

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.

THE CHILDREN'S FAMILY TRUST

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

THE CHILDREN'S FAMILY TRUST

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

THE CHILDREN'S FAMILY TRUST

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 of 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.

THE CHILDREN'S FAMILY TRUST

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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'.

THE CHILDREN'S FAMILY TRUST

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 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!

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 on 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.

THE CHILDREN'S FAMILY TRUST

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

THE CHILDREN'S FAMILY TRUST

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

THE CHILDREN'S FAMILY TRUST

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

THE CHILDREN'S FAMILY TRUST

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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

THE CHILDREN'S FAMILY TRUST

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

THE CHILDREN'S FAMILY TRUST

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

THE CHILDREN'S FAMILY TRUST

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 going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Chartered Certified Accountants
Statutory Auditor

15 May 2023

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

		Unrestricted funds	Unrestricted funds designated	Restricted funds	Total	Total
	Notes	2022 £	2022 £	2022 £	2022 £	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.

THE CHILDREN'S FAMILY TRUST

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 £	£	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
			<u>2,623,664</u>		<u>2,814,017</u>
Current assets					
Debtors	13	516,344		560,160	
Investments		-		3,398	
Cash at bank and in hand		1,002,832		441,910	
		<u>1,519,176</u>		<u>1,005,468</u>	
Creditors: amounts falling due within one year	15	(446,501)		(338,182)	
Net current assets			<u>1,072,675</u>		<u>667,286</u>
Total assets less current liabilities			<u>3,696,339</u>		<u>3,481,303</u>
Creditors: amounts falling due after more than one year	16		(46,000)		(110,627)
Net assets			<u><u>3,650,339</u></u>		<u><u>3,370,676</u></u>
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
			<u><u>3,650,339</u></u>		<u><u>3,370,676</u></u>

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 £	£	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

THE CHILDREN'S FAMILY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

THE CHILDREN'S FAMILY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

THE CHILDREN'S FAMILY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

THE CHILDREN'S FAMILY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Investments

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

5 Raising funds

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

6 Charitable activities

	Foster care	Fostering independence	Lifetime carer costs	Total 2022	Total 2021
	2022	2022	2022		
	£	£	£	£	£
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

THE CHILDREN'S FAMILY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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
	<u>1,304,387</u>	<u>81,292</u>	<u>1,385,679</u>	<u>1,306,487</u>	
Analysed between Charitable activities	<u>1,304,387</u>	<u>81,292</u>	<u>1,385,679</u>	<u>1,306,487</u>	

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	<u>54</u>	<u>53</u>

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
	<u>2,179,925</u>	<u>2,003,662</u>

THE CHILDREN'S FAMILY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

THE CHILDREN'S FAMILY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

THE CHILDREN'S FAMILY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Fixed asset investments

(Continued)

	Notes	2022 £	2021 £
Other investments comprise:			
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

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

THE CHILDREN'S FAMILY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

THE CHILDREN'S FAMILY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

THE CHILDREN'S FAMILY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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)
	<u>3,649,927</u>	<u>412</u>	<u>3,650,339</u>	<u>3,370,264</u>	<u>412</u>	<u>3,370,676</u>

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	-
	<u>533,781</u>	<u>350,507</u>

THE CHILDREN'S FAMILY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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