Carer or Trust with any financial support. This represents the Trust with some dilemmas given our ethos of 'Family for Life'. Many of our Carers remain committed to the young person they care for, but this arrangement can potentially cause them some financial hardship, particularly if they do not have another spare bedroom or a second child in placement. Most of the children placed in the North East are 'family for life' placements, which tend to be stable and therefore provide a steady income source, which can be relied upon. The region was inspected by Ofsted in September 2024 and received a much-deserved rating of 'Good'.

Our West Yorkshire Region

Our West Yorkshire office is now well established. The region continued its highly valued work throughout 2024. Placement numbers increased throughout year end and averaged out at 40 with many placements remaining stable and on a family for life basis. However, recruitment of new Foster Carers continues to prove challenging with local authorities in the region offering very competitive packages to potential Carers as well as the promise of always having children available to place. The region is due a full inspection in 2025.

Our West Midlands Region:

2024 was a very successful year for the West Midlands office. The region continued its highly valued work throughout the year and increased the number of children placed substantially, averaging out at over 79 throughout the year. The region is extremely well established and has a highly skilled staff team who provide excellent support to a highly skilled and experienced group of Fostering families.

At the end of the year there were 46 approved Carers. By the end of the year there were another 4 prospective Carers in assessment who will be approved throughout 2025. Referrals continue to rise in the region receiving an average of 2000 per month.

The West Midlands team continues to operate in a congested and highly competitive market. However, the region continues to be a major contributor to the placements available to Local Authorities across the region.

Our South-Central Region:

We now have a staff team of 8 in the region including 3 Supervising Social Workers, 1 Principle Social Worker, a Support Worker and 2 Administrators and a Registered Manager. The region has continued to grow in a very 'organic' way with several Carers coming our way because of 'word of mouth'. The region now has 24 approved Carers with another 1 in assessment and 26 children in place. The region continued its highly valued work throughout 2024 under some very challenging circumstances regarding recruitment of new foster families and retirement of several families in the region. Placement numbers declined as a result of lack of capacity.

The region receives an average of 500 referrals a month and their profile in the region is well established with local authorities, this has resulted in local authority placement teams specifically requesting placements with several of our Carers in the region. It is worthy of note that this region operates in a fiercely competitive market with over 110 IFA's in Hampshire alone. This is more than a third of the IFA's in the United Kingdom!

The region underwent a full inspection by Ofsted in January 2024 and was awarded a judgement of 'Good'.

Our East Midlands Region:

Our East Midlands region is still very much in its infancy. However, toward the end of 2024 we have 10 approved Carers. The region has a part-time permanent administrator to cover the admin tasks as well as help with the recruitment for the region. The region also has 2 full time Social Workers alongside 1 Principle Social Worker. During the past year the region has provided invaluable support to our bigger regions in the form of short break care for large sibling groups, thus giving our Carers a much-needed break regularly.

Summary:

Closing placement numbers at 31st December 2024 were at approximately 216 plus 6 further children placed on enhanced fee arrangements.

Progress elsewhere

Our Head Office continues to provide a myriad of services and support to all regions. The team comprises of several highly skilled professionals including our Head of Service, our HR Manager, our Head of Finance and a Marketing & Media Officer, these are all supported by several administrators.

Our Marketing & Media strategies proved invaluable throughout 2024. The acknowledgement and recognition that social media is without doubt enormously important in order to attract the right type of applicant to fostering has never been more evident. Raising our profile with local authorities has been key to our continued reputation as a high-quality provider of placements which is slowly paying off. Initial enquiries from potential applicants via our website and Facebook page continues to increase.

We have also made progress in the management of our contracts and in our ability to respond to tendering opportunities, which has been a collaborative effort between Head Office and Social Work staff.

Skyrocket has grown in reputation across the sector and one day online courses were delivered during 2024 along with face to face Registered Manager training courses. There are several more courses planned for 2025. Skyrocket is now entirely operating under the umbrella of the Trust following the resignation of its partners Community Foster Care in the summer of 2024.

Financial review

Our full results are given in the financial statements, later in this report.

The overall surplus for the year amounted to £241,198 (2023: £73,589 surplus).

Our income continues to come primarily from our child-care provision to Local Authorities. With an increase in the average number of children placed compared to the previous year our Local Authority income increased by £758,923 to £9,715,713 (2023: £8,956,790) or 8.5% when compared to 2023.

The Trust also provided a mix of Over 18 / Lifetime Carer support of £85,814 (2023: £82,852), which is met out of charitable donations, investment income and reserves.

Our financial asset strength remains principally in property, including owned buildings in Bromsgrove and Bishops Auckland.

It is the policy of the Trust to hold sufficient assets in cash, or in easily converted forms, to meet its forecast cash requirements and in order to fund continuing growth.

Close financial controls are in place to ensure that expenditure is planned and monitored. Decisions on where, when and how to invest internally to secure growth remain difficult judgements in our situation, where long lead-times are needed before results can be seen.

Reserves policy:

Free reserves, or unrestricted funds excluding designated funds (which are held as fixed assets), amounted to £2,819,143 as at 31st December 2024 (2023: £2,577,945). This represents 3.5 months (2023: 3.5 months) of total annual unrestricted expenditure excluding designated and restricted expenditure. The charity has a reserves policy to accumulate reserves equal to six months of total annual unrestricted expenditure excluding designated and restricted expenditure. As we come out of the global pandemic, the charity is continuing to ensure that we continue to work with Local Authorities, submit more tenders and increase the placement numbers. We are also continuing to develop a new region which will bring extra income. This will no doubt help us achieve the reserves that we should have.

The designated funds of £1,145,571 (2023: £1,145,571) are to meet costs in relation to our support to Lifetime Foster Carers.

The Trust looks at cash and liquid investments available to meet its known and planned requirements. As at 31st December 2024 the Trust had readily realisable cash reserves of £1,526,370 (2023: £1,505,921) to cover known and planned requirements of £216,808 (2023: £222,808). The known and planned requirements included, but was not limited to, the following:

- Working capital,
- Dilapidations on leased offices,
- Repairs,
- East Midlands office development.

Restricted funds will be spent in line with funding restrictions.

Investment policy and performance:

The Trust splits its investments to provide for capital growth and monthly income to support operations until the time when cash flow becomes reliably positive on a monthly basis. Details of these investments are given in the Financial Statements.

The Trust will explore options for investment advice in 2025.

The Trust have assessed the major risks to which it is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Risk assessment:

The Trust undertakes a formal Risk Assessment on an annual basis. The Risk Assessment and Risk Register is updated alongside the 5 Year Business Plan. The 5 Year Business Plan takes account of risks identified in the Risk Assessment. Risks are colour coded. Red is critical, Amber is highly important or significant, and Green is minor. Risks are categorised as either Management and Governance, Operational, Financial or External. Controls are in place to reduce or eliminate each identified risk. The mitigation of risk is considered on an ongoing basis by key management. For example, before any operational changes or any developments in activities provided by the Trust, and, within Senior Management and Registered Management meetings. Any newly identified critical risks are flagged up to Trustees either before or at the next planned trustee meeting.

At November 2022 the principal risks facing the charity and the strategies to manage them were as follows:

Risk	Controls
The Trust is unable to respond to placement requests	Communicate closely with commissioners, Explain ethos of the Trust as a permanency provider, Use existing capacity to best effect without compromising quality, Build placement capacity, Work with commissioners to understand their needs.
Local Authorities stance on Staying Put placements	Review potential impact over next 5 years, Maintain dialogue with local authorities concerned, Lobby government via FFP group, Review Budget & 5 Year Plan to earmark potential carer support, Look at staff training to meet needs of Staying Put / Over 18 support.
Government / Local Authority cuts push down fees to unsustainable levels	Review service provision, Review staff utilisation, Find ways of making savings in delivery, Reduce central cost base, Find value suppliers e.g. Insurance, IT, HR, etc., Review policy of limiting the number of placements in each area - increase placement numbers at lower fee, Co-operate with other smaller providers in the sector, Support the development of FFP and develop influence in government / local authorities.
Sector consolidation harms small operators	Monitor changes to the number of agencies operating in the sector, Research possible merger/purchase targets, Get to critical mass and maintain placement numbers, Compete on fee rates and foster carer fees, Continue to build add on services, Monitor LA for tender opportunities.

Plans for future periods
Our plans for the future:

The Aims and Objectives for 2025 continue to be about recruitment, retention and raising the profile of the Trust. Recruitment of new Carers is vital if we are to increase our capacity to provide new placements going forward.

However, targeted recruitment in the right geographical areas and identifying the right profile of Carers remains of paramount importance. As a result we have updated our website and plan to run 'targeted' campaigns' throughout the coming year.

Retention of Carers continues to be another one of our key objectives going into 2025. As such we have already made additional 'one off' payments to all of our foster families in recognition of the very challenging economic climate they are trying to operate in. We also increased the respite allowance from 2 weeks to three weeks from January 2023 and increased their mileage allowance by an additional 20 miles. All of these changes have been enormously welcomed and appreciated by each of our fostering households.

From April 2023 the mileage allowance for staff was increased from 15ppm to 25ppm in recognition of the costs involved in travelling, particularly our social work staff who often cover considerable distances to visit our fostering families.

We took the decision at the start of autumn 2022 to close each of our offices one day per week to try to reduce our running costs throughout the winter and into 2023/2024. This plan will remain in place given its success and the cost savings made.

We also operate a 4-day week for all staff which has proved to be very successful in providing a good work/life balance for all staff. This is now a permanent change to all staff contracts as from May 2024.

We are now moving toward a more 'Trauma Informed' based agency. As a result we have a 5-year Road Map in place taking us through to 2029. The first year involved appointing our own full-time qualified Psychotherapist. She was appointed in September 2024 and is currently collating a full assessment of the Trust, establishing a baseline of where we currently sit regarding how trauma informed we are at present.

Acknowledgements:

This report is an opportunity for us to recognise those that help give us our distinctive quality. This quality results partly from the knowledge that our work is not undertaken for profit but to ensure that children get the care and support they need to become well-adjusted and contributing adults later in life. Our tagline of a *'family for life'* underlines our commitment to those who need it that we will help them in their transition to independent adult living with supportive relationships beyond those provided within the state care system.

Our key debt is to our outstanding Foster Carers as it is they who provide the care to those children entrusted to us. Some of these individuals have provided decades of unflinching selfless service to their extended families, now often including grandchildren, and even great-grandchildren. Others are recent recruits who intend to work as Foster Carers for a set period of their lives. To all of them, for all their skill and dedication, we remain eternally grateful.

We additionally acknowledge that it is our staff team who organise and make this possible, and we would like to take this opportunity to thank them all. In addition to our direct staff we would like to recognise and thank our wider community of retained sessional Social Workers and other specialists, our Fostering Panel, key support firms and consultants of all types who give us the professionalism we need to provide such an excellent quality of care. Finally, as Chairman, I would like to thank the Trustees for their contribution as well as our other financial supporters who fund our growth and help to make the work of the Trust achievable.

Trustee Training and Induction:

The Trustees have chosen to manage the governance of the Trust as a small but involved group with complementary skills covering our heritage and core values, our professional work, education, and corporate business skills. The Trustees periodically consider whether, and where and when, additional or replacement skills and experiences are required. Recruitment channels have included national advertising, executive search, the use of nationally accepted clearing houses, as well as individual networking to seek out specific skills or expertise. Appointments are made after a process that allows candidates to explore the Trust's work and become familiar with the management team and the Trustees and then by the Trustee body in its entirety. Trustees undergo induction and training in their responsibilities and development affecting both their role and the work of the Trust.

Related parties:

All related party transactions can be seen in note 18 to the Financial Statements.

Auditor

In accordance with the company's articles, a resolution proposing that Cognitor Accountancy Limited be reappointed as auditor of the company will be put at a General Meeting.

Reference and administrative details of the charity, its trustees and advisers

Charity name:
The Children's Family Trust

Company registration number:
00398875

Charity registered number:
208607

Trustees:
Mr I Brazier
Mrs A Oliver
Mr N Harrison
Dr V Wigfall
Mr D Williams
Dr M Hine
Mr T Gormley
Mrs K Blackman

Registered office:
Hanbury Court
Harris Business Park
Stoke Prior
Bromsgrove
Worcestershire
B60 4DJ

Chief Executive Officer:
Mrs M Mulholland

Auditors:
Cognitor Accountancy Limited
12 The Courtyard
Buntsford Drive
Bromsgrove
Worcestershire
B60 3DJ

Solicitors:
BPE Solicitors LLP
St James' House
St James' Square
Cheltenham
GL50 3PR

Bankers:
HSBC Plc
22 Abington Street
Northampton
NN1 2AN

Statement of Trustees Responsibilities

The Trustees (who are also the Directors of the charity for purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance 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 (FRS102).

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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing those financial statements, we are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 (FRS102) 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 charity and enable them to ensure that the financial statements comply with the requirements of 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.

Trustee Indemnity insurance is included within Management Liability insurance cover provided by Zurich Insurance with an overall limit of indemnity of £1million. The cost of the Trustee Indemnity insurance is not given as it is not separately identifiable within the overall insurance cover cost.

Statement of Information for Auditors:

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware, and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small Company Provisions:

The Trustees' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption provided by section 408 and section 414B (b) of the Companies Act 2006.

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

On behalf of the Board of Trustees



Ian Brazier
Chairman

Hanbury Court
Harris Business Park
Stoke Prior
Bromsgrove
Worcestershire
B60 4DJ

Date: 27 March 2025

THE CHILDREN'S FAMILY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CHILDREN'S FAMILY TRUST

Opinion

We have audited the financial statements of The Children's Family Trust (the 'Trust') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the 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 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 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 '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 with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE CHILDREN'S FAMILY TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the report.

We have nothing to report in respect of the following matters in relation to which 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 were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the report and from the requirement to prepare a strategic report.

Responsibilities of the Trustees

As explained more fully in the statement of responsibilities, the , who are also the directors of the for the purpose 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 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 are responsible for assessing the '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 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

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Mark Warman (Senior Statutory Auditor)
for and on behalf of Cognitor Accountancy Limited

27.3.25

Chartered Certified Accountants
Statutory Auditor

12 The Courtyard
Buntsford Drive
Bromsgrove
B60 3DJ

THE CHILDREN'S FAMILY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds Designated 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Income from:						
Donations and legacies	2	22,512	-	-	22,512	67,735
Charitable activities						
Foster care local authority fees and recharges		9,715,713	-	-	9,715,713	8,956,790
Student fees		(400)	-	-	(400)	2,400
Investments	3	99,786	-	-	99,786	43,242
Total income		9,837,611	-	-	9,837,611	9,070,167
Expenditure on:						
Raising funds						
Fundraising and publicity	4	336	-	-	336	301
Investment management	4	63,320	-	-	63,320	58,257
		63,656	-	-	63,656	58,558
Charitable activities						
Foster care	5	9,446,305	-	-	9,446,305	8,918,457
Fostering independence	5	638	-	-	638	1,547
Lifetime carer costs	5	-	85,814	-	85,814	82,852
Total charitable expenditure		9,446,943	85,814	-	9,532,757	9,002,856
Total expenditure		9,510,599	85,814	-	9,596,413	9,061,414
Net gains/(losses) on investments	8	-	-	-	-	64,836
Gross transfers between funds		(85,814)	85,814	-	-	-
Net income for the year/ Net movement in funds		241,198	-	-	241,198	73,589
Fund balances at 1 January 2024		2,577,945	1,145,571	412	3,723,928	3,650,339
Fund balances at 31 December 2024		2,819,143	1,145,571	412	3,965,126	3,723,928

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE CHILDREN'S FAMILY TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	10		1,949,987		1,537,530
Investments	11		6,093		6,093
			1,956,080		1,543,623
Current assets					
Debtors	12	883,119		1,070,527	
Cash at bank and in hand		1,526,370		1,505,921	
		2,409,489		2,576,448	
Creditors: amounts falling due within one year	13	(354,442)		(350,143)	
Net current assets			2,055,047		2,226,305
Total assets less current liabilities			4,011,127		3,769,928
Creditors: amounts falling due after more than one year	14		(46,000)		(46,000)
Net assets			3,965,126		3,723,928
Income funds					
Restricted funds	15		412		412
Unrestricted funds - designated			1,145,571		1,145,571
General unrestricted funds			2,819,143		2,577,945
			3,965,126		3,723,928

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

The financial statements were approved by the Trustees, authorised for issue and signed on its behalf:

.....

Mr I Brazier

Trustee

Company registration number 00398875

THE CHILDREN'S FAMILY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	23		379,329		(577,842)
Investing activities					
Purchase of tangible fixed assets		(458,666)		(300,063)	
Proceeds from disposal of tangible fixed assets		-		450,000	
Proceeds from disposal of investments		-		955,000	
Investment income received		99,786		43,242	
Net cash (used in)/generated from investing activities			(358,880)		1,148,179
Financing activities					
Repayment of bank loans		-		(67,247)	
Net cash used in financing activities			-		(67,247)
Net increase in cash and cash equivalents			20,449		503,090
Cash and cash equivalents at beginning of year			1,505,922		1,002,832
Cash and cash equivalents at end of year			1,526,371		1,505,922

1 Accounting policies

Charity information

The company is a company limited by guarantee. The directors of the company are the trustees named in the "reference and administration details". In the event of the company being wound up, the liabilities in respect of the guarantee is limited to £5 per member of the company.

1.1 Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Children's Family Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy notes.

1.2 Going concern

At the time of approving the financial statements, the have a reasonable expectation that the has adequate resources to continue in operational existence for the foreseeable future. Thus the continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees have prepared detailed financial and trading performance projections for the ensuing year. Those projections are prepared as far as possible by including only known business that the company is contracted to, or extremely likely to contract to, and carry out during the year. Those projections are reviewed and revised at the end of each reporting period within the company's financial year. On the basis of those projections, the trustees have satisfied themselves, as far as they are reasonably able and unforeseen events aside, that the company is in a position whereby it may adopt a going concern basis of accounting in preparing the annual financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earliest of the company being notified of an impending distribution or the legacy being received.

Gifts in kind for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified, and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donations received under gift aid or deeds of covenant is recognised at the time of the donation.

1 Accounting policies **(Continued)**

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the reserves.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	2% straight line
Office improvements	over lease term
Fixtures, fittings and equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Only items over £1,000 are capitalised.

1.7 Fixed asset investments

Investments

Investment properties:

Investment properties are included in the balance sheet at their open market value in accordance with the SORP. Gains and losses on disposal and revaluation are charged or credited to the Statement of Financial Activities.

Listed Investments

Listed investments have been stated at mid-market value at the balance sheet date. Realised gains or losses are calculated as the difference between sale proceeds and market value at the previous balance sheet date.

All gains and losses whether realised or unrealised are taken to the Statement of Financial Activities.

Unlisted Investments

Unlisted investments are valued at cost.

Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are recognised at cost less impairment.

1.8 Taxation

The company is a registered charity and as such is not generally liable to taxation.

1 Accounting policies **(Continued)**

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Pension costs

The company has a group pension plan in place with Royal London. Since introduction uptake of the scheme has been very high with 52 employees in the scheme as at 31st December 2024 (2023: 48). The employee contribution rate is 5%. This is standard for all employees. The trust matches employees contribution rates up to 5% of salary.

In addition, the company contributes to 2 individual personal pension schemes which were in place before the company group pension plan. Again, the trust matches employee contribution rates up to 5% of salary.

The annual contributions payable are charged to the Statement of Financial Activities.

1.11 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Donations and legacies	22,512	67,735

3 Income from investments

	Unrestricted funds 2024	**Unrestricted funds 2023**
	£	**£**
Rental income	99,786	43,242

4 Raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising and publicity		
Seeking donations and legacies	336	301
	198	272

5 Charitable activities

	Foster care 2024 £	Fostering independence 2024 £	Lifetime carer costs 2024 £	Total 2024 £	Total 2023 £
Depreciation and impairment	25,072	-	18,008	43,080	34,305
Families costs	6,223,285	-	55,125	6,278,410	5,831,749
Foster panel and carers recruitment	30,363	-	-	30,363	42,972
Salaries and related	1,719,124	-	-	1,719,124	1,590,415
	7,997,844	-	73,133	8,070,977	7,499,441
Share of support costs (see note 6)	1,336,579	589	11,701	1,348,869	1,399,156
Share of governance costs (see note 6)	111,882	49	980	112,911	104,259
	9,446,305	638	85,814	9,532,757	9,002,856
Analysis by fund					
Unrestricted funds	9,446,305	638	-	9,446,943	8,920,004
Unrestricted funds - designated	-	-	85,814	85,814	82,852
	9,446,305	638	85,814	9,532,757	9,002,856

6 Support and governance costs

	Support costs	Governance costs	2024	2023	Basis of allocation
	£	£	£	£	
Staff costs	852,572	74,137	926,709	833,818	On time spent
Depreciation	3,130	-	3,130	5,636	Direct usage
General office costs	493,167	1,981	495,148	628,925	Pro rata FTE Staff
Audit fees	-	6,318	6,318	8,126	Governance
Legal and professional	-	25,777	25,777	16,637	Governance
Bank charges	-	3,068	3,068	3,042	Governance
Trustees expenses reimbursed	-	895	895	1,820	Governance
Trustee board meetings	-	735	735	5,411	Governance
	1,348,869	112,911	1,461,780	1,503,415	
Analysed between					
Charitable activities	1,348,869	112,911	1,461,780	1,503,415	

7 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Direct charitable purposes	45	45
Management and administration	9	9
Total	54	54

Employment costs	2024 £	2023 £
Wages and salaries	2,143,448	2,016,760
Social security costs	232,617	215,111
Other pension costs	269,769	192,360
	2,645,834	2,424,231

7 Employees (Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
In the band £60,001 - £70,000	4	3
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1
In the band £100,001 - £120,000	1	1

For these employees employers pension contributions amounted to £79,943 (2023: £38,462).

The charity trustees were not paid and did not receive any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional services supplied to the charity (2023: £nil).

The key management personnel of the charity comprise of the trustees, the Chief Executive Officer and the Head of Service. The total employee benefits of the key management personnel were £190,006 (2023 on the same basis £186,916).

8 Gains and losses on investments

	Unrestricted funds 2024	Unrestricted funds 2023
Gains/(losses) arising on:	£	£
Sale of investments	-	64,836

9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

10 Tangible fixed assets

	Buildings	Office improvements	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 January 2024	1,721,808	119,241	279,598	2,120,647
Additions	433,588	14,484	10,595	458,667
At 31 December 2024	2,155,396	133,725	290,193	2,579,314
Depreciation and impairment				
At 1 January 2024	198,143	115,243	269,731	583,117
Depreciation charged in the year	38,411	2,220	5,579	46,210
At 31 December 2024	236,554	117,463	275,310	629,327
Carrying amount				
At 31 December 2024	1,918,842	16,262	14,883	1,949,987
At 31 December 2023	1,523,665	3,998	9,867	1,537,530

11 Fixed asset investments

	Programme Related	Other investments	Total
	£		£
Cost or valuation			
At 1 January 2024 & 31 December 2024	6,091	2	6,093
Carrying amount			
At 31 December 2024	6,091	2	6,093
At 31 December 2023	6,091	2	6,093

	Notes	2024	2023
Other investments comprise:		£	£
Investments in subsidiaries		2	2

11 Fixed asset investments **(Continued)**

Unlisted securities

Unlisted securities are held at cost and relate to a National Savings Bond.

Investment in subsidiary

At 31 December 2024 the trust held 100% of the allotted share capital of CFT Trading Ltd, a company registered in England and Wales, which is a dormant company.

Capital and reserves of the subsidiary undertaking at 31 December 2024 and at 31 December 2023 were as follows:

Share capital	£2
Reserves	£2

All fixed asset investments are held in the UK

Programme Related Investments

Investment in Skyrocket

Cost as at 1 January 2024 and 31 December 2024	6,091
Net book value as at 31 December 2024	6,091

The trust owns a half share of the net assets of Skyrocket Partnership Limited, a company incorporated in England. The joint venture provides training programmes specifically aimed at training and mentoring registered managers in the fostering sector.

The trust recognises the investment in the joint controlled entity at cost less and impairment to date. For the period ended 30 June 2024 the entity recorded a loss of £2,021 (2023: surplus of £3,190) and had a deficit on reserves of £16,034 (2023 £14,013) at the balance sheet date.

12 Debtors

Amounts falling due within one year:	**2024** **£**	**2023** **£**
Trade debtors	763,627	937,207
Other debtors	21,612	13,932
Prepayments and accrued income	97,880	119,388
	883,119	1,070,527

13 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other taxation and social security	54,700	59,726
Trade creditors	34,701	44,928
Other creditors	21,465	2
Accruals and deferred income	243,576	245,487
	354,442	350,143

14 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Dilapidations provision	46,000	46,000

The dilapidations provision relates to two properties.

15 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024	At 31 December 2024
	£	£
	412	412

Previous year:	At 1 January 2023	At 31 December 2023
	£	£
	412	412

The restricted funds remaining at the year end were £412. Of this £300 related to a Big Lottery Fund grant received in 2016 of £8,760 to fund media workshops to produce educational videos around the themes of being in foster care and associated issues.

16 Designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Movement in funds		Movement in funds		
	Incoming resources	Balance at 1 January 2024	Incoming resources	Resources expended	Balance at 31 December 2024
	£	£	£	£	£
Lifetime carer costs	-	-	(85,814)	85,814	-
	-	-	(85,814)	85,814	-

The designated fund provides funds to meet costs in relation to our support to Lifetime Foster Carers. The charity does not receive any direct income to provide the support. The timing of expenditure for these designated funds is likely to be spread over the next 25 to 30 years. The fund is represented by the fixed assets, which include houses owned by the charity and used by carers. The transfer between designated and general funds equates to the value of the lifetime carer costs incurred in the year.

17 Analysis of net assets between funds

	Unrestricted funds 2024	Restricted funds 2024	Total 2024	Unrestricted funds 2023	Restricted funds 2023	Total 2023
	£	£	£	£	£	£
Fund balances at 31 December 2024 are represented by:						
Tangible assets	1,949,987	-	1,949,987	1,537,530	-	1,537,530
Investments	6,093	-	6,093	6,093	-	6,093
Current assets/(liabilities)	2,054,632	412	2,055,044	2,225,894	412	2,226,306
Long term liabilities	(46,000)	-	(46,000)	(46,000)	-	(46,000)
	3,964,712	412	3,965,124	3,723,517	412	3,723,929

The majority of the charity's income, and therefore expenditure, continues to relate to foster care placements with local authorities. This is classified as unrestricted income as it is felt that this best reflects the substance of the transactions.

18 Trustee Remuneration and Related Party Transactions

The charity was under the control of the Trustees (listed in reference and administrative details) during the current and previous year. No Trustee received any remuneration during the year (2023: £nil).

The Trustees were reimbursed £735 (2023: £1,820) for their travel and subsistence costs, included in pursuance of the charity's objectives. The amount reimbursed during the year of £895 was in respect of claims received from 4 of the 7 trustees who served during the year (2023: £5,511 in respect of claims received from 5 of the 7 trustees who served during 2023).

The trustees and management have taken steps to ensure all related party transactions are on normal commercial terms.

19 Financial commitments, guarantees and contingent liabilities

At 31 December 2024 there were no new financial commitments, guarantees or contingent liabilities requiring disclosure (2023: £nil).

20 Capital commitments

	2024	2023
	£	£
Acquisition of property, plant and equipment	-	433,484

21 Events after the reporting date

There are no events requiring disclosure after the balance sheet date.

22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	99,771	127,558
Between two and five years	243,390	326,607
	343,161	454,165

23	**Cash generated from operations**	**2024**	**2023**
		£	**£**
	Surplus for the year	241,198	73,589
	Adjustments for:		
	Investment income recognised in statement of financial activities	(99,786)	(43,242)
	Gain on disposal of investments	-	(64,836)
	Depreciation and impairment of tangible fixed assets	46,210	39,941
	Movements in working capital:		
	Decrease/(increase) in debtors	187,408	(554,183)
	Increase/(decrease) in creditors	4,299	(29,111)
	Cash generated from/(absorbed by) operations	379,329	(577,842)

THE CHILDREN'S FAMILY TRUST

England & Wales - Charity number 208607

Accounts

A11

Charity registration number 208607

Company registration number 00398875 (England and Wales)

THE CHILDREN'S FAMILY TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

THE CHILDREN'S FAMILY TRUST

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THE CHILDREN'S FAMILY TRUST

REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their annual report and financial statements for the year ended 31 December 2023.

The Trustees, who are also Directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 December 2023. 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 (FRS102).

Objectives and activities
Our objectives:

Established as a Registered Charity in 1945 and operating as a company limited by guarantee, our stated objectives, as set out in our governing Memorandum of Association, are:

1. The relief of children and young persons in need, and in particular those in the care of, or accommodated by, a Local Authority, by

    1. Providing them with, or otherwise assisting in the provision of, a placement or placements in suitable accommodation and providing them with or assisting in the provision of, appropriate Carers, with the aim of providing them with a stable family life.
    1. Providing for their education and establishment in life.

2. The relief of poverty and in particular the assistance of adults who have as children been in Local Authority care.

Our activities:

Our operational work in England is classified as an independent fostering agency. The standards applied by Ofsted are the primary measures of our success and are in the public domain, as are their Inspection Reports evaluating the quality of our work.

Overall, our purpose remains to provide a stable and successful family life for children in the care system with the aim of preparing them for successful adulthood. The Trust's guiding philosophy is that all children have the right to live *'a natural family life'*. Predominantly we do this through the provision of foster care. Most of our income derives from the fees we charge for this service. Traditionally, but not now exclusively, we have experience in providing for sibling groups and permanent placements – reflected in our core values around a *'family for life'*. However, increasingly, we also provide for children needing short-term care where we apply the same principles as if those children were placed on a *'family for life'* basis.

It follows that we continue in the Trust's tradition of putting the interests of our children first, closely followed by those of our Carers and staff.

Public benefit statement:

Local Authorities have a statutory obligation to provide foster placements for those children brought into the State care system and needing to live away from home. Our work, as a Registered Charity, is to provide such placement opportunities on a transparently not-for-profit basis, to do so to the highest professional standards, and to deliver the best outcomes to those placed in our charge. Our placements are open to all Local Authorities, irrespective of location, and our matching process meets all professional best practices in endeavouring to provide an enduring placement for each individual child. As our fees are met by Local Authorities, and we are providing care for any child that they may present and for whom we are able to affect a suitable match, we work on an entirely inclusive and non-discriminatory basis for the public benefit.

Further, we use our charitable resources to extend and enhance our services, and to meet individual needs, particularly where these are for children no longer supported by the public purse. This is demonstrated by the Trust's continuing support of individuals, now adults, who have been in the care of the Trust but who need, from time to time, the support of the Trust through its Lifetime Carers. This intervention has, in the past, helped prevent the involvement of the State in the lives of families.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Our structure:

As an organisation, the Trust is governed by the Board of Trustees. We employ full-time executive, administrative and professional resources, as well as retaining professional advisers such as legal and audit firms.

As a Registered Charity, the Trust is not a profit-making organisation and no benefit may be derived by its Trustees, who are also Members of the Trust. Accordingly, we are classified as a 'voluntary organisation' within the terms of the Children's Act 1989, section 105.

As a charity and as a company limited by guarantee, the Trustees' Report and Financial Statements, and the Memorandum and Articles of Association are publicly available.

We also make them available to appropriate and interested parties, e.g. Local Authorities, existing/prospective Foster Carers, children in placement or on request. The Articles of Association set out the regulations that govern the company's internal affairs.

Apart from the Trustee body being required to meet the appropriate qualifications to act as Trustees and Directors, they and the staff of the Trust, and the retained Foster Carers, Foster Carers' own children over the age of sixteen, baby-sitters, regular visitors to the Foster Carers' homes, any domestic staff, and the members of the Fostering Panel are all subject to the Disclosure and Barring Service (DBS) checks, formally referred to as Criminal Records Bureau (CRB) checks. We extend this process to other key workers within supporting organisations e.g. human resources and information technology. Further, Foster Carers are subject to additional checks as part of their BAAF Form F-based selection process.

All our professional staff are qualified variously holding CQSW/Diploma in Social Work, Practice Teaching Awards, and Post-Graduate Diplomas in Social Work as well as relevant first and post graduate degrees. In addition, the Trust has engaged, on a sessional basis, further fully qualified and highly skilled professionals to deliver training on such topics as safeguarding, therapeutic approaches, first aid and de-escalation techniques for both our staff and fostering families. All our professional Social Work staff are registered with Social Work England, the regulatory body. Several also have experience in working within the private and voluntary sectors. The Social Work teams are supported by our Head Office staff, which includes Administration, HR, Marketing and Media and Finance.

All Foster Carers have passed the TDS induction standards. Throughout the year they are expected to attend a minimum of six mandatory training courses.

In order to remain current in matters affecting the work of the Trust, it has for many years been a member of the National Council for Voluntary Organisations (NCVO), Children England, The Fostering Network, Foster talk and Coram BAAF (British Association for Adoption and Fostering). We have also added our voice to FFP (Fairer Fostering Partnership) which campaigns within the fostering sector on behalf of 'not for profit' fostering agencies as well as our most recent membership of the National Association of Fostering Providers (NAFP). Through membership of these organizations the Trust looks both to learn from developments in good practice relating both to governance and child-care, and to influence the development and implementation of social policy generally and childcare policy and provision specifically.

The Trust is not a member of any larger organization nor has affiliate organizations.

The Trust has a policy and procedure to deal with any complaints and aims to secure early resolution of any such matters. The Trust received no formal complaints in 2023.

Trustees / Registered Office and Charity & Company Details:

These details can be found in the "Reference and Administrative Details of The Charity" on page 11.

Pay Policy for Senior Staff:

The Trust needs to operate in a competitive environment yet balance its responsibility to be prudent with charitable monies. The Trust has a Compensation Policy and uses Compensation Guidelines that are reviewed regularly and set out how it will manage pay for senior staff and all other employees.

The over-arching premise is that basic salary ranges should meet the Trust objectives of attracting, retaining and motivating staff.

The Trust continues to commission the services of an external human resources provider to support our HR Manager. In setting salary ranges for all roles within the organization the Trust looks at a range or relevant benchmarks such as location, charity sector, charity income and number of employees. All proposed salary ranges are agreed by the Board of Trustees. We have reviewed our pay structure and appraisal process during 2023 and are confident that we remain competitive in a very saturated market. This review was overseen and agreed by our board of trustees.

Currently, proposed salary changes by line managers, within the salary range for the role, are signed-off by the Chief Executive. The Chair of Trustees authorizes changes to the Chief Executive's pay.

Achievements and performance
Our achievements and performance in 2023:

The Trust continued to operate highly effectively throughout the year and as a result now cares for more children than ever before in its entire history! The economic climate within which we work has continued to be 'squeezed' mostly as a result of the pandemic and the rise in the number of children coming into care. However, the number of children placed with our fostering families surpassed our KPI's for 2023 and as a result has increased our overall income. Several of our larger contracts were due for retender during 2020 but as a result of the pandemic had been 'extended' or 'refreshed' until 2022 / 2023. This situation is gradually changing with several contracts more recently coming up for retender. These substantial uplifts have contributed significantly to our income in the past year.

We also continue to gain entry to additional contracts, which have supported our expansion plans. These additional successful tender bids including several local authorities within the East Midlands region including Derbyshire, Nottinghamshire, Leicestershire, Northamptonshire and Lincolnshire. At the end of 2023 we had 9 approved Foster families in the East Midlands region with another 1 family in assessment.

Recruitment of Foster Carers in all regions continues to prove extremely challenging following the pandemic and largely as a result of the current economic climate. However, greater focus on marketing and media strategies alongside 'refreshing' elements of our website has proven worthwhile. Targeted recruitment using several social media platforms is proving to be successful as it has two purposes, the first to raise our profile and the second to target those individuals from backgrounds with relevant experience, space and who are geographically well positioned to meet the needs of our current contracts. We continue to recruit very high calibre Carers who choose to foster on a vocational basis who have a mix of skills and experience to provide a varied and diverse range of placements to Local Authorities. Our Fostering Panels are held regionally, and our panel members live locally to our regional offices. As we move into 2024 we have 6 families currently in assessment with several enquiries awaiting feedback.

The number of children we look after remained consistently above 200 throughout 2023 rising and falling on occasion. It is noticeable that most of the referrals we receive across all regions are for children with considerable difficulties who have experienced very traumatic early lives. For this reason alone, the calibre, quality and skills of the Foster Carer is extremely important.

Key operational events and milestones of the year included:

Ofsted: All regions are registered with Ofsted and all Registered Managers appropriately experienced and qualified.

Our North-East Region:

Our North-East region continued its highly valued work throughout 2023. Placement numbers increased reaching 67 by the year end (excluding Staying Put). This arrangement means that whilst the young person remains living with their Foster Family the Trust stops receiving a fostering fee for the placement. The local authority will, in most cases financially support the young person in placement but will not provide the Carer or Trust with any financial support. This represents the Trust with some dilemmas given our ethos of 'Family for Life'. Many of our Carers remain committed to the young person they care for, but this arrangement can potentially cause them some financial hardship, particularly if they do not have another spare bedroom or a second child in placement. Most the children placed in the North East are 'family for life' placements, which tend to be stable and therefore provide a steady income source, which can be relied upon.

Our West Yorkshire Region

Our West Yorkshire office is now well established. The region continued its highly valued work throughout 2023. Placement numbers increased throughout year end and averaged out at 40 with many placements remaining stable and on a family for life basis. However, recruitment of new Foster Carers continues to prove challenging with local authorities in the region offering very competitive packages to potential Carers as well as the promise of always having children available to place.

Our West Midlands Region:

2023 was a very successful year for the West Midlands office. We recruited a new Registered Manager who is highly skilled in this role and has many years of experience in fostering. The region continued its highly valued work throughout the year and increased the number of children placed substantially, averaging out at over 79 throughout the year. The region is extremely well established and has a highly skilled staff team who provide excellent support to a highly skilled and experienced group of fostering families.

At the end of the year there were 47 approved Carers. However, several Carers 'retired' from fostering alongside several more ending their fostering careers because of poor health or for personal reasons. By the end of the year there was another 3 prospective Carers in assessment who will be approved throughout 2024. Referrals continue to rise in the region receiving an average of 2000 per month.

The West Midlands team continues to operate in a congested and highly competitive market. However, the region continues to be a major contributor to the placements available to Local Authorities across the region.

Our South-Central Region:

We now have a staff team of 7 in the region including 3 Supervising Social Workers, 1 Principle Social Worker and 2 Administrators and a Registered Manager. The region has continued to grow in a very 'organic' way with several Carers coming our way because of 'word of mouth'. The region now has 24 approved Carers with another 1 in assessment and 26 children in place. The region continued its highly valued work throughout 2023 under some some very challenging circumstances regarding recruitment of new foster families and retirement of several families in the region. Placement numbers declined as a result of lack of capacity.

The region receives an average of 500 referrals a month and their profile in the region is well established with local authorities, this has resulted in local authority placement teams specifically requesting placements with several our Carers in the region. It is worthy of note that this region operates in a fiercely competitive market with over 110 IFA's in Hampshire alone. This is more than a third of the IFA's in the United Kingdom!

The region underwent a full inspection by Ofsted in January 2024 and was awarded a judgement of "Good".

Our East Midlands Region:

Our East Midlands region is still very much in its infancy. However, toward the end of 2023 we have 9 approved Carers. There is currently 1 assessment being completed which will be presented to in 2024. The region has a full-time permanent administrator to cover the admin and help with the recruitment for the region. The region also has 1 full time and 1 part time Social Worker alongside 1 Principle Social Worker. During the past year the region has provided invaluable support to our bigger regions in the form of short break care for large sibling groups, thus giving our Carers a much-needed break regularly.

Summary:

Closing placement numbers at 31st December 2023 were at approximately 218 (including some enhanced fees for solo placements etc.)

Progress elsewhere

Our Head Office continues to provide a myriad of services and support to all regions. The team comprises of several highly skilled professionals including our Head of Service, our HR Manager, our Head of Finance and a Marketing & Media Officer, these are all supported by several administrators.

Our Marketing & Media strategies proved invaluable throughout 2023. The acknowledgement and recognition that social media is without doubt enormously important in order to attract the right type of applicant to fostering has never been more evident. Raising our profile with local authorities has been key to our continued reputation as a high-quality provider of placements which is slowly paying off. Initial enquiries from potential applicants via our website and Facebook page continues to increase

We have also made progress in the management of our contracts and in our ability to respond to tendering opportunities, which has been a collaborative effort between Head Office and Social Work staff.

Skyrocket has grown in reputation across the sector and one day online courses were delivered during 2023 along with face to face Registered Manager training courses. There are several more courses already planned for 2024. Skyrocket is shown under Programme Related Investments within the 2023 Statutory Accounts.

Financial review

Our full results are given in the financial statements, later in this report.

The overall surplus for the year amounted to £73,589 (2022: £279,663).

Our income continues to come primarily from our child-care provision to Local Authorities. With an increase in the average number of children placed compared to the previous year our Local Authority income increased by £319,843 to £8,956,790 (2022: £8,636,947) or 3.7% when compared to 2022.

The Trust also provided a mix of Over 18 / Lifetime Carer support of £84,399 (2022: £71,470), which is met out of charitable donations, investment income and reserves.

Our financial asset strength remains principally in property.

It is the policy of the Trust to hold sufficient assets in cash, or in easily converted forms, to meet its forecast cash requirements and in order to fund continuing growth.

Close financial controls are in place to ensure that expenditure is planned and monitored. Decisions on where, when and how to invest internally to secure growth remain difficult judgements in our situation, where long lead-times are needed before results can be seen.

Reserves policy:

Free reserves, or unrestricted funds excluding designated funds (which are held as fixed assets), amounted to £2,577,945 as at 31st December 2023 (2022: £2,504,356). This represents 3.5 months (2022: 3.5 months) of total annual unrestricted expenditure excluding designated and restricted expenditure. The charity has a reserves policy to accumulate reserves equal to six months of total annual unrestricted expenditure excluding designated and restricted expenditure. As we come out of the global pandemic, the charity is continuing to ensure that we continue to work with Local Authorities, submit more tenders and increase the placement numbers. We are also continuing to develop a new region which will bring extra income. This will no doubt help us achieve the reserves that we should have.

The designated funds of £1,145,571 (2022: £1,145,571) are to meet costs in relation to our support to Lifetime Foster Carers.

The Trust looks at cash and liquid investments available to meet its known and planned requirements. As at 31st December 2023 the Trust had readily realisable cash reserves of £1,505,922 (2022: £1,002,832) to cover known and planned requirements of £222,808 (2022: £234,628). The known and planned requirements included, but was not limited to, the following:

- Working capital,
- Dilapidations on leased offices,
- Repairs,
- East Midlands office development.

Restricted funds will be spent in line with funding restrictions.

Investment policy and performance:

The Trust splits its investments to provide for capital growth and monthly income to support operations until the time when cash flow becomes reliably positive on a monthly basis. Details of these investments are given in the Financial Statements.

The Trust will explore options for investment advice in 2024.

The Trust have assessed the major risks to which it is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Risk assessment:

The Trust undertakes a formal Risk Assessment on an annual basis. The Risk Assessment and Risk Register is updated alongside the 5 Year Business Plan. The 5 Year Business Plan takes account of risks identified in the Risk Assessment. Risks are colour coded. Red is critical, Amber is highly important or significant, and Green is minor. Risks are categorised as either Management and Governance, Operational, Financial or External. Controls are in place to reduce or eliminate each identified risk. The mitigation of risk is considered on an ongoing basis by key management. For example, before any operational changes or any developments in activities provided by the Trust, and, within Senior Management and Registered Management meetings. Any newly identified critical risks are flagged up to Trustees either before or at the next planned trustee meeting.

At November 2022 the principal risks facing the charity and the strategies to manage them were as follows:

Risk	Controls
The Trust is unable to respond to placement requests	Communicate closely with commissioners, Explain ethos of the Trust as a permanency provider, Use existing capacity to best effect without compromising quality, Build placement capacity, Work with commissioners to understand their needs.
Local Authorities stance on Staying Put placements	Review potential impact over next 5 years, Maintain dialogue with local authorities concerned, Lobby government via FFP group, Review Budget & 5 Year Plan to earmark potential carer support, Look at staff training to meet needs of Staying Put / Over 18 support.
Government / Local Authority cuts push down fees to unsustainable levels	Review service provision, Review staff utilisation, Find ways of making savings in delivery, Reduce central cost base, Find value suppliers e.g. Insurance, IT, HR, etc., Review policy of limiting the number of placements in each area - increase placement numbers at lower fee, Co-operate with other smaller providers in the sector, Support the development of FFP and develop influence in government / local authorities.
Sector consolidation harms small operators	Monitor changes to the number of agencies operating in the sector, Research possible merger/purchase targets, Get to critical mass and maintain placement numbers, Compete on fee rates and foster carer fees, Continue to build add on services, Monitor LA for tender opportunities.

Plans for future periods
Our plans for the future:

The Aims and Objectives for 2024 continue to be about recruitment, retention and raising the profile of the Trust. Recruitment of new Carers is vital if we are to increase our capacity to provide new placements going forward.

However, targeted recruitment in the right geographical areas and identifying the right profile of Carers remains of paramount importance. As a result we have updated our website and plan to run 'targeted' campaigns' throughout the coming year.

Retention of Carers continues to be another one of our key objectives going into 2024. As such we have already made additional 'one off' payments to all of our foster families in recognition of the very challenging economic climate they are trying to operate in. We also increased the respite allowance from 2 weeks to 3 weeks from January 2023 and increased their mileage allowance by an additional 20 miles. All of these changes have been enormously welcomed by each of our fostering households.

From April 2023 the mileage allowance for staff was increased from 15ppm to 25ppm in recognition of the costs of travelling, particularly our social work staff who often cover considerable distances to visit our fostering families.

We took the decision at the start of autumn 2022 to close each of our offices one day per week to try to reduce our running costs throughout the winter and into 2023. This plan will remain in place given its success and the cost savings made.

We have also trialled a 4-day week for all staff which we embarked upon in April 2023. The outcomes and feedback from all involved has been incredibly positive and the reduction in working days has not had any negative impacts on outcomes for our children or support for our fostering families. As such, we now plan to formalise this arrangement in the spring of 2024.

We are planning to move toward a more "Trauma Informed" agency during the coming year. This will involve the appointment of a skilled and professional Psychotherapist for a fixed period of time who can provide insight and direction for our stakeholders and organisation as a whole.

Acknowledgements:

This report is an opportunity for us to recognise those that help give us our distinctive quality. This quality results partly from the knowledge that our work is not undertaken for profit but to ensure that children get the care and support they need to become well-adjusted and contributing adults later in life. Our tagline of a *'family for life'* underlines our commitment to those who need it that we will help them in their transition to independent adult living with supportive relationships beyond those provided within the state care system.

Our key debt is to our outstanding Foster Carers as it is, they who provide the care to those children entrusted to us. Some of these individuals have provided decades of unflinching selfless service to their extended families, now often including grandchildren, and even great-grandchildren. Others are recent recruits who intend to work as Foster Carers for a set period of their lives. To all of them, for all their skill and dedication, we remain eternally grateful.

We additionally acknowledge that it is our staff team who organise and make this possible, and we would like to take this opportunity to thank them all. In addition to our direct staff we would like to recognise and thank our wider community of retained sessional Social Workers and other specialists, our Fostering Panel, key support firms and consultants of all types who give us the professionalism we need to provide such an excellent quality of care. Finally, as Chairman, I would like to thank the Trustees for their contribution as well as our other financial supporters who fund our growth and help to make the work of the Trust achievable.

Trustee Training and Induction:

The Trustees have chosen to manage the governance of the Trust as a small but involved group with complementary skills covering our heritage and core values, our professional work, education, and corporate business skills. The Trustees periodically consider whether, and where and when, additional or replacement skills and experiences are required. Recruitment channels have included national advertising, executive search, the use of nationally accepted clearing houses, as well as individual networking to seek out specific skills or expertise. Appointments are made after a process that allows candidates to explore the Trust's work and become familiar with the management team and the Trustees and then by the Trustee body in its entirety. Trustees undergo induction and training in their responsibilities and development affecting both their role and the work of the Trust.

Related parties:

All related party transactions can be seen in note 19 to the Financial Statements.

Auditor

In accordance with the company's articles, a resolution proposing that Cognitor Accountancy Limited be reappointed as auditor of the company will be put at a General Meeting.

Reference and administrative details of the charity, its trustees and advisers

Charity name:
The Children's Family Trust

Company registration number:
00398875

Charity registered number:
208607

Trustees:
Mr I Brazier
Mrs A Oliver
Mr N Harrison
Dr V Wigfall
Mr D Williams
Dr M Hines
Mr T Gormley

Registered office:
Hanbury Court
Harris Business Park
Stoke Prior
Bromsgrove
Worcestershire
B60 4DJ

Chief Executive Officer:
Mrs M Mulholland

Auditors:
Cognitor Accountancy Limited
12 The Courtyard
Buntsford Drive
Bromsgrove
Worcestershire
B60 3DJ

Solicitors:
BPE Solicitors LLP
St James' House
St James' Square
Cheltenham
GL50 3PR

Bankers:
HSBC Plc
22 Abington Street
Northampton
NN1 2AN

Statement of Trustees Responsibilities

The Trustees (who are also the Directors of the charity for purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance 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 (FRS102).

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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing those financial statements, we are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 (FRS102) 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 charity and enable them to ensure that the financial statements comply with the requirements of 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.

Trustee Indemnity insurance is included within Management Liability insurance cover provided by Zurich Insurance with an overall limit of indemnity of £1million. The cost of the Trustee Indemnity insurance is not given as it is not separately identifiable within the overall insurance cover cost.

Statement of Information for Auditors:

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware, and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small Company Provisions:

The Trustees' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption provided by section 408 and section 414B (b) of the Companies Act 2006.

Each of the has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

On behalf of the Board of Trustees



Ian Brazier
Chairman

Hanbury Court
Harris Business Park
Stoke Prior
Bromsgrove
Worcestershire
B60 4DJ

26 March 2024

THE CHILDREN'S FAMILY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CHILDREN'S FAMILY TRUST

Opinion

We have audited the financial statements of The Children's Family Trust (the '') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the 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 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 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 '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 with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF THE CHILDREN'S FAMILY TRUST

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the report.

We have nothing to report in respect of the following matters in relation to which 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 were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the report and from the requirement to prepare a strategic report.

Responsibilities of the Trustees
As explained more fully in the statement of responsibilities, the , who are also the directors of the for the purpose 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 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 are responsible for assessing the '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 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
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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Mark Warman (Senior Statutory Auditor)
for and on behalf of Cognitor Accountancy Limited

26.3.24

Chartered Certified Accountants
Statutory Auditor

12 The Courtyard
Buntsford Drive
Bromsgrove
B60 3DJ

THE CHILDREN'S FAMILY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Income from:						
Donations and legacies	2	67,735	-	-	67,735	34,525
Charitable activities						
Foster care local authority fees and recharges		8,956,790	-	-	8,956,790	8,636,947
Student fees		2,400	-	-	2,400	7,400
Investments	3	43,242	-	-	43,242	20,239
Total income		9,070,167	-	-	9,070,167	8,699,111
Expenditure on:						
Raising funds						
Fundraising and publicity	4	301	-	-	301	198
Investment management	4	58,257	-	-	58,257	64,688
		58,558	-	-	58,558	64,886
Charitable activities						
Foster care	5	8,918,457	-	-	8,918,457	8,385,212
Fostering independence	5	1,547	-	-	1,547	3,017
Lifetime carer costs	5	-	82,852	-	82,852	68,453
Total charitable expenditure		8,920,004	82,852	-	9,002,856	8,456,682
Total expenditure		8,978,562	82,852	-	9,061,414	8,521,568
Net gains/(losses) on investments	8	64,836	-	-	64,836	102,120
Gross transfers between funds		(82,852)	82,852	-	-	-
Net income for the year/ Net movement in funds		73,589	-	-	73,589	279,663
Fund balances at 1 January 2023		2,504,356	1,145,571	412	3,650,339	3,370,676
Fund balances at 31 December 2023		2,577,945	1,145,571	412	3,723,928	3,650,339

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE CHILDREN'S FAMILY TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	9		1,537,530		1,517,571
Investment properties			-		1,100,000
Investments	10		6,093		6,093
			1,543,623		2,623,664
Current assets					
Debtors	11	1,070,527		516,344	
Cash at bank and in hand		1,505,922		1,002,832	
		2,576,449		1,519,176	
Creditors: amounts falling due within one year	13	(350,143)		(446,501)	
Net current assets			2,226,306		1,072,675
Total assets less current liabilities			3,769,929		3,696,339
Creditors: amounts falling due after more than one year	14		(46,000)		(46,000)
Net assets			3,723,928		3,650,339
Income funds					
Restricted funds	15		412		412
Unrestricted funds - designated			1,145,571		1,145,571
General unrestricted funds			2,577,945		2,504,356
			3,723,928		3,650,339

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

The financial statements were approved by the Trustees, authorised for issue and signed on its behalf:

Mr I Brazier
Trustee

Company registration number 00398875

THE CHILDREN'S FAMILY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(577,842)		324,836
Investing activities					
Purchase of tangible fixed assets		(301,667)		(5,873)	
Proceeds from disposal of tangible fixed assets		275,000		138,692	
Proceeds from disposal of investments		955,000		110,518	
Investment income received		43,242		20,239	
Net cash generated from investing activities			971,575		263,576
Financing activities					
Repayment of bank loans		(67,247)		(27,490)	
Net cash used in financing activities			(67,247)		(27,490)
Net increase in cash and cash equivalents			326,486		560,922
Cash and cash equivalents at beginning of year			1,002,832		441,910
Cash and cash equivalents at end of year			1,329,318		1,002,832

1 Accounting policies

Charity information

The company is a company limited by guarantee. The directors of the company are the trustees named in the "reference and administration details". In the event of the company being wound up, the liabilities in respect of the guarantee is limited to £5 per member of the company.

1.1 Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Children's Family Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy notes.

1.2 Going concern

At the time of approving the financial statements, the have a reasonable expectation that the has adequate resources to continue in operational existence for the foreseeable future. Thus the continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees have prepared detailed financial and trading performance projections for the ensuing year. Those projections are prepared as far as possible by including only known business that the company is contracted to, or extremely likely to contract to, and carry out during the year. Those projections are reviewed and revised at the end of each reporting period within the company's financial year. On the basis of those projections, the trustees have satisfied themselves, as far as they are reasonably able and unforeseen events aside, that the company is in a position whereby it may adopt a going concern basis of accounting in preparing the annual financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earliest of the company being notified of an impending distribution or the legacy being received.

Gifts in kind for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified, and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donations received under gift aid or deeds of covenant is recognised at the time of the donation.

1 Accounting policies **(Continued)**

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the reserves.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	2% straight line
Office improvements	over lease term
Fixtures, fittings and equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Only items over £1,000 are capitalised.

1.7 Fixed asset investments

Investments

Investment properties:

Investment properties are included in the balance sheet at their open market value in accordance with the SORP. Gains and losses on disposal and revaluation are charged or credited to the Statement of Financial Activities.

Listed Investments

Listed investments have been stated at mid-market value at the balance sheet date. Realised gains or losses are calculated as the difference between sale proceeds and market value at the previous balance sheet date.

All gains and losses whether realised or unrealised are taken to the Statement of Financial Activities.

Unlisted Investments

Unlisted investments are valued at cost.

Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are recognised at cost less impairment.

1.8 Taxation

The company is a registered charity and as such is not generally liable to taxation.

1 Accounting policies **(Continued)**

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Pension costs

The company has a group pension plan in place with Royal London. Since introduction uptake of the scheme has been very high with 52 employees in the scheme as at 31st December 2023 (2022: 48). The employee contribution rate is 5%. This is standard for all employees. The trust matches employees contribution rates up to 5% of salary.

In addition, the company contributes to 2 individual personal pension schemes which were in place before the company group pension plan. Again, the trust matches employee contribution rates up to 5% of salary.

The annual contributions payable are charged to the Statement of Financial Activities.

1.11 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and legacies	67,735	34,525

3 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Rental income	43,242	20,239

4 Raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising and publicity		
Seeking donations and legacies	301	198
	198	272

5 Charitable activities

	Foster care 2023 £	Fostering independence 2023 £	Lifetime carer costs 2023 £	Total 2023 £	Total 2022 £
Depreciation and impairment	26,217	-	8,088	34,305	38,850
Families costs	5,769,138	890	61,721	5,831,749	5,516,912
Foster panel and carers recruitment	42,972	-	-	42,972	96,763
Salaries and related	1,590,415	-	-	1,590,415	1,418,478
	7,428,742	890	69,809	7,499,441	7,071,003
Share of support costs (see note 6)	1,386,407	611	12,138	1,399,156	1,304,387
Share of governance costs (see note 6)	103,308	46	905	104,259	81,292
	8,918,457	1,547	82,852	9,002,856	8,456,682
Analysis by fund					
Unrestricted funds	8,918,457	1,547	-	8,920,004	8,388,229
Unrestricted funds - designated	-	-	82,852	82,852	68,453
	8,918,457	1,547	82,852	9,002,856	8,456,682

6 Support and governance costs

	Support costs	Governance costs	2023	2022	Basis of allocation
	£	£	£	£	
Staff costs	767,113	66,705	833,818	761,447	On time spent
Depreciation	5,636	-	5,636	13,684	Direct usage
General office costs	626,407	2,516	628,923	595,465	Pro rata FTE Staff
Audit fees	-	8,126	8,126	9,013	Governance
Legal and professional	-	16,638	16,638	1,163	Governance
Bank charges	-	3,043	3,043	2,831	Governance
Trustees expenses reimbursed	-	1,820	1,820	604	Governance
Trustee board meetings	-	5,411	5,411	1,472	Governance
	1,399,156	104,259	1,503,415	1,385,679	
Analysed between Charitable activities	1,399,156	104,259	1,503,415	1,385,679	

7 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Direct charitable purposes	44	45
Management and administration	9	8
Total	53	53

Employment costs

	£	£
Wages and salaries	1,821,786	1,681,342
Social security costs	200,567	174,467
Other pension costs	157,572	147,853
	2,179,925	2,003,662

7 Employees (Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	1	-
In the band £100,001 - £110,000	1	1

For these employees employers pension contributions amounted to £38,642 (2022: £18,646).

The charity trustees were not paid and did not receive any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional services supplied to the charity (2022: £nil).

The key management personnel of the charity comprise of the trustees, the Chief Executive Officer and the Head of Service. The total employee benefits of the key management personnel were £186,916 (2022 on the same basis £182,915).

8 Net gains/(losses) on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gain/(loss) on sale of investments	64,836	102,120

9 Tangible fixed assets

	Buildings	Office improvements	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 January 2023	1,707,155	115,278	271,547	2,093,980
Additions	289,653	3,963	8,051	301,667
Disposals	(275,000)	-	-	(275,000)
At 31 December 2023	1,721,808	119,241	279,598	2,120,647
Depreciation and impairment				
At 1 January 2023	203,355	110,175	262,878	576,408
Depreciation charged in the year	29,624	5,068	6,853	41,545
Eliminated in respect of disposals	(34,836)	-	-	(34,836)
At 31 December 2023	198,143	115,243	269,731	583,117
Carrying amount				
At 31 December 2023	1,523,665	3,998	9,867	1,537,530
At 31 December 2022	1,503,800	5,103	8,668	1,517,571

10 Fixed asset investments

	Programme Related	Other investments	Total
	£		£
Cost or valuation			
At 1 January 2023 & 31 December 2023	6,091	2	6,093
Carrying amount			
At 31 December 2023	6,091	2	6,093
At 31 December 2022	6,091	2	6,093

	Notes	2023 £	2022 £
Other investments comprise:			
Investments in subsidiaries		2	2

10 Fixed asset investments **(Continued)**

Unlisted securities

Unlisted securities are held at cost and relate to a National Savings Bond.

Investment in subsidiary

At 31 December 2023 the trust held 100% of the allotted share capital of CFT Trading Ltd, a company registered in England and Wales, which is a dormant company.

Capital and reserves of the subsidiary undertaking at 31 December 2023 and at 31 December 2022 were as follows:

Share capital	£2
Reserves	£2

All fixed asset investments are held in the UK

Programme Related Investments

Investment in Skyrocket

Cost as at 1 January 2023 and 31 December 2023	6,091
Net book value as at 31 December 2023	6,091

The trust owns a half share of the net assets of Skyrocket Partnership Limited, a company incorporated in England. The joint venture provides training programmes specifically aimed at training and mentoring registered managers in the fostering sector.

The trust recognises the investment in the joint controlled entity at cost less and impairment to date. For the period ended 30 June 2023 the entity recorded a surplus of £3,190 (2022: deficit of £2,072) and had a deficit on reserves of £14,013 (2022 £17,203) at the balance sheet date.

11 Debtors

Amounts falling due within one year:	**2023** **£**	**2022** **£**
Trade debtors	937,207	388,048
Other debtors	13,932	10,652
Prepayments and accrued income	119,388	117,644
	1,070,527	516,344

12 Loans and overdrafts

	2023	2022
	£	£
Bank loans	-	67,247
Payable within one year	-	67,247

The commercial mortgage with HSBC was repaid fully during the financial year.

13 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans	12	-	67,247
Other taxation and social security		59,726	58,647
Trade creditors		44,928	64,003
Other creditors		2	14,319
Accruals and deferred income		245,487	242,285
		350,143	446,501

14 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Dilapidations provision	46,000	46,000

The dilapidations provision relates to two properties.

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds	
Balance at 1 January 2022	Incoming resources	Balance at 1 January 2023	Incoming resources	Balance at 31 December 2023
£	£	£	£	£
412	-	412	-	412

The restricted funds remaining at the year end were £412. Of this £300 related to a Big Lottery Fund grant received in 2016 of £8,760 to fund media workshops to produce educational videos around the themes of being in foster care and associated issues.

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Movement in funds		
	Incoming resources1	Balance at January 2023	Incoming resources	Resources expended	Balance at 31 December 2023
	£	£	£	£	£
Lifetime carer costs	-	-	(82,852)	82,852	-
	-	-	(82,852)	82,852	-

The designated fund provides funds to meet costs in relation to our support to Lifetime Foster Carers. The charity does not receive any direct income to provide the support. The timing of expenditure for these designated funds is likely to be spread over the next 25 to 30 years. The fund is represented by the fixed assets, which include houses owned by the charity and used by carers. The transfer between designated and general funds equates to the value of the lifetime carer costs incurred in the year.

17 Analysis of net assets between funds

	Unrestricted funds 2023	Restricted funds 2023	Total 2023	Unrestricted funds 2022	Restricted funds 2022	Total 2022
	£	£	£	£	£	£
Fund balances at 31 December 2023 are represented by:						
Tangible assets	1,537,530	-	1,537,530	1,517,571	-	1,517,571
Investment properties	-	-	-	1,100,000	-	1,100,000
Investments	6,093	-	6,093	6,093	-	6,093
Current assets/(liabilities)	2,225,893	412	2,226,305	1,072,263	412	1,072,675
Long term liabilities	(46,000)	-	(46,000)	(46,000)	-	(46,000)
	3,723,516	412	3,723,928	3,649,927	412	3,650,339

The majority of the charity's income, and therefore expenditure, continues to relate to foster care placements with local authorities. This is classified as unrestricted income as it is felt that this best reflects the substance of the transactions.

18 Trustee Remuneration and Related Party Transactions

The charity was under the control of the Trustees (listed in reference and administrative details) during the current and previous year. No Trustee received any remuneration during the year (2022: £nil).

The Trustees were reimbursed £1,820 (2022: £2,076) for their travel and subsistence costs, included in pursuance of the charity's objectives. The amount reimbursed during the year of £1,820 was in respect of claims received from 4 of the 7 trustees who served during the year (2022: £2,076 in respect of claims received from 5 of the 7 trustees who served during 2022).

The trustees and management have taken steps to ensure all related party transactions are on normal commercial terms.

19 Financial commitments, guarantees and contingent liabilities

At 31 December 2023 there were no new financial commitments, guarantees or contingent liabilities requiring disclosure (2022: £nil).

20 Capital commitments

	2023 £	2022 £
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	433,484	-

21 Events after the reporting date

There are no events requiring disclosure after the balance sheet date.

22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	127,558	116,724
Between two and five years	326,607	379,894
In over five years	-	37,163
	454,165	533,781

23 Cash generated from operations

	2023	2022
	£	£
Surplus for the year	73,589	279,663
Adjustments for:		
Investment income recognised in statement of financial activities	(43,242)	(20,239)
Gain on disposal of investments	(64,836)	(102,120)
Depreciation and impairment of tangible fixed assets	39,941	52,534
Movements in working capital:		
(Increase)/decrease in debtors	(554,183)	43,816
(Decrease)/increase in creditors	(29,111)	71,182
Cash (absorbed by)/generated from operations	(577,842)	324,836

24 Analysis of changes in net funds

	At 1 January 2023	Cash flows	At 31 December 2023
	£	£	£
Cash at bank and in hand	1,002,832	503,090	1,505,922
Loans falling due within one year	(67,247)	67,247	-
	935,585	570,337	1,505,922

THE CHILDREN'S FAMILY TRUST

England & Wales - Charity number 208607

Accounts

Charity registration number 208607

Company registration number 00398875 (England and Wales)

THE CHILDREN'S FAMILY TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

THE CHILDREN'S FAMILY TRUST

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THE CHILDREN'S FAMILY TRUST

REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report and financial statements for the year ended 31 December 2022.

The Trustees, who are also Directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 December 2022. 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 (FRS102).

Objectives and activities
Our objectives:

Established as a Registered Charity in 1945 and operating as a company limited by guarantee, our stated objectives, as set out in our governing Memorandum of Association, are:

1. The relief of children and young persons in need, and in particular those in the care of, or accommodated by, a Local Authority, by

    1. Providing them with, or otherwise assisting in the provision of, a placement or placements in suitable accommodation and providing them with or assisting in the provision of, appropriate Carers, with the aim of providing them with a stable family life.
    1. Providing for their education and establishment in life.

2. The relief of poverty and in particular the assistance of adults who have as children been in Local Authority care.

Our activities:

Our operational work in England is classified as an independent fostering agency. The standards applied by Ofsted are the primary measures of our success and are in the public domain, as are their Inspection Reports evaluating the quality of our work.

Overall, our purpose remains to provide a stable and successful family life for children in the care system with the aim of preparing them for successful adulthood. The Trust's guiding philosophy is that all children have the right to live *'a natural family life'*. Predominantly we do this through the provision of foster care. Most of our income derives from the fees we charge for this service. Traditionally, but not now exclusively, we have experience in providing for sibling groups and permanent placements – reflected in our core values around a *'family for life'*. However, increasingly, we also provide for children needing short-term care where we apply the same principles as if those children were placed on a *'family for life'* basis.

It follows that we continue in the Trust's tradition of putting the interests of our children first, closely followed by those of our Carers and staff.

Public benefit statement:

Local Authorities have a statutory obligation to provide foster placements for those children brought into the State care system and needing to live away from home. Our work, as a Registered Charity, is to provide such placement opportunities on a transparently not-for-profit basis, to do so to the highest professional standards, and to deliver the best outcomes to those placed in our charge. Our placements are open to all Local Authorities, irrespective of location, and our matching process meets all professional best practices in endeavouring to provide an enduring placement for each individual child. As our fees are met by Local Authorities, and we are providing care for any child that they may present and for whom we are able to affect a suitable match, we work on an entirely inclusive and non-discriminatory basis for the public benefit.

Further, we use our charitable resources to extend and enhance our services, and to meet individual needs, particularly where these are for children no longer supported by the public purse. This is demonstrated by the Trust's continuing support of individuals, now adults, who have been in the care of the Trust but who need, from time to time, the support of the Trust through its Lifetime Carers. This intervention has, in the past, helped prevent the involvement of the State in the lives of families.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Our structure:

As an organisation, the Trust is governed by the Board of Trustees. We employ full-time executive, administrative and professional resources, as well as retaining professional advisers such as legal and audit firms.

As a Registered Charity, the Trust is not a profit-making organisation and no benefit may be derived by its Trustees, who are also Members of the Trust. Accordingly, we are classified as a 'voluntary organisation' within the terms of the Children's Act 1989, section 105.

As a charity and as a company limited by guarantee, the Trustees' Report and Financial Statements, and the Memorandum and Articles of Association are publicly available.

We also make them available to appropriate and interested parties, e.g. Local Authorities, existing/prospective Foster Carers, children in placement or on request. The Articles of Association set out the regulations that govern the company's internal affairs.

Apart from the Trustee body being required to meet the appropriate qualifications to act as Trustees and Directors, they and the staff of the Trust, and the retained Foster Carers, Foster Carers' own children over the age of sixteen, baby-sitters, regular visitors to the Foster Carers' homes, any domestic staff, and the members of the Fostering Panel are all subject to the Disclosure and Barring Service (DBS) checks, formally referred to as Criminal Records Bureau (CRB) checks. We extend this process to other key workers within supporting organisations e.g. human resources and information technology. Further, Foster Carers are subject to additional checks as part of their BAAF Form F-based selection process.

All our professional staff are qualified variously holding CQSW/Diploma in Social Work, Practice Teaching Awards, and Post-Graduate Diplomas in Social Work as well as relevant first and post graduate degrees. In addition, the Trust has engaged, on a sessional basis, further fully qualified and highly skilled professionals to deliver training on such topics as safeguarding, therapeutic approaches, first aid and de-escalation techniques for both our staff and fostering families. All our professional Social Work staff are registered with Social Work England, the regulatory body. Several also have experience in working within the private and voluntary sectors. The Social Work teams are supported by our Head Office staff, which includes Administration, HR, Marketing and Media and Finance.

All Foster Carers have passed the TDS induction standards. Throughout the year they are expected to attend a minimum of six mandatory training courses.

In order to remain current in matters affecting the work of the Trust, it has for many years been a member of the National Council for Voluntary Organisations (NCVO), Children England, The Fostering Network, Foster talk and Coram BAAF (British Association for Adoption and Fostering). We have also added our voice to FFP (Fairer Fostering Partnership) which campaigns within the fostering sector on behalf of 'not for profit' fostering agencies as well as our most recent membership of the National Association of Fostering Providers (NAFP). Through membership of these organizations the Trust looks both to learn from developments in good practice relating both to governance and child-care, and to influence the development and implementation of social policy generally and childcare policy and provision specifically.

The Trust is not a member of any larger organisation nor has affiliate organisations.

The Trust has a policy and procedure to deal with any complaints and aims to secure early resolution of any such matters. The Trust received no complaints in 2022.

Trustees / Registered Office and Charity & Company Details:

These details can be found in the "Reference and Administrative Details of The Charity" on page 11.

Pay Policy for Senior Staff:

The Trust needs to operate in a competitive environment yet balance its responsibility to be prudent with charitable monies. The Trust has a Compensation Policy and uses Compensation Guidelines that are reviewed regularly and set out how it will manage pay for senior staff and all other employees.

The over-arching premise is that basic salary ranges should meet the Trust objectives of attracting, retaining and motivating staff.

The Trust continues to commission the services of an external human resources provider to support our HR Manager. In setting salary ranges for all roles within the organization the Trust looks at a range or relevant benchmarks such as location, charity sector, charity income and number of employees. All proposed salary ranges are agreed by the Board of Trustees. We have reviewed our pay structure and appraisal process during 2022 and are confident that we remain competitive in a very saturated market. This review was overseen and agreed by our board of trustees.

Currently, proposed salary changes by line managers, within the salary range for the role, are signed-off by the Chief Executive. The Chair of Trustees authorizes changes to the Chief Executive's pay.

Achievements and performance
Our achievements and performance in 2022:

The Trust continued to operate highly effectively throughout the year and as a result now cares for more children than ever before in its entire history! The economic climate within which we work has continued to be 'squeezed' mostly as a result of the pandemic and the rise in the number of children coming into care. However, the number of children placed with our fostering families surpassed our KPI's for 2022 and as a result has increased our overall income. Several of our larger contracts were due for retender during 2020 but as a result of the pandemic had been 'extended' or 'refreshed' until 2022. This situation is gradually changing with several contracts more recently coming up for retender. This will provide us with a much-needed opportunity to increase our fees for the first time in over 4 years.

However, Local Authorities continue to lower their fees and any new contracts and tenders reflect this downward pressure whilst expectations about what we should deliver continue to increase. Nevertheless, we continue to gain entry to additional contracts, which have supported our expansion plans. These additional successful tender bids including several local authorities within the East Midlands region including Derbyshire, Nottinghamshire, Leicestershire, Northamptonshire and Lincolnshire. At the end of 2022 we had 7 approved Foster families in the East Midlands region with another 2 families in assessment.

Recruitment of Foster Carers in all regions continues to prove extremely challenging following the pandemic and largely as a result of the current economic climate. However, greater focus on marketing and media strategies alongside 'refreshing' elements of our website has proven worthwhile. Targeted recruitment using several social media platforms is proving to be successful as it has two purposes, the first to raise our profile and the second to target those individuals from backgrounds with relevant experience, space and who are geographically well positioned to meet the needs of our current contracts. We continue to recruit very high calibre Carers who choose to foster on a vocational basis who have a mix of skills and experience to provide a varied and diverse range of placements to Local Authorities. Our Fostering Panels are held regionally though currently virtually, and our panel members live locally to our regional offices. As we move into 2023 we have 6 families currently in assessment and a further 6 applications waiting to come back to us.

The number of children we look after increased passing the 200 mark with some temporary falls in numbers throughout the year. It is noticeable that most of the referrals we receive across the country, are of children with considerable difficulties and who have experienced very traumatic early lives. For this reason alone, the calibre, quality and skills of the Foster Carer is extremely important.

Key operational events and milestones of the year included:

Ofsted: All regions are registered with Ofsted and all Registered Managers appropriately experienced and qualified.

Our North-East Region:

Our North-East region continued its highly valued work throughout 2022. Placement numbers increased reaching 67 by the year end (excluding Staying Put). This arrangement means that whilst the young person remains living with their Foster Family the Trust stops receiving a fostering fee for the placement. The local authority will, in most cases financially support the young person in placement but will not provide the Carer or Trust with any financial support. This represents the Trust with some dilemmas given our ethos of 'Family for Life'. Many of our Carers remain committed to the young person they care for, but this arrangement can potentially cause them some financial hardship, particularly if they do not have another spare bedroom or a second child in placement. Most the children placed in the North East are 'family for life' placements, which tend to be stable and therefore provide a steady income source, which can be relied upon.

Our West Yorkshire Region

Our West Yorkshire office is now well established. The region continued its highly valued work throughout 2022. Placement numbers increased throughout year end and averaged out at 36 with many placements remaining stable and on a family for life basis. However, recruitment of new Foster Carers continues to prove challenging with local authorities in the region offering very competitive packages to potential Carers as well as the promise of always having children available to place.

The region underwent a full inspection by Ofsted in 2022 and was awarded a judgement of 'Good'.

Our West Midlands Region:

2022 was a very successful year for the West Midlands office. The region continued its highly valued work throughout the year and increased the number of children placed substantially, averaging out at over 76 throughout the year. The region is extremely well established and has a highly skilled staff team and a focussed and ambitious Registered Manager, both of which provides excellent support to a highly skilled and experienced group of Fostering families.

At the end of the year there were 46 approved Carers. However, several Carers 'retired' from fostering alongside several more ending their fostering careers because of poor health or for personal reasons. By the end of the year there was another 5 prospective Carers in assessment who will be approved throughout 2022. Referrals continue to rise in the region receiving an average of 2000 per month.

The West Midlands team continues to operate in a congested and highly competitive market. However, the region continues to be a major contributor to the placements available to Local Authorities across the region.

The region underwent a full inspection by Ofsted in 2022 and was awarded a judgement of 'Outstanding'.

Our South-Central Region:

We now have a staff team of 7 in the region including 3 Supervising Social Workers, 1 Principle Social Worker and 2 Administrators and a Registered Manager. The region has continued to grow in a very 'organic' way with several Carers coming our way because of 'word of mouth'. The region now has 23 approved Carers with another 2 in assessment and 31 children in place. The region continued its highly valued work throughout 2022 under some very challenging circumstances regarding recruitment of new foster families and retirement of several families in the region. Placement numbers declined as a result of lack of capacity.

The region receives an average of 500 referrals a month and their profile in the region is well established with local authorities, this has resulted in local authority placement teams specifically requesting placements with several our Carers in the region. It is worthy of note that this region operates in a fiercely competitive market with over 110 IFA's in Hampshire alone. This is more than a third of the IFA's in the United Kingdom!

Our East Midlands Region:

Our East Midlands region is still very much in its infancy. However, toward the end of 2022 we have 7 approved Carers. There are currently 2 assessments being completed both of which will be approved in 2023. The region has a full-time permanent administrator to cover the admin and help with the recruitment for the region. The region also has 1 full time and 1 part time Social Worker alongside 1 Principle Social Worker.

Summary:

Closing placement numbers at 31st December 2022 were at approximately 223 (including some enhanced fees for solo placements etc.)

Progress elsewhere

Our Head Office continues to provide a myriad of services and support to all regions. The team comprises of several highly skilled professionals including our Head of Service, our HR Manager, our Head of Finance and a Marketing & Media Officer, these are all supported by several administrators.

Our Marketing & Media strategies proved invaluable throughout 2022. The acknowledgement and recognition that social media is without doubt enormously important in order to attract the right type of applicant to fostering has never been more evident. Raising our profile with local authorities has been key to our continued reputation as a high-quality provider of placements which is slowly paying off. Initial enquiries from potential applicants via our website and Facebook page continues to increase. At the start of 2023 we are also planning to work with a local 'tech' company in order to raise our visibility even more through the utilization of SEO (Search Engine Optimization) to ensure our name remains of the first page of Google wherever possible!

We have also made progress in the management of our contracts and in our ability to respond to tendering opportunities, which has been a collaborative effort between Head Office and Social Work staff.

Skyrocket has grown in reputation across the sector and one day online courses were delivered during 2022 along with face to face Registered Manager training courses. There are several more courses already planned for 2023. Skyrocket is shown under Programme Related Investments within the 2020 Statutory Accounts.

It is hoped that as we move forward during 2023 Skyrocket will continue to grow and deliver more tailored courses in line with the feedback provided by attendees. The partnership continues to contribute to improving practice across the sector, which in turn will hopefully lead to better outcomes for our looked after children and young people.

Financial review

Our full results are given in the financial statements, later in this report.

The overall surplus for the year amounted to £279,663 (2021: £344,186).

Our income continues to come primarily from our child-care provision to Local Authorities. With an increase in the average number of children placed compared to the previous year our Local Authority income increased by £999,055 to £8,636,947 (2021: £7,637,892) or 13.1% when compared to 2021.

The Trust also provided a mix of Over 18 / Lifetime Carer support of £71,470 (2021: £66,114), which is met out of charitable donations, investment income and reserves.

Our financial asset strength remains principally in property, including an Investment Property.

It is the policy of the Trust to hold sufficient assets in cash, or in easily converted forms, to meet its forecast cash requirements and in order to fund continuing growth.

Close financial controls are in place to ensure that expenditure is planned and monitored. Decisions on where, when and how to invest internally to secure growth remain difficult judgements in our situation, where long lead-times are needed before results can be seen.

Reserves policy:

Free reserves, or unrestricted funds excluding designated funds (which are held as fixed assets), amounted to £2,504,356 as at 31st December 2022 (2021: £2,224,693). This represents 3.5 months (2021: 3.5 months) of total annual unrestricted expenditure excluding designated and restricted expenditure. The charity has a reserves policy to accumulate reserves equal to six months of total annual unrestricted expenditure excluding designated and restricted expenditure. As we come out of the global pandemic, the charity is continuing to ensure that we continue to work with Local Authorities, submit more tenders and increase the placement numbers. We are also continuing to develop a new region which will bring extra income. This will no doubt help us achieve the reserves that we should have.

The designated funds of £1,145,571 (2021: £1,145,571) are to meet costs in relation to our support to Lifetime Foster Carers.

The Trust looks at cash and liquid investments available to meet its known and planned requirements. As at 31st December 2022 the Trust had readily realisable cash reserves of £1,002,832 (2021: £445,308) to cover known and planned requirements of £234,628 (2021: £234,628). The known and planned requirements included, but was not limited to, the following:

- Working capital,
- Dilapidations on leased offices,
- Repairs,
- East Midlands office development.

Restricted funds will be spent in line with funding restrictions.

Investment policy and performance:

The Trust splits its investments to provide for capital growth and monthly income to support operations until the time when cash flow becomes reliably positive on a monthly basis. Details of these investments are given in the Financial Statements.

The Trust will explore options for investment advice in 2023.

The Trust have assessed the major risks to which it is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Risk assessment:

The Trust undertakes a formal Risk Assessment on an annual basis. The Risk Assessment and Risk Register is updated alongside the 5 Year Business Plan. The 5 Year Business Plan takes account of risks identified in the Risk Assessment. Risks are colour coded. Red is critical, Amber is highly important or significant, and Green is minor. Risks are categorised as either Management and Governance, Operational, Financial or External. Controls are in place to reduce or eliminate each identified risk. The mitigation of risk is considered on an ongoing basis by key management. For example, before any operational changes or any developments in activities provided by the Trust, and, within Senior Management and Registered Management meetings. Any newly identified critical risks are flagged up to Trustees either before or at the next planned trustee meeting.

At November 2022 the principal risks facing the charity and the strategies to manage them were as follows:

Risk	Controls
The Trust is unable to respond to placement requests	Communicate closely with commissioners, Explain ethos of the Trust as a permanency provider, Use existing capacity to best effect without compromising quality, Build placement capacity, Work with commissioners to understand their needs.
Local Authorities stance on Staying Put placements	Review potential impact over next 5 years, Maintain dialogue with local authorities concerned, Lobby government via FFP group, Review Budget & 5 Year Plan to earmark potential carer support, Look at staff training to meet needs of Staying Put / Over 18 support.
Government / Local Authority cuts push down fees to unsustainable levels	Review service provision, Review staff utilisation, Find ways of making savings in delivery, Reduce central cost base, Find value suppliers e.g. Insurance, IT, HR, etc., Review policy of limiting the number of placements in each area - increase placement numbers at lower fee, Co-operate with other smaller providers in the sector, Support the development of FFP and develop influence in government / local authorities.
Sector consolidation harms small operators	Monitor changes to the number of agencies operating in the sector, Research possible merger/purchase targets, Get to critical mass and maintain placement numbers, Compete on fee rates and foster carer fees, Continue to build add on services, Monitor LA for tender opportunities.

Plans for future periods
Our plans for the future:

The Aims and Objectives for 2023 continue to be about recruitment, retention and raising the profile of the Trust. Recruitment of new Carers is vital if we are to increase our capacity to provide new placements going forward.

However, targeted recruitment in the right geographical areas and identifying the right profile of Carers remains of paramount importance. As a result we have updated our website and plan to run 'targeted' campaigns' throughout the coming year.

Retention of Carers continues to be another one of our key objectives going into 2023. As such we have already made additional 'one off' payments to all of our foster families in recognition of the very challenging economic climate they are trying to operate in. We agreed from 1st January 2023 to pay 7 days maintenance fee to our carers on top of the 14 days professional fee that they received and increased their mileage allowance by an additional 20 miles. All of these changes have been enormously welcomed and appreciated by each of our fostering households.

From April 2023 the mileage allowance for staff will be increased from 15ppm to 25ppm in recognition of the costs of travelling, particularly our social work staff who often cover considerable distances to visit our fostering families.

We took the decision at the start of autumn 2022 to close each of our offices one day per week to try to reduce our running costs throughout the winter and into 2023. This plan will remain in place given its success and the cost savings made.

Acknowledgements:

This report is an opportunity for us to recognise those that help give us our distinctive quality. This quality results partly from the knowledge that our work is not undertaken for profit but to ensure that children get the care and support they need to become well-adjusted and contributing adults later in life. Our tagline of a *'family for life'* underlines our commitment to those who need it that we will help them in their transition to independent adult living with supportive relationships beyond those provided within the state care system.

Our key debt is to our outstanding Foster Carers as it is, they who provide the care to those children entrusted to us. Some of these individuals have provided decades of unflinching selfless service to their extended families, now often including grandchildren, and even great-grandchildren. Others are recent recruits who intend to work as Foster Carers for a set period of their lives. To all of them, for all their skill and dedication, we remain eternally grateful.

We additionally acknowledge that it is our staff team who organise and make this possible, and we would like to take this opportunity to thank them all. In addition to our direct staff we would like to recognise and thank our wider community of retained sessional Social Workers and other specialists, our Fostering Panel, key support firms and consultants of all types who give us the professionalism we need to provide such an excellent quality of care. Finally, as Chairman, I would like to thank the Trustees for their contribution as well as our other financial supporters who fund our growth and help to make the work of the Trust achievable.

Trustee Training and Induction:

The Trustees have chosen to manage the governance of the Trust as a small but involved group with complementary skills covering our heritage and core values, our professional work, education, and corporate business skills. The Trustees periodically consider whether, and where and when, additional or replacement skills and experiences are required. Recruitment channels have included national advertising, executive search, the use of nationally accepted clearing houses, as well as individual networking to seek out specific skills or expertise. Appointments are made after a process that allows candidates to explore the Trust's work and become familiar with the management team and the Trustees and then by the Trustee body in its entirety. Trustees undergo induction and training in their responsibilities and development affecting both their role and the work of the Trust.

Related parties:

All related party transactions can be seen in note 20 to the Financial Statements.

Auditor

In accordance with the company's articles, a resolution proposing that Cognitor Accountancy Limited be reappointed as auditor of the company will be put at a General Meeting.

Reference and administrative details of the charity, its trustees and advisers

Charity name:
The Children's Family Trust

Company registration number:
00398875

Charity registered number:
208607

Trustees:
Mr I Brazier
Mrs A Oliver
Mr N Harrison
Dr V Wigfall
Mr D Williams
Dr M Hines
Mr T Gormley

Registered office:
Hanbury Court
Harris Business Park
Stoke Prior
Bromsgrove
Worcestershire
B60 4DJ

Chief Executive Officer:
Mrs M Mulholland

Auditors:
Cognitor Accountancy Limited
12 The Courtyard
Buntsford Drive
Bromsgrove
Worcestershire
B60 3DJ

Solicitors:
BPE Solicitors LLP
St James' House
St James' Square
Cheltenham
GL50 3PR

Bankers:
HSBC Plc
22 Abington Street
Northampton
NN1 2AN

Statement of Trustees Responsibilities

The Trustees (who are also the Directors of the charity for purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance 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 (FRS102).

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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing those financial statements, we are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 (FRS102) 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 charity and enable them to ensure that the financial statements comply with the requirements of 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.

Trustee Indemnity insurance is included within Management Liability insurance cover provided by Zurich Insurance with an overall limit of indemnity of £1million. The cost of the Trustee Indemnity insurance is not given as it is not separately identifiable within the overall insurance cover cost.

Statement of Information for Auditors:

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware, and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small Company Provisions:

The Trustees' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption provided by section 408 and section 414B (b) of the Companies Act 2006.

On behalf of the Board of Trustees

Ian Brazier
Chairman

Hanbury Court
Harris Business Park
Stoke Prior
Bromsgrove
Worcestershire
B60 4DJ

Date: 15 May 2023

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THE CHILDREN'S FAMILY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CHILDREN'S FAMILY TRUST

Opinion

We have audited the financial statements of The Children's Family Trust for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the 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 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 requirements of 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 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 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 '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 with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the report for the financial year for which the financial statements are prepared, which includes the Trustees' report prepared for the purposes of company law, is consistent with the financial statements; and
- the Trustees' report included within the report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF THE CHILDREN'S FAMILY TRUST

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report included within the report.

We have nothing to report in respect of the following matters in relation to which 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 were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the report and from the requirement to prepare a strategic report.

Responsibilities of the Trustees
As explained more fully in the statement of responsibilities, the Trustees, who are also directors of the charity for the purpose 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 responsibility for assessing the charity's ability to continue as a doing 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
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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Mark Warman (Senior Statutory Auditor)
for and on behalf of Cognitor Accountancy Limited

15 May 2023

Chartered Certified Accountants
Statutory Auditor

12 The Courtyard
Buntsford Drive
Bromsgrove
B60 3DJ

THE CHILDREN'S FAMILY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Income from:						
Donations and legacies	3	34,525	-	-	34,525	15,550
Charitable activities						
Foster care local authority fees and recharges		8,636,947	-	-	8,636,947	7,637,892
Student fees		7,400	-	-	7,400	5,400
Investments	4	20,239	-	-	20,239	44,577
Total income		8,699,111	-	-	8,699,111	7,703,419
Expenditure on:						
Raising funds						
Fundraising and publicity	5	198	-	-	198	272
Investment management	5	64,688	-	-	64,688	32,562
		64,886	-	-	64,886	32,834
Charitable activities						
Foster care	6	8,385,212	-	-	8,385,212	7,478,778
Fostering independence	6	3,017	-	-	3,017	2,700
Lifetime carer costs	6	-	68,453	-	68,453	63,414
Total charitable expenditure		8,388,229	68,453	-	8,456,682	7,544,892
Total expenditure		8,453,115	68,453	-	8,521,568	7,577,726
Net gains/(losses) on investments	9	102,120	-	-	102,120	218,493
Gross transfers between funds		(68,453)	68,453	-	-	-
Net income for the year/ Net movement in funds		279,663	-	-	279,663	344,186
Fund balances at 1 January 2022		2,224,693	1,145,571	412	3,370,676	3,026,490
Fund balances at 31 December 2022		2,504,356	1,145,571	412	3,650,339	3,370,676

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE CHILDREN'S FAMILY TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	10		1,517,571		1,702,924
Investment properties	11		1,100,000		1,100,000
Investments	12		6,093		11,093
			2,623,664		2,814,017
Current assets					
Debtors	13	516,344		560,160	
Investments		-		3,398	
Cash at bank and in hand		1,002,832		441,910	
		1,519,176		1,005,468	
Creditors: amounts falling due within one year	15	(446,501)		(338,182)	
Net current assets			1,072,675		667,286
Total assets less current liabilities			3,696,339		3,481,303
Creditors: amounts falling due after more than one year	16		(46,000)		(110,627)
Net assets			3,650,339		3,370,676
Income funds					
Restricted funds	17		412		412
Unrestricted funds - designated			1,145,571		1,145,571
General unrestricted funds			2,504,356		2,224,693
			3,650,339		3,370,676

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

The financial statements were approved by the Trustees, authorised for issue and signed on its behalf:

15 MAY 2023

Mr I Brazier
Trustee

Company registration number 00398875

THE CHILDREN'S FAMILY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from operations	24		324,836		79,355
Investing activities					
Purchase of tangible fixed assets		(5,873)		-	
Proceeds from disposal of tangible fixed assets		138,692		-	
Proceeds from disposal of investments		110,518		65,270	
Investment income received		20,239		44,577	
Net cash generated from investing activities			263,576		109,847
Financing activities					
Repayment of bank loans		(27,490)		(27,962)	
Net cash used in financing activities			(27,490)		(27,962)
Net increase in cash and cash equivalents			560,922		161,240
Cash and cash equivalents at beginning of year			441,910		280,670
Cash and cash equivalents at end of year			1,002,832		441,910

1 Accounting policies

Charity information

The company is a company limited by guarantee. The directors of the company are the trustees named in the "reference and administration details". In the event of the company being wound up, the liabilities in respect of the guarantee is limited to £5 per member of the company.

1.1 Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Children's Family Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy notes.

1.2 Going concern

At the time of approving the financial statements, the have a reasonable expectation that the has adequate resources to continue in operational existence for the foreseeable future. Thus the continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees have prepared detailed financial and trading performance projections for the ensuing year. Those projections are prepared as far as possible by including only known business that the company is contracted to, or extremely likely to contract to, and carry out during the year. Those projections are reviewed and revised at the end of each reporting period within the company's financial year. On the basis of those projections, the trustees have satisfied themselves, as far as they are reasonably able and unforeseen events aside, that the company is in a position whereby it may adopt a going concern basis of accounting in preparing the annual financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earliest of the company being notified of an impending distribution or the legacy being received.

Gifts in kind for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified, and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donations received under gift aid or deeds of covenant is recognised at the time of the donation.

1 Accounting policies **(Continued)**

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the reserves.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	2% straight line
Office improvements	over lease term
Fixtures, fittings and equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Only items over £1,000 are capitalised.

1.7 Fixed asset investments

Investments

Investment properties:

Investment properties are included in the balance sheet at their open market value in accordance with the SORP. Gains and losses on disposal and revaluation are charged or credited to the Statement of Financial Activities.

Listed Investments

Listed investments have been stated at mid-market value at the balance sheet date. Realised gains or losses are calculated as the difference between sale proceeds and market value at the previous balance sheet date.

All gains and losses whether realised or unrealised are taken to the Statement of Financial Activities.

Unlisted Investments

Unlisted investments are valued at cost.

Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are recognised at cost less impairment.

1.8 Taxation

The company is a registered charity and as such is not generally liable to taxation.

1 Accounting policies **(Continued)**

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Pension costs

The company has a group pension plan in place with Scottish Life. Since introduction uptake of the scheme has been very high with 44 employees in the scheme as at 31st December 2021 (2021: 37). From 1st April 2019 employee contribution rate was raised from 4% to 5%. This is now standard for all employees. The trust matches employees contribution rates up to 5% of salary.

In addition, the company contributes to 2 individual personal pension schemes which were in place before the company group pension plan. Again, the trust matches employee contribution rates up to 5% of salary.

The annual contributions payable are charged to the Statement of Financial Activities.

1.11 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

2 Critical accounting estimates and judgements

When preparing the financial statements management make a number of judgements, estimates and assumptions about the recognition and measurements of assets, liabilities, income and expenses.

The charity recognises its investment properties at fair value at each reporting date. There is a degree of judgement and estimation in ascertaining the fair value of the property.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and legacies	34,525	15,550

4 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Rental income	20,239	44,577

5 Raising funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Fundraising and publicity		
Seeking donations and legacies	198	272
	198	272

6 Charitable activities

	Foster care 2022 £	Fostering independence 2022 £	Lifetime carer costs 2022 £	Total 2022 £	Total 2021 £
Depreciation and impairment	30,277	-	8,573	38,850	41,206
Families costs	5,466,628	2,412	47,872	5,516,912	4,871,203
Foster panel and carers recruitment	96,763	-	-	96,763	88,222
Salaries and related	1,418,478	-	-	1,418,478	1,237,774
	7,012,146	2,412	56,445	7,071,003	6,238,405
Share of support costs (see note 7)	1,292,501	570	11,316	1,304,387	1,120,363
Share of governance costs (see note 7)	80,565	35	692	81,292	186,124
	8,385,212	3,017	68,453	8,456,682	7,544,892
Analysis by fund					
Unrestricted funds	8,385,212	3,017	-	8,388,229	7,481,478
Unrestricted funds - designated	-	-	68,453	68,453	63,414
	8,385,212	3,017	68,453	8,456,682	7,544,892

7 Support and governance costs

	Support costs	Governance costs	2022	2021	Basis of allocation
	£	£	£	£	
Staff costs	700,531	60,916	761,447	765,888	On time spent
Depreciation	13,684	-	13,684	22,553	Direct usage
General office costs	590,172	5,293	595,465	397,809	Pro rata FTE Staff
Audit fees	-	9,013	9,013	18,690	Governance
Legal and professional	-	1,163	1,163	92,094	Governance
Bank charges	-	2,831	2,831	2,391	Governance
Trustees expenses reimbursed	-	604	604	1,648	Governance
Trustee board meetings	-	1,472	1,472	5,414	Governance
	1,304,387	81,292	1,385,679	1,306,487	
Analysed between Charitable activities	1,304,387	81,292	1,385,679	1,306,487	

8 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Direct charitable purposes	45	45
Management and administration	9	8
Total	54	53

Employment costs	£	£
Wages and salaries	1,821,786	1,681,342
Social security costs	200,567	174,467
Other pension costs	157,572	147,853
	2,179,925	2,003,662

8 Employees (Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
In the band £60,001 - £70,000	1	1
In the band £100,001 - £110,000	1	1

For these employees employers pension contributions amounted to £18,646 (2021: £17,966).

The charity trustees were not paid and did not receive any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional services supplied to the charity (2021: £nil).

The key management personnel of the charity comprise of the trustees, the Chief Executive Officer and the Head of Service. The total employee benefits of the key management personnel were £182,915 (2021 on the same basis £176,360).

9 Net gains/(losses) on investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Gain/(loss) on sale of investments	102,120	200,000
Revaluation of investment properties	-	18,493
	102,120	218,493

10 Tangible fixed assets

	Buildings	Office improvements	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 January 2022	1,874,911	115,278	265,675	2,255,864
Additions	-	-	5,872	5,872
Disposals	(167,756)	-	-	(167,756)
At 31 December 2022	1,707,155	115,278	271,547	2,093,980
Depreciation and impairment				
At 1 January 2022	203,932	97,183	251,825	552,940
Depreciation charged in the year	28,487	12,992	11,054	52,533
Eliminated in respect of disposals	(29,064)	-	-	(29,064)
At 31 December 2022	203,355	110,175	262,879	576,409
Carrying amount				
At 31 December 2022	1,503,800	5,103	8,668	1,517,571
At 31 December 2021	1,670,980	18,095	13,849	1,702,924

11 Investment property

	2022
	£
Fair value	
At 1 January 2022 and 31 December 2022	1,100,000

Investment property comprises Orchard Cottage. The fair value of the investment property has been arrived at on the basis of a valuation carried out in 2021 on an informal independent basis. The valuation was made on an open market value basis.

12 Fixed asset investments

	Unlisted investments	Programme Related	Other investments	Total
	£	£		£
Cost or valuation				
At 1 January 2022 & 31 December 2022	5,000	6,091	2	11,093
Carrying amount				
At 31 December 2022	5,000	6,091	2	11,093
At 31 December 2021	5,000	6,091	2	11,093

12 Fixed asset investments (Continued)

Other investments comprise:	Notes	2022 £	2021 £
Investments in subsidiaries		2	2

Unlisted securities

Unlisted securities are held at cost and relate to a National Savings Bond.

Investment in subsidiary

At 31 December 2022 the trust held 100% of the allotted share capital of CFT Trading Ltd, a company registered in England and Wales, which is a dormant company.

Capital and reserves of the subsidiary undertaking at 31 December 2022 and at 31 December 2021 were as follows:

Share capital	£2
Reserves	£2

All fixed asset investments are held in the UK

Programme Related Investments

Investment in Skyrocket

Cost as at 1 January 2022 and 31 December 2022	6,091
Net book value as at 31 December 2022	6,091

The trust owns a half share of the net assets of Skyrocket Partnership Limited, a company incorporated in England. The joint venture provides training programmes specifically aimed at training and mentoring registered managers in the fostering sector.

The trust recognises the investment in the joint controlled entity at cost less and impairment to date. For the period ended 30 June 2022 the entity recorded a deficit of £2,072 (2021: surplus of £3,270) and had a deficit on reserves of £17,203 (2021: £15,131) at the balance sheet date.

13 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	388,048	414,135
Other debtors	10,652	9,670
Prepayments and accrued income	117,644	136,355
	516,344	560,160

14 Loans and overdrafts

	2022	2021
	£	£
Bank loans	67,247	94,737
Payable within one year	67,247	30,110
Payable after one year	-	64,627

The commercial mortgage loan with HSBC was agreed to complete the purchase of Hanbury Court offices during May 2015. The loan is at a rate of 1.85% above Bank of England base rate. Up until 31 December 2022 the Bank of England Base Rate was 3.5% which equated to a rate of 5.35%. A letter of negative pledge was agreed and signed by the charity ahead of the mortgage loan in March 2015 as security against the property which had a net book value of £604,680 as at 31 December 2022. A total of £30,111 was paid to HSBC in respect of this loan during the year (2021: £30,111), of which £27,490 related to capital repayments (2021: £27,962) and £2,620 to interest charged (2021: £2,149).

15 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Bank loans	14	67,247	30,110
Other taxation and social security		58,647	48,442
Trade creditors		64,003	63,922
Other creditors		14,319	14,386
Accruals and deferred income		242,285	181,322
		446,501	338,182

16 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Bank loans	14	-	64,627
Dilapidations provision		46,000	46,000
		46,000	110,627

The dilapidations provision relates to two properties.

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds	
	Incoming resources	Balance at 1 January 2022	Incoming resources	Balance at 31 December 2022
	£	£	£	£
	-	412	-	412

The restricted funds remaining at the year end were £412. Of this £300 related to a Big Lottery Fund grant received in 2016 of £8,760 to fund media workshops to produce educational videos around the themes of being in foster care and associated issues.

18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			
	Incoming resources	Balance at 1 January 2022	Resources expended	Balance at 31 December 2022
	£	£	£	£
Lifetime carer costs	-	-	(68,453)	(68,453)
	-	-	(68,453)	(68,453)

The designated fund provides funds to meet costs in relation to our support to Lifetime Foster Carers. The charity does not receive any direct income to provide the support. The timing of expenditure for these designated funds is likely to be spread over the next 25 to 30 years. The fund is represented by the fixed assets, which include houses owned by the charity and used by carers. The transfer between designated and general funds equates to the value of the lifetime carer costs incurred in the year.

19 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Tangible assets	1,517,571	-	1,517,571	1,702,924	-	1,702,924
Investment properties	1,100,000	-	1,100,000	1,100,000	-	1,100,000
Investments	6,093	-	6,093	11,093	-	11,093
Current assets/(liabilities)	1,072,263	412	1,072,675	666,874	412	667,286
Long term liabilities	(46,000)	-	(46,000)	(110,627)	-	(110,627)
	3,649,927	412	3,650,339	3,370,264	412	3,370,676

The majority of the charity's income, and therefore expenditure, continues to relate to foster care placements with local authorities. This is classified as unrestricted income as it is felt that this best reflects the substance of the transactions.

20 Trustee Remuneration and Related Party Transactions

The charity was under the control of the Trustees (listed in reference and administrative details) during the current and previous year. No Trustee received any remuneration during the year (2021: £nil).

The Trustees were reimbursed £2,076 (2021: £7,062) for their travel and subsistence costs, included in pursuance of the charity's objectives. The amount reimbursed during the year of £2,076 was in respect of claims received from 5 of the 7 trustees who served during the year (2021: £7,062 in respect of claims received from 8 of the 10 trustees who served during 2021).

The trustees and management have taken steps to ensure all related party transactions are on normal commercial terms.

21 Financial commitments, guarantees and contingent liabilities

At 31 December 2022 there were no new financial commitments, guarantees or contingent liabilities requiring disclosure (2021: £nil).

22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	116,724	101,228
Between two and five years	379,894	249,279
In over five years	37,163	-
	533,781	350,507

23 Events after the reporting date

There are no events requiring disclosure after the balance sheet date.

24 Cash generated from operations

	2022	2021
	£	£
Surplus for the year	279,663	344,186
Adjustments for:		
Investment income recognised in statement of financial activities	(20,239)	(44,577)
Gain on disposal of investments	(102,120)	(200,000)
Fair value gains and losses on investment properties	-	(18,493)
Depreciation and impairment of tangible fixed assets	52,534	63,759
Movements in working capital:		
Decrease/(increase) in debtors	43,816	(560,160)
Increase in creditors	71,182	354,072
Cash generated from/(absorbed by) operations	324,836	(61,213)

25 Analysis of changes in net funds

	At 1 January 2022	Cash flows	At 31 December 2022
	£	£	£
Cash at bank and in hand	441,910	560,922	1,002,832
Loans falling due within one year	(30,110)	(37,137)	(67,247)
Loans falling due after more than one year	(64,627)	64,627	-
	347,173	588,412	935,585

THE CHILDREN'S FAMILY TRUST

England & Wales - Charity number 208607

Accounts

The Children's Family Trust

Trustees' Report & Financial Statements
Year ended 31st December 2021

Registered Charity Number: 208607

Company Number: 00398875

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TRUSTEES' REPORT

The Trustees, who are also Directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 December 2021. 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 (FRS102).

Our objects:

Established as a Registered Charity in 1945 and operating as a company limited by guarantee, our stated objectives, as set out in our governing Memorandum of Association, are:

1 The relief of children and young persons in need, and in particular those in the care of, or accommodated by, a Local Authority, by

1.1 Providing them with, or otherwise assisting in the provision of, a placement or placements in suitable accommodation and providing them with or assisting in the provision of, appropriate Carers, with the aim of providing them with a stable family life.
1.2 Providing for their education and establishment in life.

2 The relief of poverty and in particular the assistance of adults who have as children been in Local Authority care.

Our activities:

Our operational work in England is classified as an independent fostering agency. The standards applied by Ofsted are the primary measures of our success and are in the public domain, as are their Inspection Reports evaluating the quality of our work.

Overall, our purpose remains to provide a stable and successful family life for children in the care system with the aim of preparing them for successful adulthood. The Trust's guiding philosophy is that all children have the right to live *'a natural family life*'. Predominantly we do this through the provision of foster care. Most of our income derives from the fees we charge for this service. Traditionally, but not now exclusively, we have experience in providing for sibling groups and permanent placements – reflected in our core values around a '*family for life'*. However, increasingly, we also provide for children needing short-term care where we apply the same principles as if those children were placed on a '*family for life'* basis.

It follows that we continue in the Trust's tradition of putting the interests of our children first, closely followed by those of our Carers and staff.

Public benefit statement:

Local Authorities have a statutory obligation to provide foster placements for those children brought into the State care system and needing to live away from home. Our work, as a Registered Charity, is to provide such placement opportunities on a transparently not-for-profit basis, to do so to the highest professional standards, and to deliver the best outcomes to those placed in our charge. Our placements are open to all Local Authorities, irrespective of location, and our matching process meets all professional best practices in endeavouring to provide an enduring placement for each individual child. As our fees are met by Local Authorities, and we are providing care for any child that they may present and for whom we are able to affect a suitable match, we work on an entirely inclusive and non-discriminatory basis for the public benefit.

Further, we use our charitable resources to extend and enhance our services, and to meet individual needs, particularly where these are for children no longer supported by the public purse. This is demonstrated by the Trust's continuing support of individuals, now adults, who have been in the care of the Trust but who need, from time to time, the support of the Trust through its Lifetime Carers. This intervention has, in the past, helped prevent the involvement of the State in the lives of families.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Our structure:

As an organisation, the Trust is governed by the Board of Trustees. We employ full-time executive, administrative and professional resources, as well as retaining professional advisers such as legal and audit firms.

As a Registered Charity, the Trust is not a profit-making organisation and no benefit may be derived by its Trustees, who are also Members of the Trust. Accordingly, we are classified as a 'voluntary organisation' within the terms of the Children's Act 1989, section 105.

As a charity and as a company limited by guarantee, the Trustees' Report and Financial Statements, and the Memorandum and Articles of Association are publicly available.

We also make them available to appropriate and interested parties, e.g. Local Authorities, existing/prospective Foster Carers, children in placement or on request. The Articles of Association set out the regulations that govern the company's internal affairs.

Apart from the Trustee body being required to meet the appropriate qualifications to act as Trustees and Directors, they and the staff of the Trust, and the retained Foster Carers, Foster Carers' own children over the age of sixteen, baby-sitters, regular visitors to the Foster Carers' homes, any domestic staff, and the members of the Fostering Panel are all subject to the Disclosure and Barring Service (DBS) checks, formally referred to as Criminal Records Bureau (CRB) checks. We extend this process to other key workers within supporting organisations e.g. human resources and information technology. Further, Foster Carers are subject to additional checks as part of their BAAF Form F-based selection process.

All our professional staff are qualified variously holding CQSW/Diploma in Social Work, Practice Teaching Awards, and a Post-Graduate Diploma in Social Work and an MSc in Organisation Development as well as relevant first and post graduate degrees. In addition, the Trust has engaged, on a sessional basis, further fully qualified and highly skilled professionals to deliver training on such topics as safeguarding, therapeutic approaches, first aid and de-escalation techniques for both our staff and fostering families. All our professional Social Work staff are registered with Social Work England, the regulatory body. Several also have experience in working within the private and voluntary sectors. The Social Work teams are supported by our Head Office staff, which includes Administration, HR, Marketing and Media and Finance.

All Foster Carers have passed the TDS induction standards. Throughout the year they are expected to attend a minimum of six mandatory training courses.

In order to remain current in matters affecting the work of the Trust, it has for many years been a member of the National Council for Voluntary Organisations (NCVO), Children England, The Fostering Network, Foster talk and Coram BAAF (British Association for Adoption and Fostering). We have also added our voice to FFP (Fairer Fostering Partnership) which campaigns within the fostering sector on behalf of 'not for profit' fostering agencies as well as our most recent membership of the National Association of Fostering Providers (NAFP). Through membership of these organizations the Trust looks both to learn from developments in good practice relating both to governance and child-care, and to influence the development and implementation of social policy generally and childcare policy and provision specifically.

The Trust is not a member of any larger organization nor has affiliate organizations.

The Trust has a policy and procedure to deal with any complaints (formal or otherwise) and to secure early resolution of any such matters. The Trust received one complaint in 2021. This was investigated independently by an external HR agency, the details of which are recorded and all reports shared with the board of Trustees.

Trustees / Registered Office and Charity & Company Details:

These details can be found in the "Reference and Administrative Details of The Charity" on page 9.

Pay Policy for Senior Staff:

The Trust needs to operate in a competitive environment yet balance its responsibility to be prudent with charitable monies. The Trust has a Compensation Policy and uses Compensation Guidelines that are reviewed regularly and set out how it will manage pay for senior staff and all other employees.

The over-arching premise is that basic salary ranges should meet the Trust objectives of attracting, retaining and motivating staff.

The Trust continues to commission the services of an external human resources provider to support our HR Manager who has been in post since January 2022. In setting salary ranges for all roles within the organization the Trust looks at a range or relevant benchmarks such as location, charity sector, charity income and number of employees. All proposed salary ranges are agreed by the Board of Trustees. We plan to review our current pay structure and appraisal process during 2022 to ensure we remain competitive in a very saturated market. This review will be overseen by our board of trustees.

Currently, proposed salary changes by line managers, within the salary range for the role, are signed-off by the Chief Executive. The Chair of Trustees authorizes changes to the Chief Executive's pay.

Our achievements and performance in 2021:

The Trust continued to operate effectively throughout the year despite and in spite of the pandemic and the ongoing restrictions to working practice as a result. The economic climate within which we work has continued to be 'squeezed' mostly as a result of the pandemic and the rise in the number of children coming into care. However, the number of children now placed with our fostering families has surpassed our KPI's for 2021 and as a result has increased our overall income. Several of our larger contracts were due for retender during 2020 but as a result of the pandemic had been 'extended' or 'refreshed' until 2021-22. This situation is gradually changing with several contracts more recently coming up for retender. This will provide us with a much-needed opportunity to increase our fees for the first time in over 4 years.

However, Local Authorities continue to lower their fees and any new contracts and tenders reflect this downward pressure whilst expectations about what we should deliver continue to increase. Nevertheless, we continue to gain entry to additional contracts, which have supported our expansion plans. These additional successful tender bids including several local authorities within the East Midlands region including Derbyshire, Nottinghamshire, Leicestershire, Northamptonshire and Lincolnshire. At the end of 2021 we had 7 approved Foster families in the East Midlands region with another 3 families in assessment. Moving forwards, post pandemic and to meet the demands of the current contracts across the region we are currently planning to open a regional office in 2022 in the East Midlands region.

Recruitment of Foster Carers in all regions continues to prove challenging following the pandemic. However, greater focus on marketing and media strategies alongside 'refreshing' elements of our website has proven worthwhile. Targeted recruitment using several social media platforms is proving to be successful as it has two purposes, the first to raise our profile and the second to target those individuals from backgrounds with relevant experience, space and who are geographically well positioned to meet the needs of our current contracts. We continue to recruit very high calibre Carers who choose to foster on a vocational basis who have a mix of skills and experience to provide a varied and diverse range of placements to Local Authorities. Our Fostering Panels are held regionally though currently virtually, and our panel members live locally to our regional offices.

The number of children we look after increased passing the 200 mark with some temporary falls in numbers throughout the year. It is noticeable that most of the referrals we receive across the country, are of children with considerable difficulties and who have experienced very traumatic early lives. For this reason alone, the calibre, quality and skills of the Foster Carer is extremely important.

Key operational events and milestones of the year included:

Ofsted: All regions are registered with Ofsted and all Registered Managers appropriately experienced and qualified.

Our North-East Region:

Our North-East region continued its highly valued work throughout 2021 under some very challenging circumstances regarding the restrictions of the pandemic. Placement numbers increased gradually in the latter part of the year reaching 52 by the year end (excluding Staying Put). This arrangement means that whilst the young person remains living with their Foster Family the Trust stops receiving a fostering fee for the placement. The local authority will, in most cases financially support the young person in placement but will not provide the Carer or Trust with any financial support. This represents the Trust with some dilemmas given our ethos of 'Family for Life'. Many of our Carers remain committed to the young person they care for, but this arrangement can potentially cause them some financial hardship, particularly if they do not have another spare bedroom or a second child in placement. Most the children placed in the North East are 'family for life' placements, which tend to be stable and therefore provide a steady income source, which can be relied upon.

The region was Inspected by Ofsted in November and awarded a judgement of 'Outstanding'.

Our West Yorkshire Region

Our West Yorkshire office is now well established. The region continued its highly valued work throughout 2021 under some very challenging circumstances regarding the restrictions of the pandemic. Placement numbers increased slightly toward the year end and averaged out at 31 with many placements remaining stable and on a family for life basis. However, recruitment of new Foster Carers continues to prove challenging with local authorities in the region offering very competitive packages to potential Carers as well as the promise of always having children available to place.

Our West Midlands Region:

2021 was a relatively successful year for the West Midlands office. The region continued its highly valued work throughout the year and increased the number of children placed substantially, averaging out at over 70 throughout the year. The region is extremely well established and has a highly skilled staff team and a focussed and ambitious Registered Manager, both of which provides excellent support to a highly skilled and experienced group of Fostering families.

At the end of the year there were 43 approved Carers. However, several Carers 'retired' from fostering alongside several more ending their fostering careers because of poor health or for personal reasons related to a change in circumstances as a result of

the pandemic. By the end of the year there was another 7 prospective Carers in assessment who will be approved throughout 2022. Referrals continue to rise in the region receiving an average of 1200 per month.

The West Midlands team continues to operate in a congested and highly competitive market. However, the region continues to be a major contributor to the placements available to Local Authorities across the region.

Our South-Central Region:

We now have a staff team of 7 in the region including 3 Supervising Social Workers, 1 Principle Social Worker and 2 Administrators and a Registered Manager. The region has continued to grow in a very 'organic' way with several Carers coming our way because of 'word of mouth'. The region now has 28 approved Carers with another 2 in assessment and 39 children in place. The region continued its highly valued work throughout 2021 under some very challenging circumstances regarding the restrictions of the pandemic. Placement numbers increased gradually in the latter part of the year.

The region receives an average of 500 referrals a month and their profile in the region is well established with local authorities, this has resulted in local authority placement teams specifically requesting placements with several our Carers in the region. It is worthy of note that this region operates in a fiercely competitive market with over 110 IFA's in Hampshire alone. This is more than a third IFA's in the United Kingdom!

Our East Midlands Region:

Our East Midlands region is still very much in its infancy. However, toward the end of 2021 we have 7 approved Carers. There are currently 3 assessments being completed all of whom will be approved in 2022. At the end of 2021 we appointed a full- time permanent administrator to cover the admin and help with the recruitment for the region. The region also has two part time permanent Social Workers and 1 Principle Social Worker. We plan to open a regional office in late 2022.

Summary:

Closing placement numbers at 31st December 2021 were 198, up by 9 placements on those at the start of the year (189).

Progress elsewhere

Our Head Office continues to provide a myriad of services and support to all regions. The team comprises of several highly skilled professionals including our Head of Service, our HR Manager, our Head of Finance and a Marketing & Media Officer, these are all supported by several administrators.

Our Marketing & Media strategies proved invaluable throughout 2021 given the restrictions we've faced in holding any face to face recruitment events. We became hugely dependent on a number of social platforms and our website with regarding to advertising and recruitment. Raising our profile with local authorities has been key to our continued reputation as a high-quality provider of placements which is slowly paying off. Initial enquiries from potential applicants via our website and Facebook page continues to increase. We also continue to work closely with an external provider who focusses on SEO (Search Engine Optimization) to ensure our visibility on a variety of social media platforms.

We have also made progress in the management of our contracts and in our ability to respond to tendering opportunities, which has been a collaborative effort between Head Office and Social Work staff.

Registered Manager training courses were put 'on hold' for the majority of the year as a result of the pandemic. However, Skyrocket has grown in reputation across the sector and one day online courses were delivered during 2021, although not in the numbers initially planned. Skyrocket is shown under Programme Related Investments within the 2020 Statutory Accounts.

It is hoped that as we move forward during 2022 Skyrocket will continue to grow and deliver more tailored courses in line with the feedback provided by attendees. The partnership continues to contribute to improving practice across the sector, which in turn will hopefully lead to better outcomes for our looked after children and young people.

Financial review:

Our full results are given in the financial statements, later in this report.

The overall surplus for the year amounted to £344,186 (2020: £287,179 deficit).

Our income continues to come primarily from our child-care provision to Local Authorities. With an increase in the average number of children placed compared to the previous year our Local Authority income increased by £663,907 to £7,637,895 (2020: £6,973,988) or 9.5% when compared to 2020.

The Trust also provided a mix of Over 18 / Lifetime Carer support of £66,114 (2020: £61,657), which is met out of charitable donations, investment income and reserves.

Our financial asset strength remains principally in property, including an Investment Property.

It is the policy of the Trust to hold sufficient assets in cash, or in easily converted forms, to meet its forecast cash requirements and in order to fund continuing growth.

Close financial controls are in place to ensure that expenditure is planned and monitored. Decisions on where, when and how to invest internally to secure growth remain difficult judgements in our situation, where long lead-times are needed before results can be seen.

Risk assessment:

The Trust undertakes a formal Risk Assessment on an annual basis. The Risk Assessment and Risk Register is updated alongside the 5 Year Business Plan. The 5 Year Business Plan takes account of risks identified in the Risk Assessment. Risks are colour coded. Red is critical, Amber is highly important or significant, and Green is minor. Risks are categorised as either Management and Governance, Operational, Financial or External. Controls are in place to reduce or eliminate each identified risk. The mitigation of risk is considered on an ongoing basis by key management. For example, before any operational changes or any developments in activities provided by the Trust, and, within Senior Management and Registered Management meetings. Any newly identified critical risks are flagged up to Trustees either before or at the next planned trustee meeting.

At November 2021 the principal risks facing the charity and the strategies to manage them were as follows:

Risk	**Controls**
The Trust is unable to respond to placement requests	Communicate closely with commissioners, Explain ethos of the Trust as a permanency provider, Use existing capacity to best effect without compromising quality, Build placement capacity, Work with commissioners to understand their needs.
Local Authorities stance on Staying Put placements	Review potential impact over next 5 years, Maintain dialogue with local authorities concerned, Lobby government via FFP group, Review Budget & 5 Year Plan to earmark potential carer support, Look at staff training to meet needs of Staying Put / Over 18 support.
Government / Local Authority cuts push down fees to unsustainable levels	Review service provision, Review staff utilisation, Find ways of making savings in delivery, Reduce central cost base, Find value suppliers e.g. Insurance, IT, HR, etc., Review policy of limiting the number of placements in each area - increase placement numbers at lower fee, Co-operate with other smaller providers in the sector, Support the development of FFP and develop influence in government / local authorities.
Sector consolidation harms small operators	Monitor changes to the number of agencies operating in the sector, Research possible merger/purchase targets, Get to critical mass and maintain placement numbers, Compete on fee rates and foster carer fees, Continue to build add on services, Monitor LA for tender opportunities.

Reserves policy:

Free reserves, or unrestricted funds excluding designated funds (which are held as fixed assets), amounted to £2,224,693 as at 31st December 2021 (2020: £1,880,507). This represents 3.5 months (2020: 3.1 months) of total annual unrestricted expenditure excluding designated and restricted expenditure. The charity has a reserves policy to accumulate reserves equal to six months of total annual unrestricted expenditure excluding designated and restricted expenditure. As we come out of the global pandemic, the charity is continuing to ensure that we continue to work with Local Authorities, submit more tenders and increase the placement numbers. We are also continuing to develop a new region which will bring extra income. This will no doubt help us achieve the reserves that we should have.

The designated funds of £1,145,571 (2020: £1,145,571) are to meet costs in relation to our support to Lifetime Foster Carers.

The Trust looks at cash and liquid investments available to meet its known and planned requirements. As at 31st December 2021 the Trust had readily realisable cash reserves of £445,308 (2020: £284,068) to cover known and planned requirements of £234,628 (2020: £234,628). The known and planned requirements included, but was not limited to, the following:

- Working capital,
- Dilapidations on leased offices,
- Repairs,
- East Midlands office development.

Restricted funds will be spent in line with funding restrictions.

Investment policy and performance:

The Trust splits its investments to provide for capital growth and monthly income to support operations until the time when cash flow becomes reliably positive on a monthly basis. Details of these investments are given in the Financial Statements.

The Trust will explore options for investment advice in 2022.

Our plans for the future:

The Aims and Objectives for 2022 continue to be about recruitment, retention and raising the profile of the Trust. Recruitment of new Carers is vital if we are to increase our capacity to provide new placements going forward.

However, targeted recruitment in the right geographical areas and identifying the right profile of Carers remains of paramount importance. As a result, we plan to 'reskin' our website in order to make it more of a 'selling tool' and more visually engaging.

Retention of Carers continues to be another one of our key objectives going into 2022. As such we plan to look at the possibility of 'retainer' payments or 'loyalty' payments for our Carers alongside improving their current terms and conditions in order to retain our current Carers and attract new applicants.

COVID-19:

Following the lifting of government restrictions in June 2021 the Trust returned to the office adopting a 'hybrid' model of working. Thus, allowing all staff to work from home for up to 2 days per week. This arrangement has proved both popular with staff and highly productive for the wider organization.

Our panels also started to meet on a face to face basis once again and our foster families and children were visited on a similar basis by our social work teams.

Our referrals gradually increased as did the number of children placed following the end of the restrictions, this is reflected in the number of children in place by the year end.

Our local authority contractors have continued to work very closely with us during this somewhat unpredictable period and continue to pay invoices on time and have regularly provided reassurances that this situation will not change. They are very grateful of the 'added' support we have provided for the children we care for during the pandemic and continue to work in close collaboration with our professional staff and Carers to ensure the children's needs are met.

Ukraine Crisis:

With regard to recruitment and placements we are currently not impacted directly by the crisis in Ukraine. However, I've no doubt that as a number of displaced orphans arrive in the UK we will be approached by local authorities seeking appropriate

families to care for them. If we are in a position to provide placements for this particular group of vulnerable children this will be managed and placements offered where our Carers can best meet the needs of these children.

There is currently no evidence to suggest that individuals might be choosing to offer spare rooms to refugees rather than foster, however, I'm mindful that this may be the case in the future, as such we are placing a great deal of focus on recruitment over the next two years in any event as discussed earlier within this report.

Acknowledgements:

This report is an opportunity for us to recognise those that help give us our distinctive quality. This quality results partly from the knowledge that our work is not undertaken for profit but to ensure that children get the care and support they need to become well-adjusted and contributing adults later in life. Our tagline of a '*family for life'* underlines our commitment to those who need it that we will help them in their transition to independent adult living with supportive relationships beyond those provided within the state care system.

Our key debt is to our outstanding Foster Carers as it is, they who provide the care to those children entrusted to us. Some of these individuals have provided decades of unflinching selfless service to their extended families, now often including grandchildren, and even great-grandchildren. Others are recent recruits who intend to work as Foster Carers for a set period of their lives. To all of them, for all their skill and dedication, we remain eternally grateful.

We additionally acknowledge that it is our staff team who organise and make this possible, and we would like to take this opportunity to thank them all. In addition to our direct staff we would like to recognise and thank our wider community of retained sessional Social Workers and other specialists, our Fostering Panel, key support firms and consultants of all types who give us the professionalism we need to provide such an excellent quality of care. Finally, as Chairman, I would like to thank the Trustees for their contribution as well as our other financial supporters who fund our growth and help to make the work of the Trust achievable.

Related parties:

All related party transactions can be seen in note 19 to the Financial Statements.

Trustee Training and Induction:

The Trustees have chosen to manage the governance of the Trust as a small but involved group with complementary skills covering our heritage and core values, our professional work, education, and corporate business skills. The Trustees periodically consider whether, and where and when, additional or replacement skills and experiences are required. Recruitment channels have included national advertising, executive search, the use of nationally accepted clearing houses, as well as individual networking to seek out specific skills or expertise. Appointments are made after a process that allows candidates to explore the Trust's work and become familiar with the management team and the Trustees and then by the Trustee body in its entirety. Trustees undergo induction and training in their responsibilities and development affecting both their role and the work of the Trust.

Statement of Trustees' Responsibilities:

The Trustees (who are also the Directors of the charity for purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance 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 (FRS102).

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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing those financial statements, we are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 (FRS102) 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 charity and enable them to ensure that the financial statements comply with the requirements of 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.

Trustee Indemnity insurance is included within Management Liability insurance cover provided by Zurich Insurance with an overall limit of indemnity of £1million. The cost of the Trustee Indemnity insurance is not given as it is not separately identifiable within the overall insurance cover cost.

Statement of Information for Auditors:

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware, and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small Company Provisions:

The Trustees' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption provided by section 408 and section 414B (b) of the Companies Act 2006.

On behalf of the Board of Trustees



Ian Brazier
Chairman

Hanbury Court,
Harris Business Park,
Stoke Prior,
Bromsgrove,
Worcestershire,
B60 4DJ

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS, for the year ended 31st December 2021:

Charity Name:	The Children's Family Trust (a company registered in England and Wales)
Company Registration Number:	00398875
Charity Registered Number:	208607
Trustees:	Mr I Brazier, Chair Canon J Glover DL (resigned 30th September 2021) Mrs A Oliver Mr N Harrison Mrs S Pinner (resigned 30th September 2021) Dr V Wigfall Mr D Williams Dr M Hine Mr T Gormley
Registered Office:	Hanbury Court Harris Business Park Stoke Prior Bromsgrove Worcestershire B60 4DJ
Chief Executive Officer:	Mrs M Mulholland
Auditors:	Mazars LLP First Floor Two Chamberlain Square Birmingham West Midlands B3 3AX
Solicitors:	BPE Solicitors LLP St James' House St James' Square Cheltenham GL50 3PR
Bankers:	HSBC Plc Redditch Commercial Centre Church Green West Redditch Worcestershire B97 4E

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDREN'S FAMILY TRUST

Opinion

We have audited the financial statements of The Children's Family Trust (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and 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 charity's affairs as at 31 December 2021 and of its income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report which includes the Directors' Report prepared 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 Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 the 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.

Based on our understanding of the Charity and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the Charities Act 2011, the Charities Statement of Recommended Practice, pensions legislation, employment regulation, anti-bribery, corruption and fraud, and money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Charity which were contrary to applicable laws and regulations, including fraud.

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.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted and endowment funds, completeness of income, particularly in relation to cut-off, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 auditor's report.

Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Ian Holder

Ian Holder
(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
First Floor, Two Chamberlain Square, Birmingham, B3 3AX

Jul 18, 2022

STATEMENT OF FINANCIAL ACTIVITIES (including an Income and Expenditure Account) for the year ended 31 December 2021

	Notes	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income:						
Donations and legacies	2	**15,550**	-	-	**15,550**	13,047
Income from charitable activities:						
Foster care local authority fees and recharges		**7,637,895**	-	-	**7,637,895**	6,973,988
Student fees		**5,400**	-	-	**5,400**	2,800
Income from investments:						
Rents from investment property		**42,900**	-	-	**42,900**	28,300
Listed investments		**1,677**	-	-	**1,677**	1,520
Total Income		**7,703,422**	-	-	**7,703,422**	7,019,655
Expenditure:						
Cost of raising funds:						
Expenditure on raising donations and legacies		**272**	-	-	**272**	471
Investment management costs		**32,562**	-	-	**32,562**	37,383
Expenditure on charitable activities						
Foster care	4	**7,478,781**	-	-	**7,478,781**	7,192,531
Fostering independence support	4	**2,700**	-	-	**2,700**	2,486
Lifetime carer costs	4	-	**63,414**	-	**63,414**	59,171
Total Expenditure		**7,514,315**	**63,414**	-	**7,577,729**	7,292,042
Revaluation gain on property		**200,000**	-	-	**200,000**	-
Other gains / (losses) on investments		**18,493**	-	-	**18,493**	(14,792)
Net income / (expenditure) before transfers		**407,600**	**(63,414)**	-	**344,186**	(287,179)
Transfers between funds	14	**(63,414)**	**63,414**	-	-	-
Net movement in funds		**344,186**	-	-	**344,186**	(287,179)
Reconciliation of funds						
Fund balances bought forward at 1 January 2021	14	**1,880,507**	**1,145,571**	**412**	**3,026,490**	3,313,669
Total funds carried forward		**2,224,693**	**1,145,571**	**412**	**3,370,676**	3,026,490

- All the above results are derived from continuing activities.
- The notes on pages 16 to 27 form part of these financial statements.

BALANCE SHEET at 31 December 2021 **Company number: 00398875**

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed Assets:					
Tangible fixed assets	7		**1,702,924**		1,766,683
Fixed asset investments	8		**1,105,002**		951,779
Programme related investments	8		**6,091**		6,091
Total Fixed Assets			**2,814,017**		2,724,553
Current Assets:					
Debtors	9	**560,160**		489,328	
Investments – Short Term Deposits	10	**3,398**		3,398	
Cash at bank and in hand		**441,910**		280,670	
Total Current Assets		**1,005,468**		773,396	
Liabilities:					
Creditors: Amounts falling due within one year	11	**(338,182)**		(332,870)	
Net Current Assets			**667,286**		440,526
Creditors: Amounts falling due after more than one year	12		**(64,627)**		(92,589)
Dilapidations provision	13		**(46,000)**		(46,000)
Net Assets			**3,370,676**		3,026,490
The funds of the charity:					
Unrestricted funds	14		**3,370,264**		3,026,078
Restricted funds			**412**		412
Total charity funds			**3,370,676**		3,026,490

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

The financial statements were approved by the Trustees, authorised for issue and signed on its behalf.



Ian Brazier

Chairman

Date

The notes on pages 16 to 27 form part of these financial statements.

	Note	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities:					
Net cash provided by (used in) operating activities	15		**79,355**		(160,071)
Cash flows from investing activities:					
Dividends, interest & rents from investments		**44,577**		29,820	
Purchase of property, plant & equipment		**-**		(27,939)	
Proceeds from the sale of investments		**65,270**		-	
Net cash provided by (used in) investing activities			**109,847**		1,881
Cash flows from financing activities:					
Repayments of borrowing		**(27,962)**		(27,219)	
Net cash provided by (used in) financing activities			**(27,962)**		(27,219)
Increase (decrease) in cash and cash equivalents in the year			**161,240**		(185,409)
Cash and cash equivalents at the beginning of the year			**280,670**		466,079
Cash and cash equivalents at the end of the year			**441,910**		280,670

STATEMENT OF CASH FLOWS for year ending 31st December 2021

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

1. PRINCIPLE ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Children's Family Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Preparation of the accounts on a going concern basis

The trust reported a cash inflow of £161,240 for the year (2020: outflow £185,409).

The Trustees have prepared detailed financial and trading performance projections for the ensuing year. Those projections are prepared as far as possible by including only known business that the company is contracted to, or extremely likely to contract to, carry out during the year. Those projections are reviewed and revised at the end of each reporting period within the company's financial year. On the basis of those projections, the Trustees have satisfied themselves, as far as they are reasonably able and unforeseen events aside, that the company is in a position whereby it may adopt a going concern basis of accounting in preparing the annual financial statements.

1.3 Use of estimates and judgements

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The charity recognises its investment properties at fair value at each reporting date. There is a degree of judgement and estimation in ascertaining the fair value of the property, please see note 8 for further information.

1.4 Company status

The company is a company limited by guarantee. The Directors of the company are the Trustees named in the "Reference and Administrative Details". In the event of the company being wound up, the liabilities in respect of the guarantee is limited to £5 per member of the company.

1.5 Fixed assets

Tangible fixed assets are stated at cost less depreciation. The trust owned 7 domestic properties as at 31st December 2021. It is assumed that the buildings element of these properties represents two thirds of the overall cost. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	-	2% straight line
Office improvements	-	'Over lease term'
Fixtures, fittings and equipment	-	33% straight line

Only items over £500 are capitalised.

Intangible fixed assets are amortised over 3 years, which represents their expected useful lives.

Software	-	33% straight line

1.6 Operating lease agreements

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

1.7 Investments

Investment properties:

Investment properties are included in the Balance Sheet at their open market value in accordance with the SORP. Gains and losses on disposal and revaluation are charged or credited to the Statement of Financial Activities.

Listed investments:

Listed investments have been stated at mid-market value at the Balance Sheet date. Realised gains or losses are calculated as the difference between sale proceeds and market value at the previous Balance Sheet date.

All gains and losses whether realised or unrealised are taken to the Statement of Financial Activities.

Unlisted investments:

Unlisted investments are valued at cost.

Investments in subsidiaries and joint ventures:

Investments in subsidiaries and joint ventures are recognised at cost less impairment.

1.8 Taxation

The company is a registered charity and as such is not generally liable to taxation.

1.10 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earliest of the company being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified, and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.11 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the reserves.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.12 Pension costs

The company has a Group Pension Plan in place with Scottish Life. Since introduction uptake of the scheme has been very high with 37 employees in the scheme as at 31st December 2021 (2020: 42). From 1st April 2019, employee contribution rate was raised from 4% to 5%. This is now standard for all employees. The trust matches employee contribution rates up to 5% of salary.

In addition, the company continues to contribute to 2 individual personal pension schemes which were in place before the company Group Pension Plan. Again, the trust matches employee contribution rates up to 5% of salary.

The annual contributions payable is charged to the Statement of Financial Activities.

1.13 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.14 Financial Instruments

The trust only has financial assets and liabilities of a kind that qualify as basic financial instruments and are not considered to be of a complex nature. Such financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. INCOME FROM DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	**15,550**	13,047
	15,550	13,047

All income received from donations and legacies in 2021 and 2020 was unrestricted.

3. NET INCOMING RESOURCES

	2021	2020
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets:		
- owned by the charity	**63,759**	59,766
Amounts payable in respect of operating leases		
- land and building rental	**134,218**	102,365
- other operating leases	**504**	12,382
Auditor's remuneration:		
-Audit Fees	**11,400**	11,000
-Accountancy & Taxation	**2,675**	2,575
Pension costs	**147,853**	146,702
Interest payable	**2,149**	2,891

4. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Foster Care	**Fostering Independence**	**Lifetime Carers**	**Total 2021**	Total 2020
	£	**£**	**£**	**£**	£
Families' costs	**4,826,819**	**2,129**	**42,258**	**4,871,206**	4,341,416
Fostering Panel and Carers' recruitment	**88,222**	**-**	**-**	**88,222**	153,145
Salaries and related	**1,237,774**	**-**	**-**	**1,237,774**	1,375,020
Depreciation	**31,384**	**-**	**9,822**	**41,206**	37,291
Governance costs – note 5	**184,437**	**81**	**1,606**	**185,124**	90,722
Support costs – note 5	**1,111,145**	**490**	**9,728**	**1,121,363**	1,256,594
	7,478,781	**2,700**	**63,414**	**7,544,895**	7,245,188

5. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	General Support	Governance Costs	Total 2021	Total 2020	Basis of Apportionment
	£	£	£	£	
Salaries and related	**704,617**	**61,271**	**765,888**	666,367	**On time spent**
General office costs	**394,193**	**3,616**	**397,809**	626,630	**Pro rata FTE Staff**
Depreciation	**22,553**	**-**	**22,553**	22,476	**Direct usage**
Trustee expenses reimbursed	**-**	**1,648**	**1,648**	1,537	**Governance**
Trustee board meeting costs	**-**	**5,414**	**5,414**	2,005	**Governance**
Trustee training	**-**	**-**	**-**	-	**Governance**
Audit & accountancy fees	**-**	**18,690**	**18,690**	15,500	**Governance**
Legal and professional	**-**	**92,094**	**92,094**	10,126	**Governance**
Bank charges	**-**	**2,391**	**2,391**	2,675	**Governance**
					Governance
	1,121,363	**185,124**	**1,306,487**	1,347,316	

6. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	**1,681,342**	1,716,137
Social security costs	**174,467**	178,548
Pension costs	**147,853**	146,702
	2,003,662	2,041,387

	2021 Number	**2021 FTE**	2020 Number	2020 FTE
The average number of employees during the year was as follows:				
Direct charitable purpose	**45**	**45**	42	42
Management and administration	**8**	**8**	10	10
	53	**53**	52	52

The number of highest paid employees was:	**2021**	2020
In the band £60,001 - £70,000	**-**	3
In the band £70,001 - £80,000	**1**	-
In the band £100,001 - £110,000	**1**	1

For these employee's employer pension contributions amounted to £17,696 (2020: £16,582).

The charity trustees were not paid and did not receive any other benefits from employment with the charity in the year (2020: £Nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £Nil).

The key management personnel of the charity reduced this year and comprise the trustees, the Chief Executive Officer and the Head of Service. The total employee benefits of the key management personnel were £176,360 (2020 on the same basis: £172,420).

Termination payments in respect of one staff leaver during the year amounted to £12,500 relating to payment in lieu of salary. (2020: termination payments to one staff leaver were £22,543 - the amount relating to payment in lieu of salary was £16,894.)

7. FIXED ASSETS

Tangible Fixed Assets	Land and Buildings	Office Improvements	Furniture, fittings & equipment	Total
	£	£	£	£
Cost				
As at 1 January 2021	1,874,911	115,278	265,675	2,255,864
Additions	-	-	-	-
As at 31 December 2021	1,874,911	115,278	265,675	2,255,864
Depreciation				
As at 1 January 2021	174,178	75,094	239,909	489,181
Charge	29,753	22,089	11,917	63,759
As at 31 December 2021	203,931	97,183	251,826	552,940
Net Book Value				
As at 31 December 2021	1,670,980	18,095	13,849	1,702,924
As at 31 December 2020	1,700,733	40,184	25,766	1,766,683

8. INVESTMENTS

Fixed Asset Investments

	Investment property	Listed securities	Unlisted securities	Investments in subsidiary	Total
	£	£	£	£	£
Market value at 1 January 2021	900,000	46,777	5,000	2	951,779
Revaluation	200,000	-	-	-	200,000
Unrealised gains/(losses)	-	-	-	-	-
Disposals	-	(46,777)	-	-	(46,777)
Market value at 31 December 2021	1,100,000	-	5,000	2	1,105,002

Investment Property	£
Valuation at 1 January 2021	900,000
Additions to investment at cost	-
Revaluation	200,000
As at 31 December 2021	1,100,000
Market value at 31 December 2021	1,100,000
Market value at 31 December 2020	900,000
Historical Cost	493,217

The Trustees obtained an independent informal valuation of the property during 2021. The property is recognised at £1,100,000 as at 31st December 2021 representing the fair value of the property based on an open market value.

Listed securities

The listed securities related to a portfolio of shares and were all disposed of in the year.

Unlisted securities

Unlisted securities are held at cost and relate to a National Savings Bond.

Investments in subsidiary

At 31 December 2021 the Trust held 100% of the allotted share capital of CFT Trading Company Ltd, a company registered in England and Wales, which is a dormant company.

Capital and reserves of the Subsidiary Undertaking at 31 December 2021 and at 31 December 2020 were as follows:

Share Capital	£2
Reserves	£2

All fixed asset investments are held in the UK.

Programme Related Investments

Investment in Skyrocket	**£**
Cost as at 1 January and 31 December 2021	8,188
Impairment as at 1 January and 31 December 2021	2,097
Net book value as at 31 December 2021	6,091

The trust owns a half share of the net assets of Skyrocket Partnerships Limited, a company incorporated in England. The joint venture provides training programmes specifically aimed at training and mentoring Registered Managers in the Fostering sector.

The trust recognises the investment in the joint controlled entity at cost less any impairment to date. For the period ending 30th June 2021 the entity recorded a surplus of £3,270 (2020: deficit of £3,812) and had a deficit on reserves of £15,131 (2020: £18,401) at the Balance Sheet date.

9. DEBTORS

	2021	2020
	£	£
Trade debtors	**414,135**	397,058
Prepayments	**136,355**	84,658
Other debtors	**9,670**	7,612
	560,160	489,328

10. INVESTMENTS – SHORT TERM DEPOSITS

	2021	2020
	£	£
Balance at 1 January 2021	**3,398**	3,389
Withdrawals	**-**	-
Interest received and retained in account	**-**	9
Balance as at 31 December 2021	**3,398**	3,398

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	**63,922**	85,642
Other creditors	**14,384**	11,885
Investments in Subsidiary	**2**	2
Taxation and other social security	**48,442**	49,825
Accruals	**181,322**	155,406
Commercial Mortgage Loan – HSBC Bank PLC	**30,110**	30,110
	338,182	332,870

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Commercial Mortgage Loan – HSBC Bank PLC (falling due between 1 and 5 years)	**64,627**	92,589
	64,627	92,589

The commercial mortgage loan with HSBC was agreed to complete the purchase of the Hanbury Court offices during May 2015. The loan is at a rate of 1.85% above the Bank of England Base Rate. Up until the 31st December 2021 the Bank of England Base Rate was 0.25% which equated to a rate of 2.1%. A Letter of Negative Pledge was agreed and signed by the charity ahead of the mortgage loan in March 2015 as security against the property which had a net book value of £653,163 as at 31st December 2021. A total of £30,111 was paid to HSBC in respect of this loan during the year (2020: £30,110), of which £27,962 related to capital repayments (2020: £27,219) and £2,149 to interest charged (2020: £2,891).

13. DILAPIDATIONS PROVISION

	2021	2020
	£	£
Dilapidations provision	**46,000**	46,000
	46,000	46,000

The dilapidations provision relates to two leasehold properties.

14. STATEMENT OF FUNDS

	Balance 1 January 2021	**Incoming resources**	**Resources expended**	**Transfers in/out**	**Gains/ (losses)**	**Balance 31 December 2021**
	£	**£**	**£**	**£**	**£**	**£**
Unrestricted funds						
Designated funds	1,145,571	-	(63,414)	63,414	-	1,145,571
General funds	1,880,507	7,703,422	(7,514,315)	(63,414)	218,493	2,224,693
Total unrestricted funds	3,026,078	7,703,422	(7,577,729)	-	218,493	3,370,264
Restricted funds						
Big Lottery Fund – Ace in the Pack	300	-	-	-	-	300
North East Carers	112	-	-	-	-	112
Total restricted Funds	412	-	-	-	-	412
Total funds	3,026,490	7,703,422	(7,577,729)	-	218,493	3,370,676

The majority of the charity's income, and therefore expenditure, continues to relate to foster care placements with Local Authorities. This is classified as unrestricted income as it is felt that this best reflects the substance of the transactions.

The designated fund provides funds to meet costs in relation to our support to Lifetime Foster Carers. The charity does not receive any direct income to provide this support. The timing of expenditure for these designated funds is likely to be spread over the next 25 to 30 years. The fund is represented by the fixed assets, which include houses owned by the charity and used by carers. The transfer between designated and general funds equates to the value of the lifetime carer costs incurred the year.

The restricted funds remaining at the end of the year were £412. Of this £300 related to a Big Lottery Fund grant received in 2016 of £8,760 to fund media workshops to produce educational videos around the themes of being in foster care and associated issues.

15. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net movement in funds	**344,186**	(287,179)
Adjustments:		
Depreciation charge	**63,759**	59,766
(Gains)/losses on investments	**(218,493)**	14,792
Dividends, interest and rents from investments	**(44,577)**	(29,829)
Increase/(decrease) in provisions	**-**	-
(Increase)/decrease in debtors	**(70,832)**	(2,660)
Increase/(decrease) in creditors	**5,312**	85,039
Net cash used by operating activities	**79,355**	(160,071)

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Balance 31 December 2021
			£
Balances at 31 December 2021 are represented by:			
Tangible fixed assets	1,702,924	-	1,702,924
Investments	1,114,491	-	1,114,491
Cash at bank and in hand	441,498	412	441,910
Dilapidations provision	(46,000)	-	(46,000)
Other net current assets	221,978	-	221,978
Creditors of more than one year	(64,627)	-	(64,627)
Total net assets	**3,370,264**	**412**	**3,370,676**

	Unrestricted	Restricted	Balance 31 December 2020
			£
Balances at 31 December 2020 are represented by:			
Tangible fixed assets	1,766,683	-	1,766,683
Investments	961,268	-	961,268
Cash at bank and in hand	280,258	412	280,670
Dilapidations provision	(46,000)	-	(46,000)
Other net current assets	156,458	-	156,458
Creditors of more than one year	(92,589)	-	(92,589)
Total net assets	**3,026,078**	**412**	**3,026,490**

17. FINANCIAL INSTRUMENTS

The carrying values of the financial assets and liabilities are summarised by category below:

	2021	2020
	£	£
Financial assets		
Measured at undiscounted amount receivable		
Trade and other debtors (see note 9), cash at bank and in hand	**992,400**	762,386
	992,400	762,386
Financial liabilities		
Measured at amortised cost		
Loans payable (see notes 11 and 13)	**94,737**	122,699
Measured at undiscounted amount payable		
Trade and other creditors (see note 11)	**78,306**	97,497
	173,043	220,196

18. OPERATING LEASE COMMITMENTS

At 31 December 2021/2020 the future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Expiry date:		
Due within 1 year:		
Land and buildings	**93,968**	93,968
Other	**7,260**	7,260
Between 2 and 5 years:		
Land and buildings	**226,814**	304,716
Other	**22,465**	29,726
More than 5 years:		
Land and buildings	**-**	16,065
Other	**-**	-

19. TRUSTEE REMUNERATION AND RELATED PARTY TRANSACTIONS

The charity was under the control of the Trustees (listed in Reference and Administrative Details) during the current and previous year. No Trustee received any remuneration during the year (2020: £Nil).

The Trustees were reimbursed £7,062 (2020: £3,542) for their travel and subsistence costs, included in pursuance of the Charity's objectives. The amount reimbursed during the year of £7,062 was in respect of claims received from 8 of the 10 trustees who served during the year (2020: £3,542 in respect of claims received from 5 of the 10 trustees who served during 2020).

Mr D Williams was appointed as a Trustee in September 2013. He is a partner with BPE Solicitors LLP. During the year the company paid BPE Solicitors LLP £23,156 for services provided (2020: £4,918). As at the 31st December 2021 there was a creditor balance owing to BPE Solicitors LLP of £Nil (2020: £Nil).

Mrs M Mulholland was appointed Chief Executive of the company from 1st September 2014. During the year the company paid £Nil to her spouse Mr L Mulholland for building related services provided in respect of a house that needed total refit – Low Church Road, various jobs at Hanbury Court and West Yorkshire office (2020: £41,695). As at the 31st December 2021 there was a creditor balance owing to Mr L Mulholland of £Nil (2020: £Nil).

The Trustees and management have taken steps to ensure all related party transactions are on normal commercial terms.

20. CONTINGENT LIABILITIES

At 31 December 2021 there were no contingent liabilities to be disclosed (2020: £Nil)

21. CAPITAL COMMITMENTS

At 31 December 2021 there were no capital commitments (2020: £Nil).

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Please refer to notes of page 6 regarding **COVID-19 update**.

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2021	Cash flows	Other non-cash changes	At 31 December 2021
	£	£	£	£
Cash and cash equivalents				
Cash	280,670	161,240	-	441,910
	280,670	161,240	-	441,910
Borrowings				
Debt due within one year	30,110	-	-	30,110
Debt due after one year	92,589	(27,962)	-	64,627
	122,699	(27,962)	-	94,737

24. STATEMENT OF FINANCIAL ACTIVITIES COMPARATIVES (Including an Income and Expenditure Account) for the year ended 31 December 2020

	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	Total 2020 £
Income:				
Donations and legacies	13,047	-	-	13,047
Income from charitable activities:				
Foster care local authority fees and recharges	6,973,988	-	-	6,973,988
Student fees	2,800	-	-	2,800
Income from investments:				
Rents from investment property	28,300	-	-	28,300
Listed investments	1,520	-	-	1,520
Bank interest received	-	-	-	-
Other income				
Gain on fixed asset disposal Miscellaneous Income	-	-	-	-
Total Income	7,019,655	-	-	7,019,655
Expenditure:				
Cost of raising funds:				
Expenditure on raising donations and legacies	471	-	-	471
Investment management costs	37,383	-	-	37,383
Expenditure on charitable activities				
Foster care	7,192,531	-	-	7,192,531
Fostering Independence support	2,486	-	-	2,486
Lifetime carer costs	-	59,171	-	59,171
Other expenditure				
Loss on fixed asset disposal	-	-	-	-
Total Expenditure	7,232,871	59,171	-	7,292,042
Net gains on investments	(14,792)	-	-	(14,972)
Net income / (expenditure) before transfers	(228,008)	(59,171)	-	(287,179)
Transfers between funds	(59,171)	59,171	-	-
Net movement in funds	(287,179)	-	-	(287,179)
Reconciliation of funds				
Fund balances bought forward at 1 January 2020	2,167,686	1,145,571	412	3,313,669
Total funds carried forward	1,880,507	1,145,571	412	3,026,490