

THE FOSTERING NETWORK

England & Wales · Charity number 280852

Details

Other names	FOSTERING NETWORK, NATIONAL FOSTER CARE ASSOCIATION, THE FOSTERING NETWORK TFN
Status	Registered
Legal form	Charitable company
Company number	01507277
Registered	1980-07-11
Register	View on the Charity Commission register

Contact

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Activities

Objects: (A) TO RELIEVE BY SUCH MEANS AS ARE CHARITABLE CHILDREN THE AGED AND PERSONS SUFFERING FROM MENTAL OR PHYSICAL DISABILITY WHO BY REASON OF THEIR CIRCUMSTANCES HAVE NEED OF FOSTER OR SUBSTITUTE CARE. (B) TO PROMOTE AND ORGANISE CO-OPERATION IN ACHIEVING THE IMPROVEMENT OF THE QUALITY OF SERVICE GIVEN TO CHILDREN AND OTHERS IN CARE AND TO THAT END BRING TOGETHER IN THE ASSOCIATION FOSTER-CARERS REPRESENTATIVES OF THE AUTHORITIES AND ORGANISATIONS ENGAGED IN ADVANCING FOSTER CARE AND RELIEVING DISTRESS OF CHILDREN AND OTHERS IN CARE AND TO ASSIST THEIR WORK.

Activities: These are membership services, policy and practice, publishing and training, advice & mediation work, information services and consultancy and projects.

Classification

- **How:** Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Education/training
- **Who:** Children/young People

Geography

- Northern Ireland
- Scotland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£9,359,081	£7,968,070	£5,128,247	100
2024-03-31	£8,411,919	£7,692,392	£3,737,236	96
2023-03-31	£6,878,008	£7,129,090	£3,153,709	86
2022-03-31	£6,661,807	£6,816,281	£3,468,791	84
2021-03-31	£6,429,919	£6,477,750	£3,429,515	86

Trustees

Name	Role	Appointed
Christopher Pope		2018-12-05
Frank Harasiwka		2022-11-10
Ishara Tewary		2019-12-04
Jonathan Walsh		2018-12-05
Kate Brash		2023-06-21
Lyssa Elster		2023-06-21
Matthew Michael Page		2023-06-21
Paul Seath		2023-06-21
Stuart Lewis		2018-12-05

Accounts



Annual Review

for the year ended 31 March 2025

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Annual Review 2024/25

Message from the Chair

As Chair of the Board of Trustees, I am pleased to introduce The Fostering Network's Annual Report for 2024–25. It has been another purposeful year, shaped by the development of our new strategy. Our strategy sets out a clear ambition: to enrich, empower, and strengthen the vital bonds within the fostering community. Over the past year, we have seen this vision reflected across many areas of our work.

Our Fostering Friendly Employers' programme continues to grow at pace, welcoming major organisations such as B&Q and Screwfix. Together, our FFE partners now represent a workforce of over 680,000 employees across the UK, championing workplace support for foster carers so they, in turn, can provide the best care to the children and young people they support.

In Scotland and Wales, our Young People's Advisory Boards continue to flourish. These spaces have allowed young people to build strong peer relationships and provide essential insight that informs policy development and drives meaningful change across the sector.

In Wales, our Fostering Wellbeing Pioneer programme is expanding vital peer support for carers. We now have 95 Pioneers offering mentoring and guidance to fellow foster carers - a testament to the power of lived experience in building resilience and community.

Change remains central to our mission. Looking ahead, I am excited to see the continuing impact of our programmes and initiatives with further investment in Mockingbird, National Lottery funding for our Kinship service in Northern Ireland and the expansion of Step Up Step Down. As a foster carer, I really value The Fostering Network's learning and development programme and am pleased to see a new bespoke insurance product available which is designed with foster carers specific needs in mind.

I would like to extend my sincere thanks to my fellow trustees, most of whom are foster carers, for their guidance and unwavering commitment. I also want to recognise the exceptional dedication of our staff, whose passion and dedication consistently goes above and beyond. And finally, a heartfelt thank you to our members, fostering families, and fostering services. You are at the heart of everything we do.

As we look to the year ahead, we remain committed to working collaboratively to improve the lives of children and young people in foster care across the UK.

Mervyn Erskine
Chair of trustees

Message from the Chief Executive

It has been a busy and productive year at The Fostering Network, marked by meaningful progress and continued growth. We launched our refreshed strategic plan, unveiled a new and improved website, and saw further expansion of Step Up Step Down, Mockingbird, and Fostering Pioneers - all of which continue to deliver lasting impact across the fostering community.

We've also gained national media attention, featuring foster carers and staff sharing their experiences and insights on platforms such as *BBC Breakfast*, *Sky News*, *ITV News*, *BBC Woman's Hour*, and *BBC Radio 4*. These features not only highlighted the challenges facing the sector but also powerfully showcased the reality of fostering.

Since the new government took office, we have welcomed the encouraging support shown by the Children's Minister, Janet Daby. Her visits to our Mockingbird constellations and engagement with foster carers have shown a genuine interest in foster care. We appreciate her public support and commitment to improving foster care, but it is vital that this is translated into meaningful action. We remain resolute in our advocacy for systemic change to make foster care sustainable and supportive for all involved.

Of course, this year has not been without its challenges. Yet, thanks to the dedication and skill of our staff, the wisdom and support of our trustees, the encouragement of our partners, and above all, the resilience and strength of our members, we have faced those challenges with confidence and determination.

As we look to the future, I remain committed to building on our successes while addressing the areas where we can improve. Our focus is on continuing to serve our members with integrity and purpose - embracing innovation, fostering collaboration, and identifying new opportunities for development.

Our vision for the future of The Fostering Network is rooted in partnership. Achieving that vision will require close collaboration with everyone involved in foster care - children and young people, foster and kinship carers, social care professionals, local and national services, policymakers, elected representatives, funders, voluntary organisations, and our wider communities. Together, we are stronger.

As we move forward with renewed strategic goals, I always hold tight to my personal experience of fostering, twenty years' experience of working in the sector, and the insight I have gained from every young person, parent, and foster carer I have been privileged to walk alongside.

Sarah Thomas
Chief Executive Officer

About us

The Fostering Network is the UK's leading fostering charity and membership organisation. We were founded 50 years ago by foster carers, for foster carers, and our access to governments and policy makers in all four nations of the United Kingdom gives us an unrivalled ability to lead the change necessary to make foster care the best it can be.

We believe that relationships are the golden thread running through every fostering story and are dedicated to supporting, enriching, empowering and, where necessary, restoring the vital bonds between those who work together to offer love, warmth, stability and hope to children and young people.

Our vision

For foster care in the UK to flourish as the voices of children and young people are heard and placed at the centre of Government plans, empowering a vibrant fostering community to work together to meet the unique needs of every child and young person. Where empathetic and enthusiastic social workers work in partnership with trained and supported foster carers within a connected fostering community where everyone is valued, respected and treated as equals.

Where foster care is embraced by society and viewed without stigma, fear, or barriers so the diversity of foster carers across the UK ensures that every child and young person has the best chance to make and maintain stable, loving relationships and can look towards the future with hope and ambition.

Our purpose

We believe that relationships are the golden thread running through every fostering story.

So, as the UK's largest fostering network we are dedicated to supporting, enriching, empowering and, where necessary, restoring the vital bonds between those who work together to offer love, warmth, stability and hope to children and young people.

Our values

We are **genuine**

The Fostering Network was formed by foster carers in 1974 to be a force for change, fairness, and equity across the fostering community. As a not-for-profit organisation, we are entirely focused on making foster care the best it can be; we have no other motive. We are transparent and focused.

We are **connected**

The Fostering Network is an inclusive collective; we believe that 55,000 foster carers and 370 fostering service providers are more than just members of The Fostering Network along with all of us, they are The Fostering Network. Our purpose is to create and enhance the connections that are so vital to ensuring a unified and collaborative fostering family.

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We are **expert**

Over the last 50 years we have built a reputation for being an authoritative voice and credible source of information, advice, and guidance. We have become well known for our high-quality campaigns, products and services and our independent, research-informed publications. Knowledgeable and reliable, we are a trusted source of both support and advice.

We are **caring**

We believe that all successful relationships are built upon personal connections, communication, and empathy. We are a warm and approachable organisation, offering an open-door and safe space to the full fostering community. In every action and interaction, we are positive, responsive and responsible.

We are **adaptable**

The needs of the fostering community are forever changing and we must continue to evolve to provide the necessary leadership. We are proactive and agile, offering innovation and creativity. We celebrate the diversity of our community, providing a consistent national service framework that has the flexibility to be delivered with local relevance.

We are **brave**

Nothing we have achieved so far has been the result of waiting around for someone else. We must continue to be bold and ambitious, a vocal and passionate voice that amplifies the calls of our members and fights for change. We must use our influence and experience to challenge the status quo and be the powerful champion the fostering community needs.

Strategic Report

What we achieved – some highlights

Objective: Provide opportunities for children and young people that benefit them, make their voices heard and enable them to reach their potential.

Throughout the year we have continued to deliver new and existing programmes to support fostering communities throughout the UK.

UK-wide

During Care Leavers' Week we ran our 2024 #TicktheBox campaign. Our Tick the Box campaign encourages care experienced young people to tick the box on their UCAS application form to say they have experience of the care system - this ensures they get the support to which they are entitled. In Northern Ireland, we held an in-person event for young people, foster carers and social workers to learn about the available supports from the various universities and colleges, as well as undertaking campus tours.

Throughout the week we shared blogs, videos and quotes from care experienced young people, foster carers and higher and further education staff. We also ran a webinar which was attended by over 100 people, including people with care experience, foster carers, social workers and others who wanted to know more about the support available at university and higher education for people with care experience. The recording has since had over 400 views on YouTube.

Northern Ireland

In Northern Ireland, we have continued to develop and deliver the Fostering Attainment and Achievement (FAA) service—a programme aimed at improving educational outcomes for children in foster care, commissioned by the Department of Health's Strategic Planning and Performance Group.

Over a six-week period in summer, we facilitated 20 outdoor adventure weeks, engaging 191 children and young people. The programme emphasised outdoor learning, fostering confidence, self-esteem, teamwork, and problem-solving skills. Additionally, we piloted a five-day drama scheme where participants acquired new skills, culminating in a performance for their carers and The Fostering Network staff. One carer remarked, "An opportunity to showcase their play to a wider audience would be amazing. The story was amazing, real, poignant, emotional, and thought-provoking".

Recognising the impact of the drama piece, we arranged for the group to perform at the Foundations for the Future conference on 27 November, attended by 120 individuals, including the Minister for Health, Department officials, senior Trust staff, and colleagues from the voluntary and community sectors. The performance resonated deeply with the audience, highlighting the voices and experiences of young people in foster care.

Furthermore, 15 young people participated in our Pathways to University residential programme, experiencing university life firsthand. They attended taster lectures in subjects such as geography, criminology, and psychology, and engaged in workshops on pharmacy and sports. Staying in university halls, they practised budgeting, shopping, and cooking meals, observed a graduation ceremony, and prepared presentations for their peers.

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Feedback indicated that all participants enjoyed the programme, with each expressing a newfound consideration for university as a future option.

In addition, over 300 children received the Letterbox programme, and we celebrated the achievements of more than 260 children and young people at five award events across Northern Ireland. We also provided educational resources to 1,000 children and young people, including one-to-one tuition, IT equipment, and access to various confidence-building activities.

Scotland

Over the summer of 2024 we recruited new members to our Young People's Advisory Board, made up of young people aged 16-21 with experience of foster care, including those who are children of foster carers.

We held a residential weekend in Newtonmore which gave the young people the opportunity to get to know each other, build trust, and try activities including kayaking, paddle-boarding and abseiling. They formulated new campaigning priorities, which include transitions and change, stigma and language, and relationships. They are now working on a project which will look at improving education about care experience in schools. They have met with a project worker from Who Cares? Scotland and are planning to meet a worker from Education Scotland to look at existing resources and how they can add to these.

The young people have also participated in two engagement sessions on the Scottish Government's consultations on 'moving on from care into adulthood' and 'the future of foster care', sharing their views on the government's policy proposals. They also advised the Scottish Government on revising their webpage on foster care.

Members have shared being on the board has built confidence, resilience and perseverance. It's a place where they feel heard and have a sense of accomplishment.

Wales

This year, we strengthened youth participation through our Youth Advisory Board (ages 14–25), recruiting new members, holding monthly meetings, and hosting a three-day residential to develop a youth-led campaign on trauma-informed practice, launching in 2025.

We co-produced a two-part "16+ The Complete Guide" edition of *Thrive* magazine with young people and held activity days in Wrexham, Cardiff, and online, helping reduce participation barriers and promote higher education. Our *Make Your Own Adventure* resource, designed to help children express themselves and connect with carers, was reprinted twice due to high demand and distributed across Wales.

Additionally, we launched the Welsh Care Experienced Participation Network, uniting third sector and statutory services to coordinate and enhance participatory opportunities for care-experienced children and young people across Wales.

Fostering Wellbeing

Two animations were co-produced with young people from the NYAS Cymru Advisory Board, exploring the themes of "How You Can Support My Wellbeing" and "Team Around the Child." Developed from storyboards and voiceovers created by the young people, the animations were launched at a dedicated cinema event and are being shared widely by stakeholders across Wales as powerful contributions of lived experience to the Fostering Wellbeing programme.

Objective: Promote foster care to ensure society understands, values and recognises how foster carers transform children's lives

Foster Care Fortnight

Foster Care Fortnight took place from 13-26 May 2024, with the theme of Fostering Moments. The theme received positive feedback from services, providing a good opportunity for them to share meaningful stories from foster carers and opened conversations at events. Sarah Thomas, CEO, was interviewed live on the BBC Breakfast couch on the first day of FCF. Other high profile broadcast media coverage included ITV, BBC London and The Big Issue

Throughout Foster Care Fortnight (FCF) we posted a mix of video and photos across The Fostering Network's channels – LinkedIn, Facebook, Instagram and X. Overall reach and engagement was good across all channels, with increases in interactions when compared to previous years.

Numerous events were held across the UK – including a launch event in Northern Ireland, hosted by Robbie Butler MLA. Debates on foster care were held in Welsh Parliament, Scottish Parliament and Westminster, with the launch event in England attended by children's minister, David Johnstone MP. There was also a successful round table event with the Minister for social care in Wales. Minister for The Promise, Natalie Don, attended Foster Walk in Scotland.

For the first time, John Lewis hosted a cookery school at their Waitrose store in King's Cross, organised by the Mockingbird team. Young people attended with their foster carers and learnt to do some cooking. It was a successful day, and the chef team were really engaged with the young people. Foster Walk was a great success –with lots of positive feedback from participants. We held our own walks in England, Scotland, Wales and Northern Ireland. Olympian, Fatima Whitbread attended the walks in Cardiff, Derry/Londonderry and London. Regrettably, her commitments meant she wasn't able to attend the walk in Scotland.

Around 640 people registered for all the walks as teams/individuals. Around 150 people attended the London walk, 100 in Cardiff and 50 in Northern Ireland.

To help understand the strengths and opportunities created by FCF24, a questionnaire was sent to all fostering services. One notable request was to announce the theme and provide the resources earlier, so services have more time to plan.

We've had positive feedback regarding the theme. Feedback included enjoying opportunities to talk to other foster carers about their fostering moments.

The annual Northern Ireland Foster Care awards, in partnership with HSC NI Foster Care, were held in September, attended by 200 people in Templepatrick, hosted by broadcaster Mark Simpson. A total of 12 awards were handed out across 12 categories.

Policy

An engagement pack was shared with all elected representatives across the UK with information on Foster Care Fortnight, explaining how they could get involved and providing details on foster carer recruitment targets for 2024-25.

Foster Care Fortnight was launched in England with a reception for foster carers attended by the Children's Minister. Foster carers spoke at length with the minister about their experiences of fostering and suggested where the Government can do more. Key issues in

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fostering in England were also discussed in a session with officials from the Department for Education's fostering team.

In Wales, foster carers came together for a round table event with the new Minister for Social Care, Dawn Bowden, as well as Welsh Government officials, and the Head of Foster Wales, all of whom shared their fostering moments and their hopes for the future of foster care.

After the round table event, the Minister made her first statement in the Senedd which focused on foster care. She spoke about the event and highlighted many of the issues foster carers had shared with her earlier that day. A briefing was shared with all Members of the Senedd which was used by four different parties in the debate, highlighting the positive work of The Fostering Network programmes in Wales.

In Scotland, our parliamentary motion for Foster Care Fortnight was submitted by Martin Whitfield MSP, and supported by 28 MSPs (22%). MSPs were briefed ahead of the debate on 16 May on the motion in the Scottish Parliament and The Fostering Network policy staff met with three MSPs in the run up to this to secure support. The Children's Minister shared a #FosteringMoment and sent a letter to the fostering community as part of the campaign. The Children's Minister and two MSPs took part in our family Foster Walk on 19 May.

In Northern Ireland, a joint launch event with HSC fostering/adoption took place in Stormont Assembly building with fostering services, health and social care trusts, foster carers, kinship foster carers and young people in attendance.

Fostering Friendly Employers

The Fostering Friendly Employers' scheme continues to go from strength to strength. The scheme encourages and supports employers to play a vital role in strengthening the fostering community by boosting support offered to current and prospective foster carer employees. This includes offering flexible working and extra time off to help settle a child into their home. Over 12 months, The Fostering Network recruited and approved 45 new Fostering Friendly employers, including B&Q, Screwfix, Scottish Government, CMS Cameron McKenna, and Tameside and Glossop Integrated Care NHS Foundation Trust. The scheme now covers over 680,000 employees across the UK.

Additionally, we strengthened the support given to our member fostering services to enable them to recruit local employers to the scheme, leveraging new partnerships to support recruitment and retention.

Objective: We will influence policy and the legislative framework, so it supports and promotes excellence in foster care

In 2024/25, campaigning and influencing policy continued at every level. Our capacity to influence more consistently and to better effect across the UK was enhanced, thanks to our newly structured UK-wide policy and campaigns team with some notable campaign successes for fostering.

UK wide

Prior to the UK General Election, The Fostering Network published the 2024 manifesto to highlight the key areas on which we considered the next government should focus. The manifesto, which centred on recommendations in respect of care experienced young people and foster carers, was shared with political party leads responsible for writing each party manifesto. A template letter was provided to members who wished to write to their local prospective parliamentary candidates to encourage them to prioritise foster carers and children in care. The Fostering Network was pleased to see the Labour Party manifesto reflect these calls and very much welcomed the Labour government's introduction of a Children and Wellbeing Bill to take forward some of these reforms.

Sarah Thomas, The Fostering Network Chief Executive, attended the Labour Party conference in Liverpool where she met new MPs, including Josh MacAlister MP, who led the Independent Review of Children's Social Care. She also attended fringe events with new Ministers and key stakeholders to explore how Labour can reform children's social care.

In September, The Fostering Network published a new report on foster carer fees across the UK, 'Out of Pocket: Fairer Fees for Foster Carers'. The report is the latest instalment in our #CostOfFostering campaign and follows the report on foster carer allowances published last September. It is based on FOI requests from the 2023/24 financial year and highlights the UK-wide postcode lottery and low fee rates across the country. It analyses the impact on foster carers' living costs as well as commenting on foster carer recruitment and retention. The Fostering Network is calling for each nation to review fees and introduce a fee framework in each country of the UK. The report was covered exclusively by Moneybox on BBC Radio 4 in a programme on foster carer finances and featured on BBC5 live and BBC Radio 2's radio show with Jeremy Vine.

The 2024 State of the Nations' Foster Care survey was published in February, the largest independent survey in the sector. More than 3,000 responses from foster carers and former foster carers were received as well as 114 responses from fostering services. Following this, spotlight reports focusing on the findings and specific recommendations for Wales, Scotland and Northern Ireland were produced to launch in Foster Care Fortnight 2025.

The State of the Nations' report was launched at an event which also celebrated The Fostering Network's 50th anniversary, in the Houses of Parliament in Westminster, hosted by Josh MacAlister MP. This featured speeches from the Children's Minister, as well as contributions from comedian and foster carer Kiri Pritchard-McLean, care experienced author Rowan Aderyn, and a panel of cross-party MPs. More than 200 guests attended, including MPs, charity stakeholders, officials, academics, corporate partners, local authority representatives, and foster carers and fostering services members.

Ahead of Foster Care Fortnight in 2024, a collaboration with (NYAS) National Youth Advocacy Service resulted in the production of a new report in the NYAS series, 'This is My Home'. Ten children and young people in foster care across England and Wales were

interviewed who sharing the positive impact of foster care had on their lives and what they want to see change.

England

In one of her first official visits, the new Government's Children's Minister, Janet Daby MP, hosted a Mockingbird hub home in Wokingham as part of a visit to the newly launched South East recruitment hub. This established what has become a very positive working relationship.

The Fostering Network policy and campaigns team is working closely with the Department for Education (DfE) to implement their new strategy 'Keeping children safe, helping families thrive' and the Children's Wellbeing and Schools Bill. However, we were disappointed that the Bill had a distinct lack of focus on foster care and did not bring forward key commitments from the previous Government's strategy 'Stable Homes, Built on Love'.

Evidence outlining calls for action was submitted to the Education Select Committee setting out our concerns and The Fostering Network worked with MPs in the House of Commons to table amendments to extend Staying Put to 25, and to introduce opt out delegated authority on day-to-day decisions for foster carers. The Government refused the amendment on Staying Put but agreed to consult later this year on delegated authority. The Fostering Network will continue to influence the Bill as it goes into the House of Lords.

It was pleasing to see, following our #CostOfFostering campaign, the DfE announced a 3.55% above inflation increase to England's National Minimum Allowance for 2025/26 for the third year in a row. They also added a new age category for three and four year old children. However, this still falls short of The Fostering Network's recommended allowance rates. The Children's Minister has written to all local authorities to inform them of the latest NMA uplift and remind foster carers that if their service does not pay, they can ask them to rectify this and can write to the Local Government Ombudsman if they don't comply.

The Fostering Network welcomed the announcement of a new £25 million investment from the Government in the Spring Statement for the fostering system to recruit 400 new fostering households. However, it falls short of the 5,000 new carers needed to tackle longstanding challenges in the system.

The DfE is undertaking a full review of the guidance and regulations on allegations. The Fostering Network has consistently raised this in the DfE Fostering Advisory Board, and data we shared with them from our State of the Nations survey showed this was a key issue affecting foster carer retention.

Scotland

We have met several times with the Minister for Children, Young People and Keeping The Promise to discuss key issues for foster carers and children in foster care. The Fostering Network's Young People's Advisory Board has also met with the Minister and discussed their priorities around improving education for those with care experience.

As we have continued to work to influence the Scottish Government's (SG) work on recruitment and retention, it was positive to see them launch a comprehensive consultation in November on the 'future of foster care' to inform a Promise Bill later this year. The consultation included questions on key The Fostering Network campaign calls such as the introduction of a register and a national recruitment campaign.

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The Fostering Network supported the Scottish Government to run 10 consultation events, attended by 79 foster carers and members of our young person's advisory board across the nation, one of which was attended by the Minister. In addition, we also submitted a written response to the consultation as well as one from the Young People's Advisory Board.

Following these consultation events, The Fostering Network established a new advisory board, comprised of 22 foster carers to strengthen our influencing policy and practice in Scotland. The board held its inaugural meeting where they agreed their primary focus will be foster carers' value, status and recognition.

A response was submitted to the Scottish Government's consultation on 'moving on from care into adulthood'. The Fostering Network Young People's Advisory Board was supported to take part in a consultation engagement session with members of the Scottish Government "moving on" team. A further response was made to the Scottish Government consultation on redesigning the children's hearings system, setting out our view that foster carers should have automatic 'relevant person' status in the hearings system to allow them to most effectively advocate for the children they foster.

It was disappointing to see the Scottish Government freeze the newly introduced Scottish Recommended Allowance (SRA) for 2024/2025 but pleasing to note they commissioned a review of the rates. The policy team with the Assistant Director for Scotland worked to influence the review, highlighting the inadequacy of the current SRA rates, the need for a dedicated rate for Continuing Care, and a national fee framework alongside the SRA.

Northern Ireland

The Fostering Network's senior staff in Northern Ireland were successful, in an externally managed recruitment process, in getting places on several workstreams within the Children's Services' Reform Board including the fostering recruitment/retention and family support workstreams. An in-depth consultation on the recommendations in Professor Ray Jones' Independent Review of Children's Social Care Services was collated in the "Bright Futures" policy report which highlighted the concerns and experiences of foster carers and kinship carers. The Fostering Network has worked closely with the Department of Health to consult foster carers and kinship foster carers on the review of concerns, complaints and allegations in foster care. Recognising allegations are one of the most challenging aspects of fostering, we are working to ensure the revised operational procedure is informed by the views of our foster carer members.

Consultations have also taken place with foster and kinship carers and young people on the Draft Minimum Fostering Standards. This consultation was further supported by the findings of an online survey of members.

The Fostering Network in Northern Ireland have been consistently pressing for revised fostering regulations since the RQIA review of foster care in 2012. The recent announcement of new fostering regulations for foster care alongside draft standards is long awaited and much welcomed. It is hoped these improve the quality of foster care for all involved. It is anticipated the regulations will commence in January 2026 with the standards following soon after.

Staff met with the engagement team from Northern Ireland Public Services Ombudsman who are rolling out an NI wide complaints strategy across all public services. We hope to explore developing a co-produced document and webinar for foster carers.

Wales

The Health and Social Care (Wales) Act has successfully passed all legislative stages in the Senedd and has received Royal Assent. Throughout the process, The Fostering Network provided both oral and written evidence, as well as putting forward questions in plenary and proposed amendments with a wider coalition of children's charities. Our Chief Executive continues to sit on the Eliminate Profit Board which is now looking at the next steps in the transition process. The Fostering Network provided support to the Welsh Government, shaping communications to foster carers and services.

The Fostering Network wrote to new members of the Children and Young People's Committee in the Senedd to set out key areas for change and met with Natasha Askhar MS and Buffy Williams MS (new chair) to provide information and briefings.

The Fostering Network continues to work closely with the Minister for Children's Social Care and Welsh Government on the implementation of the programme of reform for children's social care. The Welsh Government has now committed to consulting on a register for foster carers, due later this year.

The Welsh Government uplifted the National Minimum Allowances for foster carers in Wales by 2.6% but this still doesn't go far enough to cover the costs of caring for a child. The Fostering Network has been calling for Welsh Government to act on their review of foster carer finances which has been ongoing for many years and to implement The Fostering Network's recommended rates.

The Fostering Network is part of a working group producing new guidance for the Pupil Development Grant for Children Looked After. This funding is allocated to local authorities to support the educational attainment of children in foster care. The Fostering Network also provided input for the updated guidance for Designated Teachers in Wales.

In addition, our team has been involved in sessions led by Jane Dodds MS, chair of the Cross Party Group for Children in our Care on shaping a new proposal for a Children's Act for Wales. This will be shared with political parties ahead of the 2026 Senedd elections.

Objective: Support fostering families and the services that work with them to provide the best possible care for children and young people

Northern Ireland

In Northern Ireland, the Fostering Attainment and Achievement (FAA) Masterclass programme continues to provide invaluable support to over 270 foster and kinship carers. Almost thirty training sessions were provided across the region, covering essential topics such as trauma-informed practice, emotional regulation, neurodiversity, anxiety, and resilience. Additionally, guidance and advice on educational issues was provided to a further 1,000 carers, ensuring they are well-equipped to support the children in their care.

This year, through FAA, an online education conference was attended by 117 foster carers, social workers, and educational professionals. The event featured keynote speaker Betsy De Thierry, a renowned teacher and trauma specialist, who shared her insights on the impact of trauma on children and effective pathways to recovery. Participants found the conference both informative and beneficial, enhancing their understanding and approach to supporting children who have experienced trauma.

The Kinship Support programme in Northern Ireland has been in place for several years with very limited funding despite the significant growth in the numbers of children looked after by kinship carers. The programme has now been awarded £300,000 funding from the National Lottery Community Fund, for three years from December 2024. This programme adopts a nurturing, needs-led, and strengths-based approach, working collaboratively with families to:

- Improve the health and wellbeing of children and young people in kinship care
- Support kinship carers in developing enhanced life skills.
- Facilitate participation in activities that combat isolation and foster community connections.

With the increasing number of children and young people in kinship family placements, this additional funding will enable us to extend our reach and provide much-needed support to more families across Northern Ireland.

Scotland

During this period The Fostering Network team in Scotland has seen changes in leadership and management with the appointment of a new Assistant Director, Anne Currie, in June 2024. A key focus of the new AD's role is to connect with fostering services and foster carers members.

Ten nation-wide consultation sessions were facilitated by the Scottish team on behalf of the Scottish government from November-February 2025, providing an opportunity to strengthen connections, explore the needs of services and foster carers in terms of training and support. Suggestions were made by services about the roll out and need for the updated "Skills to Foster" training to prepare for a new national recruitment campaign launched in May 2025 by the Government.

A new foster carer advisory board was also set up to give foster carers a voice on prospective changes in policy and practice.

The team was delighted to be awarded a grant from the Scottish Government to extend Fosterline in Scotland to include a new recruitment line to support local authorities with the aim of recruiting more carers. This was launched during Foster Care Fortnight in May 2025.

Wales

Through the Fostering Communities Programme, funded by Welsh Government, The Fostering Network conducted 39 interviews and 3 focus groups as part of the Exit Interview Research Project. This explored the reasons why foster carers leave their service. The findings were shared with Welsh Government and sector leaders to support retention efforts. The Programme staff also delivered 11 webinars - surpassing our target - on key topics such as neurodiversity, anxiety, and compassion fatigue, with over 85% of participants reporting increased confidence and intention to apply their learning.

Fostering Wellbeing, also funded by Welsh Government, continues to grow. Over the year, 15 series of Fostering Wellbeing Masterclasses (five sessions per series) were delivered. These 75 sessions provided 187.5 hours of training across Wales, more than 200 delegates attended, including foster carers and other practitioners across health, education, social care, and the third sector. Masterclasses covered core topics including trauma-informed practice, communication, and the role of the team around the child.

Pan-Wales evening sessions improved accessibility for foster carers and working professionals, while face-to-face delivery in regions like the Vale of Glamorgan responded to local preferences. Guest speakers included psychologists, Looked After Children nurses, and education experts, enriching the training with multidisciplinary insights. Feedback has been overwhelmingly positive - **over 98% of participants** reported increased knowledge and confidence to support looked-after children.

Regionally, all local authorities have engaged with the programme, with growing participation from education professionals following targeted outreach and time-adjusted sessions. The integration of co-produced animations and pioneer voices into sessions has further strengthened the focus on lived experience and relational practice.

The Fostering Wellbeing Pioneer programme has expanded significantly across Wales, with 95 active pioneers supporting their local fostering communities, and services, as well as supporting strategic change at a national level. Pioneer roles include mentoring, peer support, contributing to recruitment and training events, and shaping local policy and practice. Several local authorities now pay pioneers for their time, and the Pioneer Handbook and Pioneer App, launched in Autumn 2024, have improved role clarity and communication. A national evaluation highlighted the programme's impact - enhancing equality, support, communication, and the capacity of fostering services.

Over the year, the service delivered more than 50 hours of training and events for the Pioneers, with topics ranging from trauma and neurodiversity to coaching and identity. Regional celebration events, such as the North Wales gathering for 40 pioneers, helped develop collaboration and recognition. Engagement levels vary by region, but momentum is growing through recruitment drives, local authority buy-in, and targeted support. The Pioneer Podcast and regular forums for service leads are also helping to share learning and strengthen the Pioneer network across Wales.

England

A National Foster Care Association Forum was launched to better support foster carer associations across England to connect with each other, receive support from the Fostering Network, and strengthen practice developments for foster carers on the ground and build more direct engagement between foster carers and the Department for Education. This group identified several priorities including influencing an improved allegations framework, professional recognition, remuneration and the inconsistency of staying put.

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Fosterline England and the Member Helpline have continued to deliver a quality service to thousands of enquirers, across a range of practical and practice-based areas. Fosterline England received a user feedback score of 9.7/10 over 2,135 enquiries.

At the end of the year the new Skills to Foster was launched, introducing The Fostering Network's new online learning platform. This represents a significant milestone in bringing greater consistency to foster carers pre-approval training across the UK as well as providing a system that can support a range of training methods from in person to fully remote.

The new programme embeds reflective practice, provides assessing social workers greater visibility of carers understanding and engagement with approaches, concepts and skills gained during the training. The Skills to Foster will now be updated and augmented on an ongoing basis to ensure services can always offer best in class pre-approval training whilst also placing new foster carers into a learning environment to equip them for their caring journey.

Step Up Step Down

Step Up Step Down (SUSD) is a trauma-informed service which supports children to remain at home with their birth families rather than entering care, where this is the best outcome for them. With family support foster carers wrapping around whole birth families, this is an innovative approach to fostering.

The service is fully embedded within the South Eastern Trust in Northern Ireland and Pembrokeshire County Council in Wales. Progress is underway to develop the service in Powys County Council in Wales, and pathways are being explored for further roll out of the programme across the UK.

Support for families which is holistic, nurturing and needs-led includes mentoring sessions for parents, short breaks for children and young people, experiential learning programmes for parents and foster carers, therapeutic nurture groups for children, community supports which reduce social isolation, family activities and school holiday programmes. Over 100 participants have been supported this year.

A particular highlight for the service was the two family residentials, one in Northern Ireland and one in Wales, where families could come together to share in community and engage in a wide range of activities and workshops. Moreover, Northern Ireland hosted a joint Ministerial visit between the Northern Ireland Assembly Health Minister, Mike Nesbitt and the Welsh Minister for Children and Social Care, Dawn Bowden. The visit provided an opportunity for both Ministers and their officials to hear firsthand from SUSD families about the benefits and impact of the programme. Minister Bowden said, "I was delighted to have the opportunity to visit Northern Ireland on 3rd February to visit their Step Up Step Down project and learn more about the successful pioneering approach which is helping to reduce the number of children entering care."

It is our hope for the coming year to see this service progress, to honour 10 year old Rebekah's wish that "every family who needs this service should be able to have it."

Our Plans

The Fostering Network Board of trustees has approved a new strategic plan for the next five years which outlines a clear vision for the future of the organisation and for foster care.

Organisational priorities:

Strategic goal 1: Be the catalyst for child-centred change in foster care

The fostering community is made up of different stakeholder groups, each with their own specific objectives and challenges but united by a common goal; to create stability and offer hope and love to children and young people.

This goal relies on strong, functioning and positive relationships between everyone in the fostering community. While many connections are fair, balanced and supportive, there are also instances where this is not the case.

The Fostering Network is dedicated to supporting, enriching, empowering and, where necessary, restoring these vital bonds to create harmony and unity across the fostering community.

Strategic goal 2: Secure sustainable income through meaningful relationships

Membership is at the heart of The Fostering Network. Through the provision of membership, we create and maintain a UK-wide network of foster carers, fostering services and organisations with shared goals.

We know the difference that membership with our organisation can make, and we want to make this a reality for as many people as possible. We will seek opportunities to grow our network of members and continually strive to improve our membership offer to ensure we are adding value in what we provide.

We will maintain our not-for-profit status and seek to sustain our organisation through income generation and fundraising to meet our charitable purposes. This will be achieved through the development and delivery of high-quality, wide-ranging service delivery and the diversification of our income streams.

Strategic goal 3: Increase the impact of our work

The Fostering Network is seeking continued change. It's why we were created, it's at the core of who we are, and, what we do.

We are certain that impactful change is part of the solution to improving outcomes for children and young people. We want this change to result in long-term, sustainable improvements and we know that to achieve this we will need to continue adapting too.

To further increase the impact of our work, we will start by advancing our monitoring, evaluation, and reporting. We will continue to listen, build our evidence base and respond with purpose.

We will continue to collaborate and grow effective partnerships to achieve change on a bigger scale. The scale of the problem has grown since we were created and therefore collaboration is key to shaping the future for children and young people.

Strategic goal 4: Drive forward quality improvement in fostering practice

Every day we interact with foster carers and fostering services. Our advice line workers, our practice consultants and our independent support workers listen to the challenges and complexities of fostering, with empathy and understanding.

We always strive to offer support and guidance, with full knowledge that everyone involved is primarily trying to do their very best. These challenges and complex situations unfold against a backdrop of the great pressures facing all aspects of health and social care in the UK.

We want to do more to improve the quality of fostering across the UK and ultimately improve outcomes for children and young people living in foster care.

Strategic goal 5: Influence transformational policy change

Key developments in child and family policy have taken place over the course of the last 50 years since the inception of The Fostering Network. Devolution is one of the key changes, shifting the landscape of the UK and the focus of our organisation.

Some of these shifts have resulted in legislative changes, some translate to guidance and good practice alone. There are still many areas to improve and one of the consistent objectives for The Fostering Network is to influence changes in policy to bring about transformational change.

As a UK-wide organisation, we understand and respect the distinctiveness of foster carers and fostering services in each country. Working across all four nations also offers unique opportunities. Using our holistic view across England, Northern Ireland, Scotland, and Wales we will endeavour to influence and shape transformational policy change.

Strategic goal 6: Be the best organisation we can be

This goal reflects our desire to create and maintain organisational wellbeing. Caring for each other and creating the best environment for our staff enables us to be there for others who need us.

We are committed to ensuring equity, diversity and inclusion in our workforce and will take active steps to maintain this commitment in our approach to recruitment and retention. We are committed to understanding our organisational impact on the planet and taking steps to reduce this impact. We are committed to providing employment opportunities for people with care experience and will take steps to improve our practice in this area.

Our Fundraising

The Fostering Network is grateful to all the donors, supporters and funders who joined us in our cause and supported us to achieve our mission across the UK over the year.

The Mortgage Brain, John Lewis Partnership, and Picton continued their support through partnerships, staff fundraising and in-kind support over the year.

We are particularly grateful to partners, The Mortgage Brain, who sponsored the State of the Nations' Research Report and launch event in Westminster as part of their ambition to advocate for foster carers needs within the financial sector; creating new services and partnerships.

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We thank those member and supporter organisations who fielded teams in Foster Walk this year and the many community supporters organised their own events or took part in third party challenges.

We are grateful to all our grant funders, including the Department for Education, KPMG Foundation, National Lottery Community Fund, The Scottish and Welsh Governments, the Department of Health for Northern Ireland, the South Eastern Trust, the National Lottery Fund for Northern Ireland, Strategic Planning and Partnership Group (NI), HSCNI Regional Adoption and Fostering, The Promise Partnership and The Harrison Frank Family Foundation. This support has enabled us to design and deliver innovative projects that are improving foster care across the UK.

Fundraising practice

Fundraising activity is focused on organisations and individuals who have an established relationship with The Fostering Network.

The Fostering Network supports and adheres to the code of practice of the Fundraising Regulator and pays their levy. During the year there were no complaints related to fundraising were received. Best practice, as recommended by the Fundraising Regulator, was followed to protect vulnerable people and The Fostering Network did not use third parties to raise funds on our behalf. Most of the fundraising expenditure relates to staff time and a significant proportion of this is spent developing formal bids for major projects and services. During the year the team supported operational staff in winning numerous grants and contracts.

The Fostering Network would like to recognise the enormous contribution to the following funders and supporters have made to our work over the year and to thank them for their vital support, as well as all our generous donors and fundraisers.

Arthur Cox
Department for Education (England)
Department of Health (Northern Ireland)
Department of Health, Social Services and Public Safety (Northern Ireland)
HSC NI Foster Care
Hugh Fraser Foundation
John Lewis Partnership
KPMG Foundation
Lennox Hannay Charitable Trust
Louisa Lane Fox
National Lottery Community Fund
Northwood Charitable Trust
Office Space in Town
Picton
Promise Partnership
Randstad
Scottish Government
Sir Jeremiah Colman Gift Trust
Strategic Planning and Performance Group (Northern Ireland)

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The Harrison Frank Family Foundation
The Mortgage Brain
Thomas Sivewright Catto Charitable Trust
Welsh Government
Wexbaby
Young Start Fund

Key Management Personnel

The Charity's trustees and the senior leadership team comprise the key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day-to-day basis. The pay of the Chief Executive is reviewed annually and increased when possible following formal approval by the trustees. Key managers and all staff are part of a formal grading system that facilitates fair and transparent comparison of roles. The bands are reviewed each year and salaries are increased when possible following formal approval by the Chief Executive and Trustees.

Financial Review

This financial results for 2024-25 show a healthy surplus for the year of £1,391k, up from £584k in the prior year, as we seek to grow our Free Reserves to secure the Charity into the future. As a charity, every penny of our income goes towards progressing the Charity's objects, whether directly or indirectly. One indirect way of progressing the Charity's objects is to ensure financial stability, in particular that we have enough unrestricted liquid assets to see us through an unforeseen disaster situation, in order to carry on our direct charitable work. The Charity has made good progress on this front this year, but there is more to do. For more detail on this, see the section on the General reserves policy below.

Unrestricted income for the year has increased from £6,312k in 2023-24 to £7,545k, mainly because of Mockingbird Phase 1 (in Consultancy), while Restricted income has seen a decline from £2,100k in 2023-24 to £1,814k in 2024-25.

Unrestricted expenditure has increased to £6,526k (2024: £5,908k), which is mainly due to the expanded work for Phase 1 of Mockingbird, which goes into the Consultancy line. Restricted expenditure has also decreased to £1,442k (2024: £1,784k), in line with the reduction in Restricted income.

Restricted Funds have increased during the year by £374k to £794k, which is largely due to the carrying forward of funding for both Step Up Step Down Wales and Step Up Step Down Northern Ireland.

Unrestricted Funds have therefore increased by £940k in the year to £4,334k.

Total Reserves are therefore up by £1,391k to £5,128k.

General reserves policy

We have adopted a new approach to the general reserves this year. We have now set the aim to have free reserves, that is funds that are not tied up in fixed assets or restricted funds, at least equal to three months of our unrestricted expenditure. This would mean that we have the liquid assets to pay our running costs for three months in the event that our income ceased.

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We have not reached that target yet, but we have made good progress this year. Because a lot of the charity's funds are tied up in its property and website, when you deduct fixed assets and the revaluation reserve from unrestricted funds, the charity has free reserves of £277k. In 2024 the figure was -£567k. Our target (three months of unrestricted expenditure) is £1,631k, so while we have made good progress this year, there is still a long way to go. The charity's cash balance remains healthy at £1,858k.

In the meantime, in the event of an emergency that necessitated raising a large amount of funds quickly, we would consider raising funds secured against the charity's property.

Going concern

We have set out above a review of the financial performance during the financial year and our reserves position at the year end. We have adequate financial resources in the form of cash, the ability to raise financing secured on the charity's property and have the structures in place to manage the business risks.

In addition, our annual budgeting and forecasting processes have taken into consideration the current economic climate and its potential impact on both our various sources of income and expenditure.

We have a reasonable expectation that we have adequate resources and control mechanisms to continue in operational existence for the foreseeable future.

Further, we believe that there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern. Therefore, we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Risk management

As a charity operating in the UK, The Fostering Network operates in a rapidly changing environment where it is critical to mitigate the principle risks faced by the organisation. The Board of Trustees has overall responsibility for risk management within The Fostering Network. Operational responsibility for managing risks on a day-to-day basis is delegated to the Chief Executive and the Senior Leadership Team.

Trustees are satisfied that appropriate internal control systems are in place to manage the key strategic and operational risks that are identified. The following framework provides the Trustees with assurance that systems are in place to manage risks:

- The Board of Trustees receives regular performance reports against annual plans and budgets
- The Finance & Resources Committee has oversight of organisational risk and the actions being taken to mitigate them. The Senior Leadership Team and other key leadership personnel review organisational risks on a regular basis to ensure internal controls are operating effectively. New and emerging risks are identified and progress of actions assessed.

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As part of ongoing risk monitoring and management, trustees have considered the following areas of risk:

- **Financial:** Our principal risks in this area relate to ensuring appropriate safeguarding of funds, ensuring we have adequate, and ensuring appropriate financial controls are in place. We have evaluated that we have appropriate policies and controls in place, have professionally qualified accounting staff and detailed budgets and reports to ensure adequate oversight. We have improved our reserves position and continue to focus on our long-term financial resilience through sustainable growth.
- **Operational:** Our principal risks relate to ensuring we have the right staff in the right areas to deliver services sustainably, as well as managing any major disruptive events. We have appropriate controls to ensure all staff possess relevant qualifications, we are covered by relevant insurances and have increased our internal expertise in areas such as IT and HR. Ongoing work includes building on our existing business continuity frameworks, ensuring the upkeep of our London building, and ensuring we get the best out of our CRM system.
- **Legal & Regulatory:** Our principal risks in this area relate to safeguarding, GDPR and cyber security. We have done significant work in all three areas and have appropriate policies and procedures in place. We achieved Cyber Essentials Plus, developed new data protection policies and procedures and have comprehensive safeguarding and risk assessment frameworks. We continue to develop our work in this area and develop our training provision to respond to changes in legislation and the external environment.
- **External:** Our principal risks in this area relate to our reliance on statutory funding and the budgetary challenges our partners in local and central government experience. We continue to work collaboratively with our funders and partners, as well as exploring new opportunities to diversify our income streams to ensure the sustainability of our work.
- **Governance:** Our principal risks in this area relate to the potential for conflict of interest, and ensuring our governance and management structures are appropriate. 10/11 of our trustees are existing or retired foster carers, bringing a passionate and experienced lens to all of our work. We have adequate controls in place to manage conflict of interest and have launched a new policy governance framework to ensure proper oversight of organisational policies.

Statement of responsibilities of the trustees

The trustees (who are also directors of The Fostering Network for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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.

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.

Auditor

Sayer Vincent LLP acted as the charitable company's auditor during the year.

The trustees' annual report, including the strategic report, is approved by order of the board of trustees in their capacity as the directors at a meeting on 3 December 2025 and signed on its behalf by:

Mervyn Erksine

Chair of trustees

Independent auditor's report to the members of The Fostering Network

Opinion

We have audited the financial statements of The Fostering Network (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2025 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
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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 Fostering Network's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the

trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

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- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Farrah Kitabi (Senior statutory auditor)

5 December 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

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

The Fostering Network
Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2025

		Unrestricted	Restricted	2025 Total	Unrestricted	Restricted	2024 Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	2	161,764	-	161,764	306,237	-	306,237
Charitable activities							
Membership subscriptions		2,460,659	-	2,460,659	2,430,677	-	2,430,677
Specific projects		1,532,309	1,814,069	3,346,378	1,413,645	2,099,807	3,513,452
Publishing		39,624	-	39,624	65,748	-	65,748
Training and events		64,325	-	64,325	92,523	-	92,523
Advice services		239,409	-	239,409	215,391	-	215,391
Consultancy		2,856,556	-	2,856,556	1,610,154	-	1,610,154
Other trading activities		96,775	-	96,775	115,654	-	115,654
Investments		93,591	-	93,591	62,083	-	62,083
Sundry income		-	-	-	-	-	-
Total income		7,545,012	1,814,069	9,359,081	6,312,112	2,099,807	8,411,919
Expenditure on:							
Raising funds	5	(99,459)	-	(99,459)	(94,403)	-	(94,403)
Charitable activities	5						
Membership services		(2,227,104)	-	(2,227,104)	(2,342,466)	-	(2,342,466)
Project costs		(1,587,436)	(1,442,212)	(3,029,648)	(1,553,416)	(1,784,235)	(3,337,651)
Publishing		(21,964)	-	(21,964)	(74,320)	-	(74,320)
Training and events		(315,048)	-	(315,048)	(278,115)	-	(278,115)
Advice services		(300,729)	-	(300,729)	(411,030)	-	(411,030)
Consultancy		(1,974,118)	-	(1,974,118)	(1,154,407)	-	(1,154,407)
Total expenditure		(6,525,858)	(1,442,212)	(7,968,070)	(5,908,157)	(1,784,235)	(7,692,392)
Net income / (expenditure) for the year	7	1,019,154	371,857	1,391,011	403,955	315,572	719,527
Transfers between funds		(79,405)	79,405	-	157,616	(157,616)	-
Net income before other recognised gains and losses		939,749	451,262	1,391,011	561,571	157,956	719,527
Gains (Losses) on revaluation of fixed assets		-	-	-	(136,000)	-	(136,000)
Net movement in funds		939,749	451,262	1,391,011	425,571	157,956	583,527
Reconciliation of funds:							
Total funds brought forward		3,394,093	343,143	3,737,236	2,968,522	185,187	3,153,709
Total funds carried forward		4,333,842	794,405	5,128,247	3,394,093	343,143	3,737,236

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Notes 3 and 19 to the financial statements.

The Fostering Network
Balance sheet

Company no. 01507277

As at 31 March 2025

		2025		2024	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	12		3,445,772		3,518,855
Intangible assets	13		610,717		442,197
Investments	14		2		2
			4,056,491		3,961,054
Current assets:					
Stock		7,120		7,354	
Debtors	15	1,925,920		1,230,673	
Cash at bank and in hand		1,858,063		2,710,642	
		3,791,103		3,948,669	
Liabilities:					
Creditors: amounts falling due within one year	16	(2,719,347)		(4,172,487)	
Net current assets/(liabilities)			1,071,756		(223,818)
Total net assets			5,128,247		3,737,236
The funds of the charity:	19				
Restricted income funds			794,405		343,143
Unrestricted income funds:					
Revaluation reserve		1,597,509		1,597,509	
Designated reserve		-		517,121	
General funds		2,736,333		1,279,463	
Total unrestricted funds			4,333,842		3,394,093
Total charity funds			5,128,247		3,737,236

Approved by the trustees on 3 December 2025 and signed on their behalf by

Mervyn Erskine
Chair of the board of trustees

Martha Adam-Bushell
Director of Finance and Resources and Company Secretary

The Fostering Network
Statement of cash flows

For the year ended 31 March 2025

	2025 £	£	2024 £	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	1,391,011		719,527	
Depreciation charges	79,163		72,009	
Investment income	(93,591)		(62,083)	
Decrease in stocks	234		21,806	
(Increase)/decrease in debtors	(695,247)		406,891	
(Decrease)/increase in creditors	(1,453,140)		2,086,958	
Net cash (used in)/provided by operating activities		(771,570)		3,245,108
Cash flows from investing activities:				
Dividends, interest and rents from investments	93,591		62,083	
Purchase of property, plant and equipment	(6,080)		(412,503)	
Purchase of intangible assets	(168,520)			
Net cash provided by / (used in) investing activities		(81,009)		(350,420)
Cash flows from financing activities:				
Repayments of borrowing	-		(252,666)	
Net cash provided by / (used in) financing activities		-		(252,666)
Change in cash and cash equivalents in the year		(852,579)		2,642,022
Cash and cash equivalents at the beginning of the year		2,710,642		68,620
Cash and cash equivalents at the end of the year		1,858,063		2,710,642

Analysis of changes in net debt

	At 31 March 2024	Cash flows £	Other non- cash changes £	At 31 March 2025 £
Cash and cash equivalents				
Cash at bank and in hand	2,710,642	(852,579)	-	1,858,063
	2,710,642	(852,579)	-	1,858,063
Borrowings				
Debt due within one year	-	-	-	-
Debt due after one year	-	-	-	-
	-	-	-	-
Total	2,710,642	(852,579)	-	1,858,063

1 Accounting policies

a) Statutory information

The Fostering Network is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 87 Blackfriars Road, London, SE1 8HA

b) 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 (FRS 102) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The subsidiary company did not trade in the year. Therefore the results of the charity and the group are the same.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern; the charitable company has sufficient reserves and adequate controls to mitigate the risks identified in its detailed risk register.

The charity has very stable, regular income and has forecast future activities, balance sheet and operating surplus for three years. It manages working capital with monthly cash flow forecasts.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. The following specific policies apply to categorise of income:

- Membership subscriptions are recognised over the period of membership (equally over 12 months).
- Publications income is recognised at point of sale.
- Advice, training and consultancy income is recognised on the date the service was provided.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

1 Accounting policies (continued)

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering member services undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on internal recharges, of the amount attributable to each activity.

▪ Membership	54.8%
▪ Specific projects	10.3%
▪ Training and events	2.6%
▪ Advice services	0.3%
▪ Consultancy	30.4%
▪ Raising funds	1.0%
▪ Publishing	0.6%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Freehold land and buildings are recognised under the revaluation model under FRS102, and any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet. Freehold land and buildings are not depreciated as the property is maintained in good condition and therefore the residual value is considered to be in line with the carrying value.

1 Accounting policies (continued)

l) Tangible fixed assets (continued)

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

▪ Furniture and equipment	Over four years
▪ Computers and software	Over two to ten years
▪ Freehold improvements	Over three to seven years
▪ Freehold premises	Not depreciated
▪ Freehold land	Not depreciated

m) Intangible fixed assets

The costs of developing our new website have been capitalised as an intangible fixed asset, and are held at amortised. The website is considered to have an expected useful life of five years, and so will be amortised over that period.

n) Investments in subsidiaries

Investments in subsidiaries are at cost.

o) Stocks

Stocks consist of publications for resale and materials for use in training courses. They are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

p) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

q) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

t) Pensions

The Fostering Network operates a defined contribution pension scheme and the amount charged to the SOFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown in either accruals or prepayments in the balance sheet.

u) Management estimates and judgements

In the process of applying its accounting policies the charity is required to make certain estimates, judgements and assumptions. Examples of these are; where goods and services have been provided but not invoiced to us, we estimate the value of the services; where stock is slow moving we apply a net realisable value if that is lower than cost. Where debtors are materially overdue we reduce their value to zero.

The Fostering Network
Notes to the financial statements

For the year ended 31 March 2025

2 Income from donations and legacies

	2025	2024
	£	£
Donations	65,679	187,935
Gifts in kind	-	-
Core grants		
Northern Ireland Department of Health, Social Services and Public Safety	21,745	22,284
Scottish Government	74,340	96,018
	161,764	306,237

3 Projects income (current year)

Restricted Projects

	At 31 March				At 31 March
	2024	Income	Expenditure	Transfers	2025
	£	£	£	£	£
England / Headquarters					
Fostering Digital Skills for Life	23,541	-	(339)	-	23,202
Jon and Kathy Broad Award	601	-	-	-	601
Mockingbird Lewis	(12,125)	-	(12,451)	24,576	-
Quilts for Children in Care	2,607	-	(497)	-	2,110
Recruitment and Retention	1,146	-	(385)	-	761
Fosterline England set up	11,886	-	(36,813)	24,927	-
Fosterline England ongoing	35,142	263,516	(268,092)	-	30,566
Mockingbird Capacity Grant	(4,843)	-	(15,564)	20,407	-
Voices in Action	-	10,000	-	-	10,000
England / Headquarters	57,955	273,516	(334,141)	69,910	67,240
Northern Ireland					
Kinship Care Support	(15,824)	50,870	(41,435)	-	(6,389)
Step Up Step Down	15,379	438,500	(130,253)	-	323,626
Northern Ireland	(445)	489,370	(171,688)	-	317,237
Scotland					
Fosterline Scotland	7,061	70,399	(65,310)	-	12,150
Moving On	(960)	-	512	448	-
Scottish Newsletter	(3,139)	-	(1,590)	4,729	-
The Promise	5,275	-	(119)	-	5,156
Young Start	12,796	94,675	(37,392)	-	70,079
Fostering Friendly Employers	4,000	-	(4,000)	-	-
The Promise 2	66,150	(63,487)	(2,459)	-	204
Young Advocates	(4,198)	-	1,480	4,318	1,600
Scotland	86,985	101,587	(108,878)	9,495	89,189
Wales					
Fostering Communities	1,387	279,428	(279,589)	-	1,226
Fostering Wellbeing	2,871	269,062	(276,299)	-	(4,366)
Step Up Step Down Wales	194,390	401,106	(271,617)	-	323,879
Wales	198,648	949,596	(827,505)	-	320,739
Total projects	343,143	1,814,069	(1,442,212)	79,405	794,405

The negative balances are due to timing differences and all are ongoing projects and the funds are due to be received in Apr 25-March 26.

The Fostering Network
Notes to the financial statements

For the year ended 31 March 2025

3 Projects income (prior year)
Restricted Projects

	At 31 March 2023	Income	Expenditure	Transfers	At 31 March 2024
	£	£	£	£	£
England / Headquarters					
Fostering Digital Skills for Life	11,931	13,500	(1,890)	-	23,541
Jon and Kathy Broad Award	1,100	-	(499)	-	601
Mockingbird	-	35,000	(47,125)	-	(12,125)
Quilts for Children in Care	2,844	-	(238)	-	2,606
Recruitment and Retention	12,317	13,300	(24,471)	-	1,146
Fosterline England set up	-	123,198	(111,312)	-	11,886
Fosterline England ongoing	-	143,924	(108,782)	-	35,142
Mockingbird Capacity Grant	-	362,277	(367,120)	-	(4,843)
Digital Engagement	10,169	186,973	(30,000)	(167,142)	-
	38,361	878,172	(691,436)	(167,142)	57,955
Northern Ireland					
Kinship Care Support	10,117	13,741	(39,682)	-	(15,824)
Step Up Step Down	(15,186)	229,123	(213,744)	15,186	15,379
	(5,069)	242,864	(253,426)	15,186	(445)
Scotland					
Fosterline Scotland	1,113	62,065	(56,117)	-	7,061
Moving On	29,705	-	(30,665)	-	(960)
Scottish Newsletter	1,689	-	(4,828)	-	(3,139)
The Promise	26,817	-	(21,542)	-	5,275
Young Start	-	24,554	(11,758)	-	12,796
Fostering Friendly Employers	-	4,000	-	-	4,000
The Promise 2	-	66,150	-	-	66,150
Young Advocates	(2,598)	-	(1,600)	-	(4,198)
	56,726	156,769	(126,510)	-	86,985
Wales					
Fostering Communities	(548)	279,429	(280,084)	2,590	1,387
Fostering Excellence	3,965	-	-	(3,965)	-
Fostering Wellbeing	(6,924)	295,170	(285,375)	-	2,871
Step Up Step Down Wales	95,886	247,403	(147,404)	(1,495)	194,390
YP&Care Leavers Child Protection	-	-	-	-	-
Fostering Digital Skills	-	-	-	-	-
Triumph	2,790	-	-	(2,790)	-
	95,169	822,002	(712,863)	(5,660)	198,648
Total projects	185,187	2,099,807	(1,784,235)	(157,616)	343,143

4 Unrestricted Projects (current year)

	Income 2025	Expenditure 2025
	£	£
Fostering Achievement and Attainment	1,532,309	(1,521,159)
Total projects	1,532,309	(1,521,159)

For the year ended 31 March 2025

4 Unrestricted Projects (prior year)

	Income 2024 £	Expenditure 2024 £
Fostering Achievement and Attainment	1,413,645	(1,467,966)
Total projects	1,413,645	(1,467,966)

Purposes of restricted funds

The restricted funds relate to the following projects:

England

Fostering Digital Skills for Life - The Fostering Network is working with Internet Matters and University of East Anglia on the project, Fostering Digital Skills for Life. The project will create and deliver CPD-accredited training, giving foster carers the choice between self-study or facilitator-led learning. The project will also increase understanding across the sector of how supporting foster carers to improve their digital skills can positively impact the digital resilience of children in their care. This project is funded by Nominet as part of the REACH portfolio.

Jon and Kathy Broad Award - In memory of Kathy Broad, this is an annual award for foster carers caring for children with special needs and presented as part of the charity's Fostering Excellence Awards.

Mockingbird - Mockingbird led by The Fostering Network in the UK, delivers sustainable foster care. It is an evidence-based model structured around the support and relationships an extended family provides. The model nurtures the relationships between children, young people and foster families supporting them to build a resilient and caring community. The model now operates in 65 fostering services, either funded by the Department of Education or self-funded.

Quilts for Children in Care - A project to distribute hand made quilts, kindly donated by Helping Hands quilters, to children and young people in foster care.

Recruitment and Retention - A research study into the retention and recruitment of foster carers in England, which explore how to achieve a diverse and stable foster care workforce. The project was funded by the KPMG Foundation and conducted by the Centre for Evidence and Implementation (CEI).

Fosterline England - Fosterline England is a two year contract (extendable up to 3 years) awarded by the Department of Education to The Fostering Network in 2023. Fosterline is a free, independent national advice service that offers support for both current and prospective foster carers. The services aim to support foster families to stay together during times of crisis, reducing placement breakdown, and avoiding costs associated with this.

Digital Engagement - A project to transform our digital engagement with members, supporters and wider stakeholders through the creation of a new website and content management system.

Voices in Action - Funded by the Lennox Hannay Charitable Trust to run creative consultation sessions with children and young people, to discover what they think of our current work and the opportunities they would like to see us offer.

Northern Ireland

Kinship Care Support - funded by Children in Need and Ulster Garden Villages, this programme supports young people in kinship foster care and their carers to access support to help improve their well-being, build their skills and enable their engagement with the programme.

Step Up Step Down Northern Ireland - this is a seven year project, funded by The National Lottery Community Fund for Northern Ireland operating in partnership with the South Eastern Health and Social Care Trust works with families on the periphery of the care system from being taken into care and instead support them to stay within their own homes.

Purposes of restricted funds (continued)

Scotland

Fosterline Scotland - An independent and confidential service providing advice, information, mediation and support to foster carers across Scotland on all aspects of fostering, funded by the Scottish Government.

Moving On - Funded by the National Lottery Community Fund, the Moving On project is a two-year project focusing on supporting children and young people and foster families with the complexities and challenges of the transitions made through care and beyond of care.

Scottish Newsletter - A publication distributed to all our members in Scotland, funded by a variety of grants and donations.

The Promise – funded by Scottish Government and arising from the findings of the Care Review in February 2020, this project aims to deliver 'The Promise' in Scotland. We will implement change, challenge thinking where necessary, and create a young person's advisory board to ensure that children and young people are truly placed at the heart of the work.

Young Start - A two-year project to empower children and young people living in foster families across Scotland to make connections with the wider community and improve physical and emotional wellbeing and bring about the changes they want to see.

FFE Scotland - Funded by Hugh Fraser Foundation to encourage more employers in Scotland to become accredited as Fostering Friendly.

Promise 2 - Funded by the Scottish Government to establish a Mockingbird demonstration site in Scotland.

Young Advocates - This project, funded by Life Changes Trust and Young Start Fund (delivered by the National Lottery Community Fund), will see young people with care experience create learning opportunities for teachers and trainee teachers around what the day-to-day reality of school or college can be like for them. The young advocates will also train foster carers to help build their awareness of how they can best support the children and young people in their care.

Wales

Fostering Communities (including Fosterline Wales) 2020-2025 - This is a new national programme of improvement and support led by The Fostering Network in Wales and funded by the Welsh Government's Sustainable Social Services Third Sector Grant 2020-2023 (extended to 2025). Embedded within Fostering Communities is a co-production approach, which means we will work in equal partnership with foster carers, children and young people in care and fostering services to plan and deliver the programme. Working together as co-creators and sharing power will enable us to build a strong and resilient fostering community with the aim of improving wellbeing for all. Fostering Communities recognises that everyone in the fostering sector has a vital contribution to make in order to improve the quality of life for children and young people in care and their foster families.

Fostering Wellbeing - This pilot programme is funded by the Welsh Government and delivered by The Fostering Network in Wales. The programme aims to test and evaluate social pedagogy principles (focused on education and the upbringing of children) in a foster care environment. This project operates at regional level across Wales, delivering learning, bringing people together and sharing best practice across service boundaries with an aim to embed a shared approach that will support improved outcomes for children and young people.

Step Up Step Down Wales Welsh Government and the KPMG Foundation have jointly awarded funding to implement and deliver our innovative Step Up Step Down programme at two demonstration sites in Wales. This funding offers an opportunity to dramatically improve outcomes for families with children on the edge of care. Our programme seeks to embed and sustain delivery beyond the grant funded period and demonstrate a scalable model for further roll out within Wales and beyond. □

The Fostering Network
Notes to the financial statements

For the year ended 31 March 2025

5 Analysis of expenditure

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2025 £
Staff costs (Note 8)	69,405	1,397,545	1,353,734	-	213,588	280,745	841,997	4,157,014
Support costs	6,436	352,618	66,277	3,862	16,731	1,929	195,615	643,468
Other costs	23,619	476,938	1,609,637	18,103	84,729	18,054	936,507	3,167,587
Total expenditure 2025	99,459	2,227,104	3,029,648	21,964	315,048	300,729	1,974,118	7,968,070

5 Analysis of expenditure

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2024 £
Staff costs (Note 8)	69,899	1,598,452	1,447,783	-	205,832	359,038	358,056	4,039,060
Support costs	6,831	378,372	85,450	2,658	16,311	23,586	117,112	630,320
Other costs	17,673	365,642	1,804,418	71,662	55,972	28,406	679,239	3,023,012
Total expenditure 2024	94,403	2,342,466	3,337,651	74,320	278,115	411,030	1,154,407	7,692,392

The Fostering Network
Notes to the financial statements

For the year ended 31 March 2025

6 Support costs

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2025 £
Facilities	1,615	88,485	16,631	969	4,198	484	49,087	161,469
Finance	472	25,838	4,857	283	1,226	141	14,334	47,151
HR	146	8,009	1,506	88	380	44	4,444	14,617
IT	2,927	160,385	30,145	1,756	7,610	878	88,973	292,674
Management	908	49,735	9,348	545	2,360	272	27,590	90,758
Governance	368	20,166	3,790	221	957	110	11,187	36,799
Total expenditure 2025	6,436	352,618	66,277	3,862	16,731	1,929	195,615	643,468

6 Support costs

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2024 £
Facilities	2,406	133,254	30,094	936	5,744	8,306	41,244	221,984
Finance	3	143	32	1	6	9	44	238
HR	500	27,668	6,249	194	1,193	1,725	8,564	46,093
IT	3,140	173,933	39,280	1,222	7,498	10,842	53,835	289,750
Management	539	29,868	6,745	210	1,288	1,862	9,245	49,757
Governance	243	13,506	3,050	95	582	842	4,180	22,498
Total expenditure 2024	6,831	378,372	85,450	2,658	16,311	23,586	117,112	630,320

For the year ended 31 March 2025

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2025	2024
	£	£
Depreciation	79,163	72,009
Operating lease rentals:		
Property	44,124	23,834
Other	950	896
Rent receivable as lessor		
Property	40,463	109,537
Auditor's remuneration (excluding VAT):		
Audit	19,000	15,354
Audit underaccrual in prior year	9,046	500
Other services	6,850	2,000

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2025	2024
	£	£
Salaries and wages	3,627,395	3,522,456
Redundancy and termination costs	17,074	19,660
Social security costs	342,653	334,853
Employer's contribution to defined contribution pension schemes	169,892	162,091
	4,157,014	4,039,060

The redundancy and termination costs above were all paid in the year - there was no accrual at the year end.

The following number of employees received employee benefits during the year (including all pay types, but excluding employer pension costs and employer's national insurance) :

	2025	2024
	No.	No.
£60,000 - £69,999	2	3
£70,000 - £79,999	2	-
£90,000 - £99,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £355,051 (2024: £417,253).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year £nil (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity £nil (2024: £nil).

Indemnity insurance is provided for trustees at a premium of £1,526 (2024: £1,453).

Trustees' expenses represents the payment or reimbursement of travel costs totalling £970 (2024: £1,437) incurred by 2 (2024:5) members relating to attendance at meetings of the trustees.

For the year ended 31 March 2025

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 100 FTE 91 (2024: 100 FTE 96).

Staff are split across the activities of the charitable company as follows (full time equivalent basis):

	2025 No.	2024 No.
Cost of raising funds	2	1
Membership services	22	34
Projects	35	29
Training & events	4	5
Advice services	6	8
Consultancy	22	19
	91	96

10 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

The Fostering Network received no donations from trustees (2024: £nil). The trustees receive no benefit from the donations made to the charity.

During the year, The Fostering Network procured professional services from Bates Wells, for the sum of £13,255. One of the Trustees, Paul Seath, is a partner at Bates Wells, but is not involved in their work for The Fostering Network, and is prevented from knowing about it by an information barrier. He has included this in his declaration of interest. At the end of the year, £3,688 was owed to Bates Wells.

11 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12 Tangible fixed assets

	Freehold property £	Leasehold improvements £	Office Equipment £	Computer equipment £	Total £
Cost or valuation					
At the start of the year	3,100,000	25,427	75,543	738,828	3,939,798
Additions in year	-	-	-	6,080	6,080
Revaluation	-	-	-	-	-
At the end of the year	3,100,000	25,427	75,543	744,908	3,945,878
Depreciation					
At the start of the year	-	9,057	70,856	341,030	420,943
Charge for the year	-	3,402	1,059	74,702	79,163
At the end of the year	-	12,459	71,915	415,732	500,106
Net book value					
At the end of the year	3,100,000	12,968	3,628	329,176	3,445,772
At the start of the year	3,100,000	16,370	4,687	397,798	3,518,855

For the year ended 31 March 2025

12 Tangible fixed assets (continued)

Land with a value of £952,817 (2024: £952,817) is included within freehold property and not depreciated. The carrying amount on the cost model would be £1,322,221 (2024: £1,322,221). The purchase price of the freehold building was £450,000 in 1999. The freehold property is not depreciated because the Charity believes that the residual value of the property is in line with the carrying value.

In order to reduce the long term cost to the company of the London office, 30% (2024: 23%) of the total space is leased to tenants. The property is shown in the accounts at Market Valuation.

The Charity follows the revaluation model for freehold premises. Land and Buildings were revalued as at 31 March 2024 by Frederick Holt and Company Limited on an existing use open market basis in accordance with Guidance Notes of the Royal Institution of Chartered Surveyors. Lamberts are not connected with the charity. The Charity assessed market conditions and there are no indications of a material change in the valuation of the property in 2024-25. The Charity will revalue the premises for 2025-26.

13 Intangible fixed assets

	Website £	Total £
Cost or valuation		
At the start of the year	442,197	442,197
Additions in year	168,520	168,520
Disposals in year	-	-
Revaluation	-	-
At the end of the year	610,717	610,717
Amortisation		
At the start of the year	-	-
Charge for the year	-	-
Eliminated on disposal	-	-
Revaluation	-	-
At the end of the year	-	-
Net book value		
At the end of the year	610,717	610,717
At the start of the year	442,197	442,197

Intangible fixed assets represents the costs of the new Fostering Network website, which was created through the Digital Engagement project. The website went live on 13 March 2025, hence no amortisation in this financial year.

14 Investments

The Fostering Network owns the whole of the issued ordinary share capital of National Foster Care Association Services Ltd, a company registered in England. The subsidiary was dormant in the year.

	2025 £	2024 £
Trading subsidiary (cost)	2	2

For the year ended 31 March 2025

15 Debtors

	2025	2024
	£	£
Trade debtors	951,968	302,856
Other debtors	760,503	735,675
Prepayments	213,449	192,142
	1,925,920	1,230,673

All of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and in note 16.

16 Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	324,885	463,249
Taxation and social security	502,571	644,344
Other creditors and accruals	290,628	449,888
Deferred income	1,601,263	2,615,006
	2,719,347	4,172,487

17 Deferred income

Deferred income comprises of income relating to services to be provided in 2025/26, but have been invoiced prior to 31 March 2025.

	At 31 March 2024	Released	Deferred	At 31 March 2025
	£	£	£	£
Training and events	-	-	-	-
Advice services	269,238	(269,238)	69,420	69,420
Membership services	228,400	(228,400)	207,327	207,327
Consultancy	2,117,368	(2,117,368)	1,305,061	1,305,061
Rental Income	-	-	19,455	19,455
Restricted Project Income	-	-	-	-
Balance at the end of the year	2,615,006	(2,615,006)	1,601,263	1,601,263

For the year ended 31 March 2025

18 Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible and intangible fixed assets	4,056,489	-	-	4,056,489
Investments	2	-	-	2
Net current assets	277,351	-	794,405	1,071,756
Net assets at 31 March 2025	4,333,842	-	794,405	5,128,247

Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible and intangible fixed assets	3,443,931	517,121	-	3,961,052
Investments	2	-	-	2
Net current (liabilities)/assets	(566,961)	-	343,143	(223,818)
Net assets at 31 March 2024	2,876,972	517,121	343,143	3,737,236

19 Movements in funds (current year)

	At 31 March 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2025 £
General reserve	1,279,463	7,545,012	(6,525,858)	437,716	2,736,333
Designated Funds	517,121	-	-	(517,121)	-
Revaluation reserve	1,597,509	-	-	-	1,597,509
Total unrestricted funds	3,394,093	7,545,012	(6,525,858)	(79,405)	4,333,842

Movements in funds (prior year)

	At 1 April 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2024 £
General reserve	1,235,013	6,312,112	(5,908,157)	(359,505)	1,279,463
Designated Funds	-	-	-	517,121	517,121
Revaluation reserve	1,733,509	-	(136,000)	-	1,597,509
Total unrestricted funds	2,968,522	6,312,112	(6,044,157)	157,616	3,394,093

Designated Funds in the prior year relate to capital investment in the Digital Transformation programme, which resulted in a new website for The Fostering Network. This website went live in March 2025, and the costs were fully capitalised as intangible assets by that point. The balance on the Designated Reserve has therefore been transferred back to Unrestricted Funds.

For the year ended 31 March 2025

20a Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods.

	Property		Other	
	2025	2024	2025	2024
	£	£	£	£
Less than one year	39,001	28,834	855	896
One to five years	-	24,702	2,872	-
	39,001	53,536	3,727	896

20b Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property	
	2025	2024
	£	£
Less than one year	63,000	109,537
One to five years	81,375	-
	144,375	109,537

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

The Fostering Network Trustees, Management and Advisors

The following served as members of the board of directors and trustees and as the senior leadership team in 2024-25.

Chair

Mervyn Erskine

Treasurer

Lyssa Elster

Trustees

Mervyn Erskine
Stuart Lewis
Christopher Pope
Ishara Tewary
Jonathan Walsh
Frank Harasiwka
Matthew Page
Lyssa Elster
Paul Seath
Kate Brash
Caroline Malcolm

Senior Leadership Team

Sarah Thomas
(Chief Executive)

Corrie Biddle (from May 2024 until June 2025)
(Director of Practice & Innovation)

Kathleen Toner
(Director of Engagement & Influence)

Martha Adam-Bushell
(Director of Finance & Resources)

Company Secretary

Martha Adam-Bushell

Registered Office

87 Blackfriars Road
London
SE1 8HA

Auditor

Sayer Vincent LLP
110 Golden Lane
EC1Y 0TG

Bankers

Barclays Bank Plc
1 Churchill Place London
E14 5KP

Accounts



Company number : 01507277
England & Wales 280852
OSCR SC039338

Annual Review

for the year ended 31 March 2024

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Annual report 2023/24

Message from the Chair

As the chair of the board of trustees, I am delighted to introduce The Fostering Network's 2023-24 annual report.

It has been another eventful year at The Fostering Network. With our new Chief Executive, Sarah Thomas now at the helm, we have seen a renewed vigour and energy in the work of our charity.

Sarah has been focused on developing and building relationships and collaborating with all parts of the fostering community. With the Board of trustees and staff, Sarah is leading on the development of our new strategy to take us through the next three years and beyond.

At The Fostering Network, we believe relationships are the golden thread running through every fostering story and are dedicated to supporting, enriching, empowering and, where necessary, restoring the vital bonds between those who work together to offer love, warmth, stability and hope to children and young people. This will be at the heart of our new strategy.

With the ongoing challenges within the financial climate, we have been taking stock of what we offer to our members and refining our offer to make sure it meets the needs of foster carers across the four countries of the UK. This approach is informed by consultations with members and by our research. We continue to use evidence of members' experiences to inform our engagement with government, to influence policy, to develop new resources and training, to meet new and emerging needs. We have contributed to new and existing workstreams in governments and engaged with new initiatives which have emerged from the care reviews in each of the four nations.

Our innovative programmes including Step Up Step Down and Mockingbird, continue to grow and develop new approaches which are successfully addressing some of the key challenges in the social care system.

We are continuing to see significant growth of our Fostering Friendly scheme which helps broaden understanding and awareness of the important role foster carers play in their local communities, as well as in their workplaces. Each new company/workforce who joins the scheme helps spread the word about fostering friendly, ensuring more and more prospective, and current, foster carers feel supported and valued in their workplaces.

I offer my gratitude to my fellow trustees, many of whom are foster carers, for their support and guidance in steering the charity. I want to acknowledge the work of all TFN staff, past and present, for their passion and commitment, and always going the extra mile. Special thanks to all our members, fostering families and fostering services. You are at the centre of what we do.

As we look to the year ahead, we will continue to work collaboratively to make a positive impact on the care of children and young people across the UK.

Mervyn Erksine

Chair of trustees

Message from the Chief Executive

My first year as CEO has been a period of reflection and change. I have spent a lot of time learning about the organisation, listening to our members, staff, trustees and other stakeholders and considering how best to achieve our goals, to secure improvements for children, foster carers, and services. The past year has also brought many challenges, each of which have been overcome thanks to our skilled and dedicated staff teams, our trustees, supporters and most importantly, our members.

Having undertaken this period of review, I am looking forward to sharing our new strategy for 2025-2028. My hope is that we will maintain and refine that which is working well, and equally give focus to things that we could improve. It is my intention to continue to serve our members well, making best use of opportunities for innovation, engagement, partnership, and growth.

This vision for the future of The Fostering Network can only be achieved by working in partnership and collaborating with everyone who has a touch point with foster care; children, young people, foster carers, kinship foster carers, social care professionals, fostering and children's services, policy makers, elected representatives, funders, the wider third sector and those in our communities who can support making our vision a reality. Together, we are stronger.

As we move forward with renewed strategic goals, I always hold tight to my personal experience of fostering, twenty years' experience of working in the sector, and the insight I have gained from every young person, parent, and foster carer that I have been fortunate to walk alongside.

Sarah Thomas

Chief Executive Officer

The Fostering Network Annual Review 2023-24

About us

The Fostering Network is the UK's leading fostering charity. We are the essential network for fostering, bringing together everyone who is involved in foster care. We support foster carers to help transform children's lives and we work with fostering services and the wider sector to develop and share best practice. We work to ensure all children and young people in foster care experience stable family life, and we are passionate about the difference foster care makes. We champion fostering and seek to create vital change so that foster care is the very best it can be.

Vision

Our vision is a society where the importance of fostering is understood, recognised, and supported.

Mission

Our mission is to support those who foster, improve opportunities for children and young people in foster care, and provide expert guidance to all fostering services.

Values

We are trusted – expert and independent.

We are together – a network, working in partnership, for community, for members.

We are vital:

- for raising awareness of fostering
- for creating change
- for up-to-the-minute information, advice, and support for foster carers, fostering services and fostered children and young people – the whole fostering community

Strategic Report

What we achieved – some highlights

Objective: Provide opportunities for children and young people that benefit them, make their voices heard and enable them to reach their potential.

Throughout the year we have continued to deliver new and existing programmes to support fostering communities throughout the UK.

UK-wide

Our Tick the Box campaign encourages care experienced young people to tick the box on their UCAS application forms to say they have experience of the care system - this ensures they get the support they are entitled to. In the five years since the campaign launched, the number of young people ticking the box has almost doubled – from 4,495 in 2018 to 8,915 in 2023.

Northern Ireland

In Northern Ireland we have continued to develop and deliver the Fostering Attainment and Achievement (FAA) service – a programme which improves education outcomes for children in foster care, funded by the Northern Ireland Department of Health's Strategic Policy and Planning Group. We delivered our annual summer programme to 219 children and young people, delivered the Letterbox programme to over 300 children, provided educational resources to more than 1,100 children, which included one-to-one tuition, IT resources and access to a range of confidence building activities. Over 200 foster carers benefited from our Masterclass programme and we supported a further 1000 with support and advice on educational issues.

Our award-winning Step-Up Step Down (SUSD) programme has continued to provide support to families on the edge of care, helping to prevent children from being taken into care where possible. This has seen the continued delivery of 'nurture groups' for children, supporting them to build positive relationships and learn to regulate their emotions. Support is also provided for whole families in the SUSD service, helping them build positive attachments and stay together as a family, in a safe way. With funding from the Welsh Government and the KPMG foundation we have rolled out the Step Up, Step Down model in Pembrokeshire in Wales and have also agreed a second site in Powys.

The Fostering Kinship Support programme takes a nurturing, needs-led and strengths-based approach, working collaboratively with families to improve their health and wellbeing of children and young people, support kinship carers build and grow enhanced life skills and enable participation of kinship families in activities that combat isolation and increase social connectedness within communities. We supported 104 families and this number is continually growing.

Scotland

It's been a busy year for the Moving On Project, which supports positive transitions through and out of foster care in Scotland. As part of the project, The Principles of Good Transitions was developed and published. We also hosted a trauma-informed workshop for The Fostering Network staff.

Our Young People's Advisory Board is growing in number and in confidence. They presented their views to the TFN Board of Trustees and have been developing skills and knowledge to amplify their concerns to policy makers

Wales

Through our Welsh Government funded programme, Fostering Communities, we published two issues of Thrive, our magazine for children and young people. The issues focused on "knowing and understanding your rights" and supporting with two key themes in education, "transitions" and "exam stress". Our Youth Advisory board took part in workshops to develop the content of both of these issues, as did members of

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our foster carer advisory board, sharing examples of best practice supporting young people with their education.

We also published 'Make your Own Adventure'. This resource, based on activities tested by children looked after and their foster carers, contains a series of interactive play sessions using low or no cost materials that can help build relationships and attachment.

Fostering Wellbeing

70 Masterclass sessions were delivered across Wales totalling 175 hours of content delivery. A series of short films were commissioned to highlight the individual roles of members of the Team Around the Child and share their own reflections on the benefits of working together.

Objective: Promote foster care to ensure society understands, values and recognises how foster carers transform children's lives

Foster Care Fortnight

Foster Care Fortnight is The Fostering Network's annual campaign to raise the profile of fostering and shows foster care transforms lives. Foster Care Fortnight 2023 was a highlight of the year across the four nations. This year, due to its previous success, the campaign's theme was Fostering Communities again, providing an opportunity to celebrate everyone within the fostering community.

In England, Children's Minister Claire Coutinho hosted the first foster carer event at 10 Downing Street with Secretary of State for Education Gillian Keegan, which we attended with foster carers. We also held a Retention and Recruitment research launch event, attended by the Minister, and a sector webinar for services on the research. In addition, staff from the membership engagement team visited numerous service events across the country.

The team in Northern Ireland held events for over 350 people in the fostering community over the fortnight, including foster and kinship families, parents, colleagues from government and fostering services. Activity varied from a formal launch in Stormont to Fosterline NI launch coffee mornings, family fun days and yoga sessions.

The Scotland team had activities almost every day during the fortnight, again for over 350 people, and Rona Mackay MSP tabled a debate in Scottish Parliament, attended by Jacqueline and Sara. To close the fortnight, the team hosted 250 people from fostering families at Blair Drummond Safari Park along with Natalie Don MSP, who made it her first fostering event.

Staff in Wales travelled to all corners of the country highlighting FCF, including undertaking several Foster Walks, holding a coffee morning for pioneers and organising a launch in the Senedd with Julie Morgan MS, Deputy Minister for Social Services and Albert Heaney, Chief Social Care Officer. At this event, the Welsh government announced their Fostering Friendly status.

On social media, The Fostering Network's posts reached 121,000 people on Twitter; just over 47,000 on Facebook and almost 8,000 on Instagram, compared to 2022 where our reach was 24,000 on Facebook and under 3,000 on Instagram.

There were 849 pieces of media coverage relating to FCF. We had high profile pieces of media coverage, including Sarah Thomas appearing on BBC Breakfast, Jacqueline Cassidy, director of Scotland and practice, appeared on a live panel discussion on Scotland Tonight.

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Foster Walk, our annual sponsored walk, aims to raise awareness of fostering. This year we encourage people to take part in groups, while also organising walks in England, Northern Ireland, Scotland and Wales. Almost 500 people took part during the fortnight.

Awards

The 2023 Fostering Excellence Awards were hosted by BBC presenter Ashley John-Baptiste. The event was a huge success, providing an excellent opportunity to celebrate the achievements of people in fostering communities across the UK. We had 251 award nominations and 44 were shortlisted across four categories. 114 guests attended the ceremony, including representatives from John Lewis as well as other Fostering Friendly employers, government officials and supporters.

We also held our annual Northern Ireland Foster Care awards in September. More than 230 people attended the event in Belfast, hosted by broadcaster Mark Simpson. A total of 12 awards were handed out across 12 categories.

Fostering Friendly Employers

Our Fostering Friendly Employers scheme continues to go from strength to strength. It encourages and supports employers to play a vital role in strengthening our fostering community by boosting support offered to current and prospective foster carer employees. This includes offering flexible working and extra time off to help settle a child into their home. Over twelve months we recruited and approved 59 new Fostering Friendly employers, including John Lewis Partnership, Santander, Metro Bank, Welsh Government, Lidl Ireland and KPMG. Together they employ over 400,000 people. We also strengthened the support we give to our member fostering services to recruit local employers to the scheme, leveraging new partnerships to support recruitment and retention. We have showcased their work, sharing practical lessons with a wide range of our member services, many of whom are now following suit.

Objective: We will influence policy and the legislative framework, so it supports and promotes excellence in foster care

In 2023/24 we continued campaigning and influencing policy at every level. We increased our ability to influence more consistently and to better effect across the UK, thanks to our newly structured policy and campaigns team with some campaign wins for fostering.

England

We continued to work closely with and influence the Minister for Children and the Department for Education (DfE) to implement their 'Stable Homes Built on Love' strategy, with another £8.5 million announced in December 23 to help tackle the shortage of foster carers in England. Our CEO was invited to sit on the DfE's newly formed Fostering Advisory Board which is advising on the reforms and to be part of Mutual Ventures Advisory Board on the recruitment hubs. The Government will be consulting on several changes to the law in summer 24. We are pleased to see this includes many of our policy and campaign calls, including extending Staying Put to 23 and introducing delegated authority by default.

We continued our Cost of Fostering campaign and published a report on the low and inconsistent rates of allowances across the UK in September 2023. In December, the Government announced a 6.88% above inflation uplift to the national minimum allowance for foster carers in England.

We briefed MPs for a debate on allowances where several Members and the Shadow Children's Minister referred to TFN policy calls including the importance of raising allowances for foster carers.

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The Education Select Committee held an Inquiry into Children's Social Care in spring 2024. We submitted written evidence, and our CEO was invited to give oral evidence.

We launched our manifesto head of the upcoming general election calling on political parties to prioritise care experienced children and young people, support the foster carer workforce, and invest and reform in the wider system supporting care experienced children and young people.

Scotland

We briefed Rona Mackay, MSP, to lead a debate on fostering friendly employers during Foster Care Fortnight, securing a commitment from the Scottish Government to commence work to become approved as a fostering friendly employer.

In August 2023, after many years of campaigning from TFN, we were pleased to see the Scottish Government finally announce a National Recommended Allowance for foster and kinship carers, achieving a long standing campaign goal.

We have had positive engagement with the new Children's Minister, Natalie Don, MSP. The Minister took the opportunity to meet with foster carers members and young people who had won our Fostering Excellence awards, inviting them to attend an event in the Scottish Parliament in January to celebrate with her.

In December 2024, we appointed a new Participation Worker to grow our young person's advisory board. The board is working closely with the Children's Minister and Scottish Government to amplify the voice of young people to influence fostering policy.

We have continued to work closely with Scottish Government on their fostering recruitment and retention strategy. We look forward to engaging members to share their views as the Government consults on key reforms which reflect TFN campaign goals, including the development of a register for foster carers.

Northern Ireland

We have continued to be involved in the Children's Reform Programme which emerged in response to the review of children's services in Northern Ireland, led by Professor Ray Jones. We are represented on four of the ten workstreams enabling us to share the views and concerns of foster carers, kinship foster carers and young people. We continue to work with officials to consult with our members to inform the work of these workstreams. We published "Fostering Brighter Futures", a policy document which highlights areas of priority to implement the review.

We are members of the Reimagining Children's services group, a third sector consortium which came together to maintain the focus on implementing the Review's recommendations

A major focus of our policy and campaigning work since 2013 has been to press for the introduction of foster care regulations in Northern Ireland. After several false starts, we are pleased to see a timetable in place for their introduction and implementation which is a major shift in policy and practice. We are also part of a working group to establish standards for foster care.

The Adoption and Children Act has become law, and we are actively involved in several groups linked to its implementation including a working group developing a regional approach to allegations.

Wales

We have continued to work closely with the Minister for Children's Social Care and Welsh Government on the implementation of the Radical Reform Inquiry.

In July 2023, the Welsh Government accepted the Children, Young People and Education Committee's recommendation to create a national register for foster carers which we campaigned for. They committed to working with us and Social Care Wales to scope and fund the register.

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Our CEO continued to sit on the Welsh Government board to eliminate profit from children's social care in Wales and the Health and Social Care (Wales) Bill which will enact these reforms will enter the Senedd in May 24. We have been invited to give oral evidence to the Health and Social Care Committee on the Bill.

Objective: Support fostering families and the services that work with them to provide the best possible care for children and young people

We commissioned Centre for Evidence and Implementation (CEI) to carry out research into the retention and recruitment of foster carers. Their team surveyed 1,879 prospective, current and former foster carers, carrying out interviews and focus groups. We then pulled together a series of recommendations for the Government aimed at making improvements to foster care, which will support the retention and recruitment of foster carers.

Wales

In Wales, more than 200 foster carers have taken part in our Fostering Communities webinar programme over the past year. Webinar topics have included the Welsh education system, supporting looked after young people with financial skills, how recording causes stigma and young people's mental health. We've worked with a number of organisations to develop this content, including the Money and Pensions Service, Children in Wales, The Care Leaders and Young Minds.

An independent evaluation of our Fostering Wellbeing programme found it to be a valued and effective model, promoting a holistic approach to supporting children and young people. The programme is funded by the Welsh Government and aims to improve wellbeing and educational outcomes for care-experienced children in Wales. The evaluation, carried out by research centre CASCADE at Cardiff University, reported that foster carers felt empowered to become stronger advocates for the children in their care following engagement with the programme. The Welsh Government recognises the positive impact the Fostering Wellbeing programme has had by committing to another three years of grant funding.

Our Plans

Our new chief executive has a clear vision for TFN's strategy and will be publishing a strategic plan for the next three to five years

Organisational priorities for the next 12 months are:

Improved digital member engagement

- Improve the organisation's digital offering through the launch of the new website in 2025. This will help boost member engagement
- Launch the new learning management system to improve learning and development support offered to foster carers and services
- Improve the digital literacy skills base of TFN staff through learning and development opportunities

Grow innovative models of fostering

- Grow and develop existing key programmes to increase impact on the fostering sector, including expand SUSI in Wales and other parts of the UK, and expand the Fostering Wellbeing programme
- Expand Mockingbird through the implementation of the Government's children's social care strategy
- Launch Revised and Updated Skills to Foster

Hear the voice of young people

- It's vital as a charity that we hear and understand the needs of children and young people, ensuring they support the direction of the charity
- We will strengthen and support the participation groups and advisory boards in Scotland and Wales and the kinship advisory group in Northern Ireland each country to ensure the participation of children and young people, to ensure we are led by their voice
- We will explore implementing a UK-wide model of the children and young people's advisory board.

Influencing and building connections

- We will continue to influence governments across the UK to ensure policies and legislation are the best they can be for fostering.
- A key focus for the next year is to work with the new Government in Westminster and the devolved Governments in Wales, Scotland and Northern Ireland to effect change to improve outcomes for children looked after and to sustain fostering carers in their fostering role. the profile of improving foster care.
- Listening to foster carers and amplifying their concerns.

Review membership offer

- Review our membership offer across the UK to improve, harmonise and streamline our offering – ensuring members are getting the best value for money

Our Fundraising

We are grateful to all the donors, supporters and funders who joined us in our cause and supported us to achieve our mission across the UK over the year. John Lewis Partnership, The Mortgage Brain, and Williams Giles continued their support for us through partnerships and from staff fundraising and in-kind support over the year.

We were delighted to be chosen as charity of the year by Picton, Flintshire County Council, Office Space in Town and Old Nene Golf and Country Club.

We are grateful to partners The Mortgage Brain, Williams Giles and John Lewis Partnership who chose to sponsor our prestigious Fostering Excellence Awards again this year.

Foster Walk, our flagship fundraising event, saw the largest participation to date with hundreds of people taking on walking challenges and raising thousands of pounds. We thank those member and supporter organisations who fielded teams. Over the year many community supporters organised their own events or took part in third party challenges.

We are grateful to all our grant funders, including the Department for Education, KPMG Foundation, National Lottery Community Fund, The Scottish and Welsh Governments, The Promise Partnership and The Harrison Frank Family Foundation, whose support has enabled us to design and deliver innovative projects that are improving foster care across the UK.

Fundraising practice

Our fundraising activity is focused on organisations and individuals that have an established relationship with The Fostering Network. We support and adhere to the code of practice of the Fundraising Regulator and pay their levy.

During the year we did not receive any complaints related to fundraising, we followed the best practice recommended by the Fundraising Regulator to protect vulnerable people and did not use third parties to raise funds on our behalf.

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Most of the fundraising expenditure is staff time and a significant proportion of this is spent developing formal bids for major projects and services. During the year the team supported operational staff in winning numerous grants and contracts.

We would like to recognise the enormous contribution that the following funders and supporters have made to our work over the year and to thank them for their vital support, as well as all our generous donors and fundraisers.

Child Concern Consortium

Department for Education (England)

DR Lewis Family Charitable Trust

Department of Health (Northern Ireland)

Flintshire County Council

Garfield Weston Foundation

SPPG, Department of Health, Northern Ireland

Hugh Fraser Foundation

John Lewis Partnership

KPMG Foundation

Life Changes Trust

National Lottery Community Fund

Northwood Charitable Trust

Old Nene Golf and Country Club

Office Space in Town

Picton

Promise Partnership Scottish Government

Sir Jeremiah Colman Gift Trust

Souter Charitable Trust

The Harrison Frank Family Foundation

The Mortgage Brain

Thomas Sivewright

Catto Charitable Trust

Ulster Garden Villages

Welsh Government

Wexbaby

Young Start Fund

Key Management Personnel

The Charity's trustees and the senior leadership team comprise the key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day-to-day basis. The pay of the Chief Executive is reviewed annually and increased when possible following formal approval by the trustees. Key managers and all staff are part of a formal grading system that facilitates fair and transparent comparison of roles. The bands are reviewed each year and salaries are increased when possible following formal approval by the Chief Executive and Trustees.

Financial review

The Fostering Network built on the foundation of diversified income and improved member benefits has achieved unrestricted income of **£6,312k**, an improvement of **£519k**. It also achieved restricted income of **£2,099k**, which is **£1,014k** higher than last year.

Membership income remains steady at **£2,431K** and project income has improved by **£984k** at **£3,513K** compared to **£2,529K** last year. Consultancy income has rose by 59% to **£1,610K**.

Overall income has increased by 22% from **£6,878K** to **£8,412k**.

The charitable expenditure on unrestricted activities declined by 3%, totalling £5,908k, while restricted charitable expenditure rose by £686k to £1,784k, reflecting the increased income generated from expanded project activities.

In 2023/24 we made a further capital investment in IT of **£412k** as part of our digital transformation program.

The net unrestricted surplus was **£562k**, and after taking the losses on the revaluation of the Freehold Property of £136k, the net surplus is **£426k**.

Cash balances have increased during the year by **£2,642k** due to payment in advance of a new consultancy contract.

In keeping with the charity's policy of holding owned property at market value the Trustees have undertaken a formal valuation of its principal office located at 87 Blackfriars Road, London. The valuation was prepared by Fredrick Holt and Company Limited in June 2024 at **£3,100K**. At the end of March 2023, it was held at a value of **£3,236K**. This valuation demonstrates the way the property has held its market value throughout the turbulence in the London property market since 2018 when the building was fully refurbished.

Unrestricted reserves increased by **£426k**, bringing the total balance to **£3,394k** at year-end. A transfer of **£517k** was made from General Funds to Designated Reserves, representing the capital investment in the digital transformation program, now part of Fixed Assets. Revaluation Reserves decreased by **£136k**, driven by the devaluation of property values. Restricted Reserves reduced by **£158k**, leaving total reserves **£584k** higher at **£3,737k**.

General reserves policy

In deciding on the level of unrestricted reserves required the board of trustees carries out a review to establish the level of reserves necessary to cover future investment, working capital and evaluated risks.

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The policy for the level of unrestricted general reserves is now guided by a detailed evaluation of the risks included in the risk register. Each risk is valued and then that value is discounted by a percentage based on the likelihood of that risk occurring. The reserves also provide for any material future investment plans and for specific working capital required to manage large projects.

On this basis, general reserves required are calculated at **£1,459k**. At the year end, the charity holds general funds **£2,877k** which consists of property and working capital with overall cash balances of **£2,711k**. Property is held at market value of **£3,100K**, which remains a significant asset should there be a need for additional funds. Reserves are in line with the reserves policy.

Going concern

We have set out above a review of the financial performance during the financial year and our reserves position at the year end. We have adequate financial resources in the form of cash, the ability to raise financing secured on the charity's property and have the structures in place to manage the business risks. In addition, our annual budgeting and forecasting processes have taken into consideration the current economic climate and its potential impact on both our various sources of income and expenditure.

We have a reasonable expectation that we have adequate resources and control mechanisms to continue in operational existence for the foreseeable future.

Further, we believe that there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern. Therefore, we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Risk management

The trustees have identified and reviewed the major risks to which the organisation is exposed and have established systems and procedures to manage those risks. This involved identifying more than 50 potential risks and then assessing the likelihood of their occurrence and their impact. Where systems are already in place to mitigate these risks, schedules for regular monitoring and reviews have been adopted. Where systems are not already in place, deadlines have been set for their development by staff and approval by trustees.

In managing risk, trustees have considered the following principal areas of risk.

Diversity of income streams and the significance of membership income. We have increased the staff and cost budgets to support members to provide improved services and have continued to strengthen other income such as Mockingbird. In the coming year we will take steps to further strengthen and diversify our income streams.

Ensuring child safety. We ensure staff are trained and supported in their work with Children and that appropriate policies, risk assessments and statutory checks are carried out.

Clarity of long-term strategic plans. The trustees meet each year to review and assess long-term strategic plans.

Inflation. The trustees have reviewed the impact of rising inflation and have provided for the evaluated impact in our reserves required.

Maintaining adequate reserve levels. We set a reserves level that reflect a financial evaluation of the specific risks that we face together with our fixed asset and working capital plans. We then set annual

The Fostering Network Annual Review 2023-24

operating plans in order to ensure that we maintain enough reserves or so that we build towards the agreed level of reserves if there is a shortfall.

Financial management and financial control. We use professionally qualified staff in our accounts department and have detailed budgets and operating plans that are reported against each month.

The physical condition of the principal property asset at 87 Blackfriars Road. We recognise that this property represents most of our financial reserves and we have an annual maintenance plan to keep it in good condition. In 2018 the building was completely refurbished.

The trustees continue to develop plans to grow unrestricted income, to invest in new income streams, to improve our services to our members and to maintain reserves at our agreed level.

Statement of responsibilities of the trustees

The trustees (who are also directors of The Fostering Network for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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.

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.

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Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity. The trustees' annual report, including the strategic report, is approved by order of the board of trustees in their capacity as the directors at a meeting on 13 December 2024 and signed on its behalf by:

Mervyn Erksine

Chair of trustees

Independent auditor's report to the members of The Fostering Network

Opinion

We have audited the financial statements of The Fostering Network (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 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
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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 Fostering Network's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit;

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

Date 16 December 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

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

The Fostering Network
Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2024

		2024			2023		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	2	306,237	-	306,237	301,078	-	301,078
Charitable activities							
Membership subscriptions		2,430,677	-	2,430,677	2,437,812	-	2,437,812
Specific projects		1,413,645	2,099,807	3,513,452	1,443,728	1,085,330	2,529,058
Publishing		65,748	-	65,748	71,947	-	71,947
Training and events		92,523	-	92,523	104,095	-	104,095
Advice services		215,391	-	215,391	237,557	-	237,557
Consultancy		1,610,154	-	1,610,154	1,122,537	-	1,122,537
Other trading activities		115,654	-	115,654	63,985	-	63,985
Investments		62,083	-	62,083	9,939	-	9,939
Sundry income		-	-	-	-	-	-
Total income		6,312,112	2,099,807	8,411,919	5,792,678	1,085,330	6,878,008
Expenditure on:							
Raising funds	5	(87,572)	-	(87,572)	(101,300)	-	(101,300)
Charitable activities	5						
Membership services		(2,594,414)	-	(2,594,414)	(2,974,171)	-	(2,974,171)
Project costs		(1,467,966)	(1,784,235)	(3,252,201)	(1,444,556)	(1,025,107)	(2,469,663)
Publishing		(71,662)	-	(71,662)	(57,873)	-	(57,873)
Training and events		(261,804)	-	(261,804)	(169,766)	-	(169,766)
Advice services		(387,444)	-	(387,444)	(372,974)	-	(372,974)
Consultancy		(1,037,295)	-	(1,037,295)	(983,343)	-	(983,343)
Total expenditure		(5,908,157)	(1,784,235)	(7,692,392)	(6,103,983)	(1,025,107)	(7,129,090)
Net income / (expenditure) for the year	7	403,955	315,572	719,527	(311,305)	60,223	(251,082)
Transfers between funds		157,616	(157,616)	-	176,805	(176,805)	()
Net income before other recognised gains and losses		561,571	157,956	719,527	(134,500)	(116,582)	(251,082)
Gains (Losses) on revaluation of fixed assets		(136,000)	-	(136,000)	(64,000)	-	(64,000)
Net movement in funds		425,571	157,956	583,527	(198,500)	(116,582)	(315,082)
Reconciliation of funds:							
Total funds brought forward		2,968,522	185,187	3,153,709	3,167,022	301,769	3,468,791
Total funds carried forward		3,394,093	343,143	3,737,236	2,968,522	185,187	3,153,709

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Notes 3 and 19 to the financial statements.

The Fostering Network
Balance sheet

Company no. 01507277

As at 31 March 2024

		2024		2023	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	12		3,961,052		3,756,558
Investments	13		2		2
			3,961,054		3,756,560
Current assets:					
Stock		7,354		29,162	
Debtors	14	1,230,673		1,637,564	
Cash at bank and in hand		2,710,642		68,622	
		3,948,669		1,735,348	
Liabilities:					
Creditors: amounts falling due within one year	15	(4,172,487)		(2,202,129)	
Net current liabilities			(223,818)		(466,781)
Creditors: amounts falling after one year	16		-		(136,070)
Total net assets			3,737,236		3,153,709
The funds of the charity:	19				
Restricted income funds			343,143		185,187
Unrestricted income funds:					
Revaluation reserve		1,597,509		1,733,509	
Designated reserve		517,121		-	
General funds		1,279,463		1,235,013	
Total unrestricted funds			3,394,093		2,968,522
Total charity funds			3,737,236		3,153,709

Approved by the trustees on 13 December 2024 and signed on their behalf by

Mervyn Erskine
Chair of the board of trustees

Martha Adam-Bushell
Director of Finance and Resources and Company Secretary

The Fostering Network
Statement of cash flows

For the year ended 31 March 2024

	2024 £	£	2023 £	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	719,527		(251,082)	
Depreciation charges	72,009		85,224	
Investment income	(62,083)		(9,939)	
(Increase)/decrease in stocks	21,806		(19,075)	
(Increase)/decrease in debtors	406,891		300,537	
Increase/(decrease) in creditors	2,086,958		(392,328)	
Net cash provided by / (used in) operating activities	3,245,108			(286,663)
Cash flows from investing activities:				
Dividends, interest and rents from investments	62,083		9,939	
Purchase of property, plant and equipment	(412,503)		(130,802)	
Net cash provided by / (used in) investing activities	(350,420)			(120,863)
Cash flows from financing activities:				
Repayments of borrowing	(252,666)		(149,475)	
Net cash provided by / (used in) financing activities	(252,666)			(149,475)
Change in cash and cash equivalents in the year	2,642,022			(556,991)
Cash and cash equivalents at the beginning of the year	68,620		625,611	
Cash and cash equivalents at the end of the year	2,710,642		68,620	

Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	Other non- cash changes £	At 31 March 2024 £
Cash and cash equivalents				
Cash at bank and in hand	68,620	2,642,022	-	2,710,642
	68,620	2,642,022	-	2,710,642
Borrowings				
Debt due within one year	50,033	(50,033)	-	-
Debt due after one year	99,442	(99,442)	-	-
	149,475	(149,475)	-	-
Total	218,095	2,492,547	-	2,710,642

1 Accounting policies

a) Statutory information

The Fostering Network is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 87 Blackfriars Road, London, SE1 8HA

b) 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 (FRS 102) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The subsidiary company did not trade in the year. Therefore the results of the charity and the group are the same.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern; the charitable company has sufficient reserves and adequate controls to mitigate the risks identified in its detailed risk register.

The charity has very stable, regular income and has forecast future activities, balance sheet and operating surplus for three years. It manages working capital with monthly cash flow forecasts.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. The following specific policies apply to categorise of income:

- ~ Membership subscriptions are recognised over the period of membership (equally over 12 months).
- ~ Publications income is recognised at point of sale.
- ~ Advice, training and consultancy income is recognised on the date the service was provided.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- ~ Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- ~ Expenditure on charitable activities includes the costs of delivering member services undertaken to further the purposes of the charity and their associated support costs.
- ~ Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- Membership	60.0%
- Specific projects	13.6%
- Training and events	2.6%
- Advice services	3.7%
- Consultancy	18.6%
- Raising funds	1.1%
- Publishing	0.4%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Freehold land and buildings are recognised under the revaluation model under FRS102, and any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet. Freehold land and buildings are not depreciated as the property is maintained in good condition and therefore the residual value is considered to be in line with the carrying value.

1 Accounting policies (continued)

l) Tangible fixed assets (continued)

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

~ Furniture and equipment	Over four years
~ Computers and software	Over two to ten years
~ Freehold improvements	Over three to seven years
~ Freehold premises	Not depreciated
~ Freehold land	Not depreciated

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Stocks

Stocks consist of publications for resale and materials for use in training courses. They are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

s) Pensions

The Fostering Network operates a defined contribution pension scheme and the amount charged to the SOFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown in either accruals or prepayments in the balance sheet.

t) Management estimates and judgements

In the process of applying its accounting policies the charity is required to make certain estimates, judgements and assumptions. Examples of these are; where goods and services have been provided but not invoiced to us, we estimate the value of the services; where stock is slow moving we apply a net realisable value if that is lower than cost. Where debtors are materially overdue we reduce their value to zero.

The Fostering Network
Notes to the financial statements

For the year ended 31 March 2024

2 Income from donations and legacies

	2024 £	2023 £
Donations	187,935	159,970
Gifts in kind	-	1,600
Core grants		
Northern Ireland Department of Health, Social Services and Public Safety	22,284	43,490
Scottish Government	96,018	96,018
	306,237	301,078

3 Projects income (current year)
Restricted Projects

	Balance at 1 April 2023 £	Income 2023 £	Expenditure 2023 £	Transfers £	Balance at 31 March 2024 £
England / Headquarters					
Fostering Digital Skills for Life	11,931	13,500	(1,890)	-	23,541
Jon and Kathy Broad Award	1,100	-	(499)	-	601
Mockingbird Lewis	-	35,000	(47,125)	-	(12,125)
Quilts for Children in Care	2,844	-	(238)	-	2,606
Recruitment and Retention	12,317	13,300	(24,471)	-	1,146
Fosterline England set up		123,198	(111,312)	-	11,886
Fosterline England ongoing		143,924	(108,782)	-	35,142
Mockingbird Capacity Grant		362,277	(367,120)	-	(4,843)
Digital Engagement	10,169	186,973	(30,000)	(167,142)	-
England / Headquarters	38,361	878,172	(691,437)	(167,142)	57,955
Northern Ireland					
Kinship Care Support	10,117	13,741	(39,682)	-	(15,824)
Step Up Step Down	(15,186)	229,123	(213,744)	15,186	15,379
Northern Ireland	(5,069)	242,864	(253,426)	15,186	(445)
Scotland					
Fosterline Scotland	1,113	62,065	(56,117)	-	7,061
Moving On	29,705	-	(30,665)	-	(960)
Scottish Newsletter	1,689	-	(4,828)	-	(3,139)
The Promise	26,817	-	(21,542)	-	5,275
Young Start	-	24,554	(11,758)	-	12,796
Fostering Friendly Employers		4,000	-	-	4,000
The Promise 2		66,150	-	-	66,150
Young Advocates	(2,598)	-	(1,600)	-	(4,198)
Scotland	56,726	156,769	(126,510)	-	86,985
Wales					
Fostering Communities	(548)	279,429	(280,084)	2,590	1,387
Fostering Excellence	3,965	-	-	(3,965)	-
Fostering Wellbeing	(6,924)	295,170	(285,375)	-	2,871
Step Up Step Down Wales	95,886	247,403	(147,404)	(1,495)	194,390
Fostering Digital Skills					
Triumph	2,790	-	-	(2,790)	-
Wales	95,169	822,002	(712,863)	(5,660)	198,648
Total projects	185,187	2,099,807	(1,784,236)	(157,616)	343,143

The negative balances are due to timing differences and all are ongoing projects and the funds are due to be received in Apr 24-July 24.

For the year ended 31 March 2024

3 Projects income (prior year)
Restricted Projects

	Balance at 1 April 2023	Income 2023	Expenditure 2023	Transfers	Balance at 31 March 2024
	£	£	£	£	£
England / Headquarters					
Fostering Digital Skills for Life	40,863	13,500	(1,889)	-	52,474
Jon and Kathy Broad Award	1,350	-	(500)	-	850
Mockingbird	2,791	35,000	(47,046)	-	(9,255)
Quilts for Children in Care	3,749	-	(318)	-	3,431
Recruitment and Retention	-	13,300	(24,471)	-	(11,171)
Mental Health WWSC	-	-	-	-	-
Digital Engagement	-	186,973	(30,000)	(176,805)	(19,832)
England / Headquarters	48,753	248,773	(104,224)	(176,805)	16,497
Northern Ireland					
Kinship Care Support	-	13,741	(39,682)	-	(25,941)
Step Up Step Down	24,639	229,123	(213,744)	-	40,018
Northern Ireland	24,639	242,864	(253,426)	-	14,077
Scotland					
Fosterline Scotland	-	62,065	(56,117)	-	5,948
Moving On	28,856	-	(30,665)	-	(1,809)
Scottish Newsletter	4,456	-	(4,828)	-	(372)
The Promise	112,164	-	(21,542)	-	90,622
Young Advocates	37,432	-	(1,600)	-	35,832
Scotland	182,908	62,065	(114,752)	-	130,221
Wales					
Fostering Communities	(6,830)	279,429	(280,084)	-	(7,485)
Fostering Excellence	8,454	-	-	-	8,454
Fostering Wellbeing	41,055	295,170	(285,375)	-	50,850
Step Up Step Down Wales	-	247,403	(147,404)	-	99,999
Triumph	2,790	-	-	-	2,790
Wales	45,469	822,002	(712,863)	-	154,608
Total projects	301,769	1,375,704	(1,185,265)	(176,805)	315,403

4 Unrestricted Projects (current year)

	Income 2024 £	Expenditure 2024 £
Fostering Achievement and Attainment	1,413,645	(1,467,966)
Total projects	1,413,645	(1,467,966)

For the year ended 31 March 2024

4 Unrestricted Projects (prior year)

	Income 2023	Expenditure 2023
	£	£
Fostering Achievement and Attainment	1,443,728	(1,444,556)
Total projects	1,443,728	(1,444,556)

Purposes of restricted funds

The restricted funds relate to the following projects:

England

Mockingbird - Mockingbird led by The Fostering Network in the UK, delivers sustainable foster care. It is an evidence-based model structured around the support and relationships an extended family provides. The model nurtures the relationships between children, young people and foster families supporting them to build a resilient and caring community. The model now operates in 65 fostering services, either funded by the Department of Education or self-funded.

Fostering Digital Skills for Life - The Fostering Network is working with Internet Matters and University of East Anglia on the project, Fostering Digital Skills for Life. The project will create and deliver CPD-accredited training, giving foster carers the choice between self-study or facilitator-led learning. The project will also increase understanding across the sector of how supporting foster carers to improve their digital skills can positively impact the digital resilience of children in their care. This project is funded by Nominet as part of the REACH portfolio.

Recruitment and Retention - A research study into the retention and recruitment of foster carers in England, which explore how to achieve a diverse and stable foster care workforce. The project was funded by the KPMG Foundation and conducted by the Centre for Evidence and Implementation (CEI)

Fosterline England - Fosterline England is a two year contract (extendable up to 3 years) awarded by the Department of Education to The Fostering Network in 2023. Fosterline is a free, independent national advice service that offers support for both current and prospective foster carers.. The services aim to support foster families to stay together during times of crisis, reducing

Digital Engagement - A project to transform our digital engagement with members, supporters and wider stakeholders through the creation of a new website and content management system.

Northern Ireland

Kinship Care Support - funded by Children in Need and Ulster Garden Villages, this programme supports young people in kinship foster care and their carers to access support to help improve their well-being, build their skills and enable their engagement with the programme.

Step Up Step Down Northern Ireland- this is a seven year project, funded by The National Lottery Community Fund for Northern Ireland operating in partnership with the South Eastern Health and Social Care Trust works with families on the periphery of the care system from being taken into care and instead support them to stay within their own homes.

Purposes of restricted funds (continued)

Scotland

Fosterline Scotland - An independent and confidential service providing advice, information, mediation and support to foster carers across Scotland on all aspects of fostering, funded by the Scottish Government.

The Promise – funded by Scottish Government and arising from the findings of the Care Review in February 2020, this project aims to deliver 'The Promise' in Scotland. We will implement change, challenge thinking where necessary, and create a young person's advisory board to ensure that children and young people are truly placed at the heart of the work.

Young Advocates - This project, funded by Life Changes Trust and Young Start Fund (delivered by the National Lottery Community Fund), will see young people with care experience create learning opportunities for teachers and trainee teachers around what the day-to-day reality of school or college can be like for them. The young advocates will also train foster carers to help build their awareness of how they can best support the children and young people in their care.

Wales

Fostering Communities (including Fosterline Wales) 2020-2025 - This is a new national programme of improvement and support led by The Fostering Network in Wales and funded by the Welsh Government's Sustainable Social Services Third Sector Grant 2020-2023 (extended to 2025). Embedded within Fostering Communities is a co-production approach, which means we will work in equal partnership with foster carers, children and young people in care and fostering services to plan and deliver the programme. Working together as co-creators and sharing power will enable us to build a strong and resilient fostering community with the aim of improving wellbeing for all. Fostering Communities recognises that everyone in the fostering sector has a vital contribution to make in order to improve the quality of life for children and young people in care and their foster families.

Fostering Wellbeing - This pilot programme is funded by the Welsh Government and delivered by The Fostering Network in Wales. The programme aims to test and evaluate social pedagogy principles (focused on education and the upbringing of children) in a foster care environment. This project operates at regional level across Wales, delivering learning, bringing people together and sharing best practice across service boundaries with an aim to embed a shared approach that will support improved outcomes for children and young people.

Step Up Step Down Wales Welsh Government and the KPMG Foundation have jointly awarded funding to implement and deliver our innovative Step Up Step Down programme at two demonstration sites in Wales. This funding offers an opportunity to dramatically improve outcomes for families with children on the edge of care. Our programme seeks to embed and sustain delivery beyond the grant funded period and demonstrate a scalable model for further roll out within Wales and beyond.

The Fostering Network
Notes to the financial statements

For the year ended 31 March 2024

5 Analysis of expenditure

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2024 Total £
Staff costs (Note 8)	69,899	1,598,452	1,447,784	-	205,832	359,038	358,056	4,039,061
Support costs	6,831	378,372	85,450	2,658	16,311	23,586	117,112	630,320
Other costs	10,842	617,590	1,646,019	69,004	39,661	4,820	562,127	2,950,063
Total expenditure 2024	87,572	2,594,414	3,179,253	71,662	261,804	387,444	1,037,295	7,619,444

5 Analysis of expenditure

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2023 Total £
Staff costs (Note 8)	84,613	1,859,914	1,122,290	-	111,401	304,226	456,014	3,938,458
Support costs	6,832	410,418	111,711	8,464	14,518	26,411	146,267	724,621
Other costs	9,855	703,839	1,235,660	49,409	43,847	42,337	381,062	2,466,009
Total expenditure 2023	101,300	2,974,171	2,469,661	57,873	169,766	372,974	983,343	7,129,088

The Fostering Network
Notes to the financial statements

For the year ended 31 March 2024

6 Support costs

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2024 Total £
Facilities	2,406	133,254	30,094	936	5,744	8,306	41,244	221,984
Finance	3	143	32	1	6	9	44	238
HR	500	27,668	6,249	194	1,193	1,725	8,564	46,092
IT	3,140	173,933	39,280	1,222	7,498	10,842	53,835	289,750
Management	539	29,868	6,745	210	1,288	1,862	9,245	49,757
Governance	243	13,506	3,050	95	582	842	4,180	22,499
Total expenditure 2024	6,831	378,372	85,450	2,658	16,311	23,586	117,112	630,320

6 Support costs (prior year-restated)

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2023 Total £
Facilities	2,205	132,433	36,047	2,731	4,685	8,522	47,197	233,820
Finance	56	3,371	917	70	119	217	1,201	5,951
HR	779	46,779	12,733	965	1,655	3,010	16,671	82,592
IT	3,287	197,424	53,736	4,072	6,984	12,704	70,359	348,566
Management	324	19,462	5,297	401	688	1,252	6,936	34,361
Governance	182	10,949	2,980	226	387	705	3,902	19,331
Total expenditure 2023	6,832	410,418	111,711	8,464	14,518	26,411	146,267	724,621

For the year ended 31 March 2024

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2024	2023
	£	£
Depreciation	72,009	85,224
Operating lease rentals:		
Property	23,834	11,194
Other	896	1,971
Rent receivable as lessor		
Property	109,537	64,052
Auditor's remuneration (excluding VAT):		
Audit	17,100	15,500
Other services	-	-
	72,009	85,224

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024	2023
	£	£
Salaries and wages	3,522,456	3,347,166
Redundancy and termination costs	19,660	93,259
Social security costs	334,853	337,308
Employer's contribution to defined contribution pension schemes	162,091	160,725
	4,039,060	3,938,458

The following number of employees received employee benefits during the year (including all pay types, but excluding employer pension costs and employer's national insurance) :

	2024	2023
	No.	No.
£60,000 - £69,999	3	4
£70,000 - £79,999	-	1
£90,000 - £99,999	1	1
£130,000 - £139,999	-	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £417,253 (2023: £608,579).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year £nil (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity £nil (2023: £nil).

Indemnity insurance is provided for trustees at a premium of £1,453 (2023: £1,321).

Trustees' expenses represents the payment or reimbursement of travel costs totalling £1,437 (2023: £1233.29) incurred by 5 (2023: 4) members relating to attendance at meetings of the trustees.

For the year ended 31 March 2024

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 101 FTE 96 (2023: 100 FTE 86).

Staff are split across the activities of the charitable company as follows (full time equivalent basis):

	2024 No.	2023 No.
Cost of raising funds	1	2
Membership services	43	40
Projects	29	23
Training & events	5	4
Advice services	8	6
Consultancy	10	11
	96	86

10 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

The Fostering Network received no donations from trustees (2023: £nil). The trustees receive no benefit from the donations made to the charity.

11 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

For the year ended 31 March 2024

12 Tangible fixed assets

	Freehold property £	Leasehold improvements £	Furniture and Office £	Computer equipment £	Total £
Cost or valuation					
At the start of the year	3,236,000	25,277	75,054	769,161	4,105,492
Additions in year	-	150	489	411,864	412,503
Revaluation	(136,000)	-	-	-	(136,000)
At the end of the year	<u>3,100,000</u>	<u>25,427</u>	<u>75,543</u>	<u>1,181,025</u>	<u>4,381,995</u>
Depreciation					
At the start of the year	-	6,530	67,342	275,062	348,934
Charge for the year	-	2,527	3,514	65,968	72,009
At the end of the year	<u>-</u>	<u>9,057</u>	<u>70,856</u>	<u>341,030</u>	<u>420,943</u>
Net book value					
At the end of the year	<u>3,100,000</u>	<u>16,370</u>	<u>4,687</u>	<u>839,995</u>	<u>3,961,052</u>
At the start of the year	<u>3,236,000</u>	<u>18,747</u>	<u>7,712</u>	<u>494,099</u>	<u>3,756,558</u>

Land with a value of £952,817 (2023: £952,817) is included within freehold property and not depreciated. The carrying amount on the cost model would be £1,322,221 (2023: £1,322,221). The purchase price of the freehold building was £450,000 in 1999. The freehold property is not depreciated because the Charity believes that the residual value of the property is in line with the carrying value.

In order to reduce the long term cost to the company of the London office, 23% of the total space is leased to tenants. The property is shown in the accounts at Market Valuation.

The Charity follows the revaluation model for freehold premises. Land and Buildings were revalued as at 31 March 2024 by Frederick Holt and Company Limited on an existing use open market basis in accordance with Guidance Notes of the Royal Institution of Chartered Surveyors. Lamberts are not connected with the charity.

13 Investments

The Fostering Network owns the whole of the issued ordinary share capital of National Foster Care Association Services Ltd, a company registered in England. The subsidiary was dormant in the year.

	2024 £	2023 £
Trading subsidiary (cost)	<u>2</u>	<u>2</u>

For the year ended 31 March 2024

14 Debtors

	2024 £	2023 £
Trade debtors	302,856	857,965
Other debtors	735,675	566,137
Prepayments	192,142	213,462
	1,230,673	1,637,564

All of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and in note 16.

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	463,252	522,129
Taxation and social security	644,344	216,869
Other creditors and accruals	449,888	380,326
Deferred income	2,615,006	966,208
Bank loan	-	54,595
Coronavirus Business Interruption Loan	-	62,002
	4,172,490	2,202,128

16 Creditors: amounts falling after one year

	2024 £	2023 £
Repayable in 1-5 years	-	136,070
	-	136,070

The balance of the bank loan and a Coronavirus Business Interruption Loan (CBIL) were fully paid during the year.

17 Deferred income

Deferred income comprises of income relating to services to be provided in 2023/24, but have been invoiced prior to 31 March 2024.

	At 1 April 2023 £	Released £	Deferred £	At 31 March 2024 £
Training and events	6,958	(6,958)	-	-
Advice services	126,935	(126,935)	269,238	269,238
Membership services	228,194	(228,194)	228,400	228,400
Consultancy	604,121	(604,121)	2,117,368	2,117,368
Balance at the end of the year	966,208	(966,208)	2,615,006	2,615,006

For the year ended 31 March 2024

18 Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	3,443,931	517,121	-	3,961,052
Investments	2	-	-	2
Net current (liabilities)/ assets	(566,961)	-	343,143	(223,818)
Net assets at 31 March 2024	2,876,972	517,121	343,143	3,737,236

Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	3,756,558	-	-	3,756,558
Investments	2	-	-	2
Net current (liabilities)/ assets	(651,968)	-	185,187	(466,781)
Long term liabilities	(136,070)	-	-	(136,070)
Net assets at 1 April 2023	2,968,522	-	185,187	3,153,709

19 Movements in funds (current year)

	At 1 April 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2024 £
General reserve	1,235,013	6,312,112	(5,908,157)	(359,505)	1,279,463
Designated Funds	-	-	-	517,121	517,121
Revaluation reserve	1,733,509	-	(136,000)	-	1,597,509
Total unrestricted funds	2,968,522	6,312,112	(6,044,157)	157,616	3,394,093

Movements in funds (prior year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
General reserve	1,369,513	5,792,678	(6,103,983)	176,805	1,235,013
Revaluation reserve	1,797,509	-	(64,000)	-	1,733,509
Total unrestricted funds	3,167,022	5,792,678	(6,167,983)	176,805	2,968,522

For the year ended 31 March 2024

20a Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods.

	Property		Other	
	2024	2023	2024	2023
	£	£	£	£
Less than one year	28,834	11,194	896	1,075
One to five years	24,702	-	-	896
	53,536	11,194	896	1,971

20b Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property	
	2024	2023
	£	£
Less than one year	109,537	64,052
	109,537	64,052

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

The Fostering Network
Trustees Management and Advisors

**The following served as members of the board of directors and trustees
and as the senior leadership team in 2023-24.**

Chair

Sarah Thomas (from May 2023)
(Chief Executive)

Mervyn Erskine

Corrie Buddle (from May 2024)
(Director of Practice & Innovation)

Treasurer

Lyssa Elster (from June 2023)

Kate Lawson (until Dec 23)
(Director of External Relations)

Trustees

Mervyn Erskine

Stuart Lewis

Gary Pickles

Christopher Pope

Ishara Tewary

Jonathan Walsh

Frank Harasiwka

Matthew Page (from June 2023)

Lyssa Elster (from June 2023)

Paul Sneath (from June 2023)

Kate Brash (from June 2023)

Caroline Malcolm (from June 2023)

Nigel McCartney (until June 2023)

Jacqueline Cassidy (until December 2023)
(Director of Practice & Scotland)

Kathleen Toner

(Director of Engagement & Influence)
(Was Director of Membership, Engagement &
Northern Ireland)

Floretta West (until July 2023)
(Director of People & Culture)

Martha Adam-Bushell
(Director of Finance & Resources)

Geoff Wilson (until March 2024)
(Director of Finance & Resources)

Company Secretary

Martha Adam-Bushell (from March
2024)

Geoff Wilson (until March 2024)

Senior Leadership Team

REGISTERED OFFICE

87 Blackfriars Road
London
SE1 8HA

AUDITOR

Sayer Vincent LLP
110 Golden Lane
EC1Y 0TG

BANKERS

Barclays Bank Plc
1 Churchill Place London
E14 5KP

Accounts



Annual Review

for the year ended 31 March 2023

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Annual report 2022/23

Message from the chair

As the chair of the board of trustees, I am delighted to introduce The Fostering Network's 2022-23 annual report.

It's been another eventful year at The Fostering Network. In February 2023, our CEO Kevin Williams retired after eight years in post and I'd like to thank him for his significant contributions to the organisation during this time. We then embarked on the recruitment process for the new chief executive, recruiting Sarah Thomas, who was previously our director for Wales and learning and development activity. I am confident her wealth of knowledge on fostering and the children's social care sector will be invaluable in leading the charity moving forward.

We've also recruited five new trustees, improving diversity and boosting our skillsets.

Despite a difficult financial climate, which has significantly impacted the charity sector, we have made significant progress across the board and continued work to ensure fostering is the best it can be. We have contributed to care reviews in each of the four nations, which has seen some of our key messages adopted into new strategies.

Our innovative programmes Step Up Step Down and Mockingbird, have achieved widespread acceptance as they continue to address some of the key challenges in the social care system. So much so, that both are expanding across the UK.

We've also seen major growth of our Fostering Friendly scheme, recruiting 49 new employers over 12 months, more than doubling the scheme. The recruitment of new employers will help spread the word about fostering friendly, ensuring more and more prospective and current foster carers feel supported and valued by their workplaces.

It's important to note that there will still be challenges over the next year as finances are impacted by pressures caused by the cost of living crisis. However, fantastic opportunities continue to open up, ensuring we will make a positive impact on the care of children and young people.

Mervyn Erksine

Chair of trustees

Message from the chief executive

I feel very privileged to be able to introduce myself as the new chief executive of The Fostering Network. As someone who holds lifelong aspirations for the fostering sector, it is a personal and professional honour to hold this role. It has been, and always will be, my passion to secure improvements for children, foster carers, and services. The past year has brought many challenges, each of which have been overcome thanks to our skilled and dedicated staff teams, our trustees, supporters and most importantly, our members.

During the year ahead I intend to lead the organisation through a period of review and refinement to explore what is working well, and equally give focus to things that we could improve. It is my hope that we will continue to serve our members well, making best use of opportunities for innovation, engagement, partnership, and growth.

I have a clear vision for the future of The Fostering Network and will be working together with our organisational leaders, and trustees to bring this to life, translating this new vision into our future strategy.

As I lead the organisation into its next chapter, I hold tight to my personal experience of fostering, twenty years' experience of working in the sector, and the insight I have gained from every young person, parent, and foster carer that I have been fortunate to walk alongside.

Sarah Thomas

Chief Executive Officer

About us

The Fostering Network is the UK's leading fostering charity. We are the essential network for fostering, bringing together everyone who is involved in foster care. We support foster carers to help transform children's lives and we work with fostering services and the wider sector to develop and share best practice. We work to ensure all children and young people in foster care experience stable family life, and we are passionate about the difference foster care makes. We champion fostering and seek to create vital change so that foster care is the very best it can be.

Vision

Our vision is a society where the importance of fostering is understood, recognised, and supported.

Mission

Our mission is to support those who foster, improve opportunities for children and young people in foster care, and provide expert guidance to all fostering services.

Values

We are trusted – expert and independent.

We are together – a network, working in partnership, for community, for members.

We are vital:

- for raising awareness of fostering
- for creating change
- for up-to-the-minute information, advice, and support for foster carers, fostering services and fostered children and young people – the whole fostering community

What we achieved – some highlights

Objective: Provide opportunities for children and young people that benefit them, make their voices heard and enable them to reach their potential.

Throughout the year we have developed new and existing programmes which support fostering communities throughout the UK.

UK-wide

Major progress was made with our 'Tick the Box' campaign, which encourages care experienced young people to tick the box on their UCAS application forms to say they have experience of the care system to ensure they receive the support they are entitled to. In the four years since the campaign launched, the number of young people ticking the box has more than doubled – from 4,495 in 2018 to 8,930 in 2022. This is a huge win and we believe the campaign has contributed to this significant increase

Northern Ireland

In Northern Ireland we have continued to develop and deliver the Fostering Attainment and Achievement (FAA) service – a programme which improves education outcomes for children in foster care, funded by the Northern Ireland Department of Health's Strategic Policy and Planning Group. As part of this, we were able to deliver our annual summer programme, which benefitted 200 children and young people. Our FAA teams have also provided educational resources to more than 1,100 children, which included one-to-one tuition.

Our award-winning Step-Up Step Down (SUSD) programme has continued to provide support to families on the edge of care, helping to prevent children from being taken into care where possible. This has seen the continued delivery of 'nurture groups' for children, supporting them to build positive relationships and learn to regulate their emotions. Support is also provided for whole families in the SUSD service, helping them build positive attachments and stay together as a family, in a safe way. We've also been awarded funding from the Welsh Government and the KPMG foundation to roll-out the Step Up Step Down model in two local authority sites in Wales.

It's been a busy year for the Moving On Project, which supports positive transitions through and out of foster care in Scotland. As part of the project, The Principles of Good Transitions was developed and published. We also hosted a trauma-informed workshop for The Fostering Network staff.

Wales

In Wales we published two issues of Thrive – our magazine for children and young people. The issues focused on mental health and wellbeing support and financial literacy and management support. The Wales Young People's Care Experienced Advisory board were consulted on topics and took part in workshops to develop the content of both of these issues.

Objective: Promote foster care to ensure society understands, values and recognises how foster carers transform children's lives

Foster Care Fortnight

Foster Care Fortnight 2022, The Fostering Network's annual campaign to raise the profile of fostering and show foster care transforms lives, was a highlight of the year across the four nations. Hundreds of people across the UK shared their stories and highlighted the difference foster care makes around the Fostering Communities theme. The theme was so well-received by members in 2022 that we used it again in 2023. Our annual Foster Walk was a massive success – we set out to achieve our biggest ever Foster Walk goal of 5,000,000 steps, which was exceeded by 12,389,231 steps.

In Northern Ireland The Permanent Secretary at the Department of Health, Peter May, opened the Foster Care Fortnight launch event – which was attended by more than 100 people from all five health and social care trusts, the four not-for-profit fostering agencies as well as care experienced young people.

In England, the team attended the first ever fostering event at 10 Downing Street alongside foster carers, who were able to share their insights and experiences with the Children's Minister Claire Coutinho. This included speeches from two Mockingbird hub home carers.

Our Scotland team met with Natalie Don MSP, Minister for Children, Young People and Keeping The Promise. They also attended a parliamentary debate raised by Rona Mackay MSP, who pledged for parliament to consider becoming a foster friendly employer and encourage other organisations to follow suit.

The Wales team visited the Senedd for a meeting with Julie Morgan MS, Deputy Minister for Social Services and Albert Heaney, Chief Social Care Officer.

We had a strong media reach throughout 2021/22 – with at least 839 pieces of media coverage with a potential reach of 131,028,487.

We've seen continued growth in our follower numbers across all social media channels. We now have more than 45,000 followers across Facebook, X (formerly Twitter), Instagram and LinkedIn.

Awards

The 2022 Fostering Excellence Awards, hosted by Ashley John-Baptiste were a huge success and an excellent opportunity to celebrate the achievements of people in fostering communities across the UK. We received 209 eligible nominations and 141 guests attended the ceremony, including representatives from John Lewis, as well as other Fostering Friendly employers, government officials and supporters.

In October, our Foster Care Awards were reinstated in Northern Ireland, with more than 20 foster carers winning awards. The awards ceremony was presented by the BBC's Mark Simpson and provided a platform to highlight the value of foster care across the regional and local media.

Scotland From 2019 to 2022 a learning module for school teachers was created by our Young Advocates project, aimed at increasing the understanding of the lives of care experienced people, and how this might impact their education. This has now expanded to universities, and eight universities in Scotland now have a learning module on The Fostering Network's digital learning platform.

Once the universities were placed on the learning module, we delivered short workshops to student teachers on how they can support children and young people with care experience.

Fostering Friendly Employers

Our Fostering Friendly Employers scheme has gone from strength to strength over the past year. It encourages and supports employers to play a vital role in strengthening our fostering community by boosting support offered to foster carers and prospective foster carers. This includes offering foster carers flexible working and extra time off to help settle a child into their home. At the start of the year, we invested in a plan to strengthen and grow the scheme, to meet our charitable objectives and forge new partnerships that will benefit our members and the children in their care. We improved the support we offer to employers, created new resources and materials, promoted the scheme through new channels and brought employers together to share and learn. Over twelve months we recruited and approved 49 new Fostering Friendly employers, more than doubling the size of the scheme. Scheme members now cover a range of sectors including health, education, manufacturing, retail, financial services and central government. Together they employ over 400,000 people. We were excited to welcome John Lewis Partnership to the scheme in May, our largest Fostering Friendly employer to date.

We also strengthened the support we give to our member fostering services to recruit local employers to the scheme, leveraging new partnerships to support recruitment and retention. Stoke City Council were awarded the Fostering Friendly Employer Award at our Fostering Excellence Awards in recognition of their innovative work in engaging a wide range of local businesses and major employers. We have showcased their work, sharing practical lessons with a wide range of our member services, many of who are now following suit.

Objective: We will influence policy and the legislative framework, so it supports and promotes excellence in foster care

In 2022/23 we continued campaigning and influencing policy at every level to ensure foster care is the best it can be, and celebrated some major wins across the charity.

The Government's response to the Independent Review of Children's Social Care in England was published in February, which resulted in some major wins for fostering. This includes the Government committing to investing £27 million into recruiting 9,000 new foster carers over the next three years to help tackle the major shortage in foster carers across the country, following years of campaigning from The Fostering Network. This will include investment in our award-winning Mockingbird programme, which will see the wider rollout of the programme across England.

The Government also committed to updating the delegated authority guidance, so foster carers have it by default, allowing foster carers to have the authority to make decisions so that the children in their care have the same opportunities as their peers.

Additionally, the Government agreed to change the law around Staying Put, which supports young people to stay with foster families past the age of 18, to young people aged 23, for those who want it. In 2022 we launched our Cost of Fostering campaign, in response to the cost of living crisis, which called on governments across the UK Government to urgently fund foster care and increase the national minimum allowance to ensure it reflects the true cost of looking after a child in foster care. This resulted in the UK government agreeing to a historic 12.43% increase to the national minimum allowance.

The Fostering Network Annual Review 2022-23

Scotland

In Scotland we worked with the Scottish Government on developing a retention and recruitment strategy and we continue to lobby for a national minimum allowance in Scotland, with announcements expected in the next six months.

We supported Roz McColl MOS to raise a debate in parliament on 'Scotland's forgotten children' which included discussion around the issue of foster carer allowances.

Additionally in Scotland we:

- Sat on the steering group for Celcis research into section 25 voluntary orders
- Carried out consultancy work with The Promise to help redesign the children's hearing system
- Sat on the fostering and adoption group Social Work Scotland
- Chaired the IVP forum of Scotland
- Sat on the Celcis Community of Practice Group
- Attended the Glasgow Carers conference.

Northern Ireland

In Northern Ireland the long-awaited Adoption and Children Act was passed into law following years of campaigning at The Fostering Network. We have been a member of stakeholder groups for several years, sharing members' experiences and concerns to help inform the debate. We also held consultation forums to gather member views on the legislation and worked with the health committee who scrutinised the bill.

From March 2022 we were pleased to be involved in the review of children's services in Northern Ireland, led by Professor Ray Jones. We arranged a series of meetings with foster carers, kinship carers and families involved in fostering, staff from our Step Up Step Down service and the IFP Forum to help inform the review. We also responded to Professor Jones' interim report in November 2022, welcoming the report which lays out pathways to bring transformational change to children's services.

We were grateful to Professor Jones for his valuable, thorough engagement with The Fostering Network's members; foster carers, kinship foster carers, Step Up Step Down families and our Independent Fostering Providers' Forum and are pleased to see many of the recommendations they made are included in the final report.

We were particularly pleased to see the recommendation that previous reviews of foster care should be updated and acted upon now and not allowed to drift.

We continued our campaigning around the introduction of foster care regulations in Northern Ireland, which included contributing to the consultation on refreshed 2015 draft regulations. We met with the minister of health to push for the introduction of the regulations, which unfortunately still has not been agreed. Over the next year we will continue to press for this.

We worked with an advisory group for the children's commissioner in Northern Ireland, helping to inform an inquiry into the life of a young person in Northern Ireland, which made a range of recommendations to improve the care system.

We also contributed to a report to the UN Convention on the Rights of the Child, sharing the challenges created by a lack of political infrastructure. The urgent need for foster care regulations to be updated was included in the final report.

The Fostering Network Annual Review 2022-23

Wales

In Wales, we consulted with our members regarding the Welsh Government plan to eliminate profit from children's social care. We responded to the Children, Young People, and Education Committee's call for written evidence to support its inquiry to scrutinise the Welsh Government's progress in delivering its Programme for Government Commitment to 'explore radical reform of current services for children looked after and care leavers'. We were also called to give oral evidence to the committee and take part in a stakeholder event.

Objective: Support fostering families and the services that work with them to provide the best possible care for children and young people

We commissioned Centre for Evidence and Implementation (CEI) to carry out research into the retention and recruitment of foster carers. Their team surveyed 1,879 prospective, current and former foster carers, carrying out interviews and focus groups. We then pulled together a series of recommendations for the Government aimed at making improvements to foster care, which will support the retention and recruitment of foster carers.

Wales

In Wales, more than 200 foster carers have taken part in our Fostering Communities webinar programme over the past year. Webinar topics have included the Welsh education system, supporting looked after young people with financial skills, how recording causes stigma and young people's mental health. We've worked with a number of organisations to develop this content, including the Money and Pensions Service, Children in Wales, The Care Leaders and Young Minds.

An independent evaluation of our Fostering Wellbeing programme found it to be a valued and effective model, promoting a holistic approach to supporting children and young people. The programme is funded by the Welsh Government and aims to improve wellbeing and educational outcomes for care-experienced children in Wales. The evaluation, carried out by research centre CASCADE at Cardiff University, reported that foster carers felt empowered to become stronger advocates for the children in their care following engagement with the programme. The Welsh Government recognises the positive impact the Fostering Wellbeing programme has had by committing to another three years of grant funding.

Our Plans

Our new chief executive has a clear vision for TFN's strategy and will be developing a strategic plan for the next three years, which is expected to launch alongside the TFN's 50th anniversary in May next year.

Organisational priorities for the next 12 months are:

Improved digital member engagement

- Improve the organisation's digital offering through the launch of the new website in 2024. This will help boost member engagement
- Launch the new learning management system to improve learning and development support offered to foster carers and services
- Improve the digital literacy skills base of TFN staff through learning and development opportunities

Grow innovative models of fostering

- Grow and develop existing key programmes to increase impact on the fostering sector, including launch SUSD in Wales and other parts of the UK, and expand the Fostering Wellbeing programme
- Expand Mockingbird through the implementation of the Government's children's social care strategy

Hear the voice of young people

- It's vital as a charity that we hear and understand the needs of children and young people, ensuring they support the direction of the charity
- We will invest in the participation of children and young people, to ensure we are led by their voice
- We will explore implementing a UK-wide model of the children and young people's advisory board currently active in Scotland and Wales

Influencing

- We will continue to influence governments across the UK to ensure policies and legislation are the best they can be for fostering.
- A key focus over the next year will be the general election, taking it as an opportunity to raise the profile of improving foster care

Review membership offer

- Review our membership offer across the UK to improve, harmonise and streamline our offering – ensuring members are getting the best value for money

Our Fundraising

We are grateful to all the donors, supporters and funders who joined us in our cause and supported us to achieve our mission across the UK over the year.

The Mortgage Brain, and Williams Giles continued their support for us through partnerships and from staff fundraising events and activities over the year. We were delighted to be chosen as charity of the year by Picton, Flintshire County Council and Office Space in Town.

We are grateful to partners The Mortgage Brain and Williams Giles, who chose to sponsor our prestigious Fostering Excellence Awards again this year, with in-kind support from Big Potato Games and Blue Light Card.

Foster Walk, our flagship fundraising event, saw the largest participation to date with over 360 people taking on walking challenges and raising thousands of pounds. We thank those member and supporter organisations who fielded teams.

Many community supporters organised their own events or took part in third party challenges. Paul Hunt raised over £5,500 with his ascent to Everest Base Camp; supporters Janet and Joana raised over £3,000 following a skydive in August.

We were extremely fortunate to receive a legacy gift during the year of over £17,000. We continue to offer a free will writing service for members and supporters in partnership with Farewill, encouraging others to leave a gift.

We are grateful to all our grant funders, including the KPMG Foundation, National Lottery Community Fund, The Scottish and Welsh Governments, and The Promise Partnership whose support has enabled us to design and deliver innovative projects that are improving foster care across the UK.

The Fostering Network Annual Review 2022-23

Fundraising practice

Our fundraising activity is focused on organisations and individuals that have an established relationship with The Fostering Network.

We support and adhere to the code of practice of the Fundraising Regulator and pay their levy. During the year we did not receive any complaints related to fundraising, we followed the best practice recommended by the Fundraising Regulator to protect vulnerable people and did not use third parties to raise funds on our behalf. Most of the fundraising expenditure is staff time and a significant proportion of this is spent developing formal bids for major projects and services. During the year the team supported operational staff in winning numerous grants and contracts.

We would like to recognise the enormous contribution that the following funders and supporters have made to our work over the year and to thank them for their vital support, as well as all our generous donors and fundraisers.

Andrew Paton Charitable Trust.

BBC Children in Need

Child Concern Consortium

Department for Education (England)

DR Lewis Family Charitable Trust

Department of Health, Social Services and Public Safety (Northern Ireland)

Health and Social Care Board, Northern Ireland

KPMG Foundation

Life Changes Trust

Mrs M A Black's Charitable Trust

National Lottery Community Fund

Northwood Charitable Trust

Promise Partnership

Scottish Government

Sir Jeremiah Colman Gift Trust

The Harrison Frank Family Foundation

The Mortgage Brain

Ulster Garden Villages

Vassiliou Family Charitable Trusts

Waitrose

Welsh Government

Wexbaby

Young Start Fund

Key Management Personnel

The Charity's trustees and the senior leadership team comprise the key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day-to-day basis. The pay of the Chief Executive is reviewed annually and increased when possible following formal approval by the trustees. Key managers and all staff are part of a formal grading system that facilitates fair and transparent comparison of roles. The bands are reviewed each year and salaries are increased when possible following formal approval by the Chief Executive and Trustees.

Financial review

2022/23 started with the UK economy in turmoil and then it got so much worse. It was, in short, a difficult year for a charity to balance the needs of its beneficiaries with its long-term sustainability. Yet in 2023/24 The Fostering Network absorbed extra costs from inflation without passing them on to our members through inflationary increases. At the same time we began a revolution that will see our cost base evolve from paper and bricks towards stronger digital engagement with our members and beneficiaries.

The Fostering Network built on the foundation of diversified income and improved member benefits achieved in 2021/22. 2022/23 has seen record unrestricted income at **£5,793K**, an improvement of **£318K**. The combined income for Training, Advice and Consultancy rose 37% to **£1,464K**. Membership income at **£2,437K** and project income at **£2,529K** remained strong.

Overall income has increased from **£6,662K** to **£6,878K**.

Charitable expenditure on unrestricted activities increased by 9% to **£6,003K** with expenditure on Training, Advice and Consultancy increasing by 54% to **£1,526K**. This increase shows that The Fostering Network has been successful achieving its goal to widen and improve the range of services we deliver to our members.

Overall, the expenditure on raising funds and charitable activities increased by **£312K** to **£7,129K**.

In 2022/23 we made a further capital investment in IT of **£127K** as part of our digital transformation program.

The net unrestricted deficit was **£135K**, which is 2% of income. This deficit is stated after accounting for costs of reorganisation of **£134K** that include costs of closure of the old Glasgow office at **£57K**. The new office, at 15% of the annual cost of the old office, much more closely represents the requirements of The Fostering Network in Scotland.

Cash balances have decreased during the year by **£556K** due to the planned deficit in restricted funds of **£117K**, the one-off costs of change at **£134K**, repayment of long-term loans at **£149K** and **£131K** Capital investment.

In keeping with the charity's policy of holding owned property at market value the Trustees have undertaken a formal valuation of its principal office located at 87 Blackfriars Road, London. The valuation was prepared by Fredrick Holt and Company Limited in April 2023 at **£3,232K**. At the end of March 2022, it was held at a value of **£3,300K** guided by advice from Lamberts LLP. This valuation demonstrates the way the property has held its market value throughout the turbulence in the London property market since 2018 when the building was fully refurbished. September 2023 will see the payment of the final instalment of the **£500K** loan taken out to refurbish the building.

The Fostering Network Annual Review 2022-23

Unrestricted reserves have reduced by **£199K**. Restricted Reserves reduced by **£117K**, leaving total reserves **£315K** lower at **£2,969K**.

General reserves policy

In deciding on the level of unrestricted reserves required the board of trustees carries out a review to establish the level of reserves necessary to cover future investment, working capital and evaluated risks.

The policy for the level of unrestricted general reserves is now guided by a detailed evaluation of the risks included in the risk register. Each risk is valued and then that value is discounted by a percentage based on the likelihood of that risk occurring. The reserves also provide for any material future investment plans and for specific working capital required to manage large projects.

On this basis, general reserves required are calculated at **£1,287K**. At the year end, the charity holds general funds **£2,792K** which consists of property and working capital with overall cash balances of **£68K**, this excludes the costs to develop website of **£177K** which have been capitalised as this is an asset which cannot provide additional funding for the charity. Property is held at market value of **£3,336K**, which remains a significant asset should there be a need for additional funds. Reserves are in line with the reserves policy.

Going concern

We have set out above a review of the financial performance during the financial year and our reserves position at the year end. We have adequate financial resources in the form of cash, the ability to raise financing secured on the charity's property and have the structures in place to manage the business risks. In addition, our annual budgeting and forecasting processes have taken into consideration the current economic climate and its potential impact on both our various sources of income and expenditure.

We have a reasonable expectation that we have adequate resources and control mechanisms to continue in operational existence for the foreseeable future.

Further, we believe that there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern. Therefore, we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Risk management

The trustees have identified and reviewed the major risks to which the organisation is exposed and have established systems and procedures to manage those risks. This involved identifying more than 50 potential risks and then assessing the likelihood of their occurrence and their impact. Where systems are already in place to mitigate these risks, schedules for regular monitoring and reviews have been adopted. Where systems are not already in place, deadlines have been set for their development by staff and approval by trustees.

In managing risk, trustees have considered the following principal areas of risk.

Diversity of income streams and the significance of membership income. We have increased the staff and cost budgets to support members to provide improved services and have continued to strengthen other income such as Mockingbird. In the coming year we will take steps to further strengthen and diversify our income streams.

Ensuring child safety. We ensure staff are trained and supported in their work with Children and that appropriate policies, risk assessments and statutory checks are carried out.

The Fostering Network Annual Review 2022-23

Clarity of long-term strategic plans. The trustees meet each year to review and assess long-term strategic plans.

Inflation. The trustees have reviewed the impact of rising inflation and have provided for the evaluated impact in our reserves required.

Maintaining adequate reserve levels. We set a reserves level that reflect a financial evaluation of the specific risks that we face together with our fixed asset and working capital plans. We then set annual operating plans in order to ensure that we maintain enough reserves or so that we build towards the agreed level of reserves if there is a shortfall.

Financial management and financial control. We use professionally qualified staff in our accounts department and have detailed budgets and operating plans that are reported against each month.

The physical condition of the principal property asset at 87 Blackfriars Road. We recognise that this property represents most of our financial reserves and we have an annual maintenance plan to keep it in good condition. In 2018 the building was completely refurbished.

The trustees continue to develop plans to grow unrestricted income, to invest in new income streams, to improve our services to our members and to maintain reserves at our agreed level.

Statement of responsibilities of the trustees

The trustees (who are also directors of The Fostering Network for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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.

The Fostering Network Annual Review 2022-23

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. The Fostering Network Annual Review 2020-21 20

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity. The trustees' annual report, including the strategic report, is approved by order of the board of trustees in their capacity as the directors at a meeting on 8 December 2023 and signed on its behalf by:

Mervyn Erksine

Chair of trustees

Independent auditor's report to the members of The Fostering Network

Opinion

We have audited the financial statements of The Fostering Network (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 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
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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 Fostering Network's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or

- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following

The Fostering Network Annual Review 2022-23

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

18 December 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

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

The Fostering Network
Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2023

		2023			2022		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	2	301,078	-	301,078	332,005	-	332,005
Charitable activities							
Membership subscriptions		2,437,812	-	2,437,812	2,490,724	-	2,490,724
Specific projects		1,443,728	1,085,330	2,529,058	1,435,170	1,186,793	2,621,963
Publishing		71,947	-	71,947	79,767	-	79,767
Training and events		104,095	-	104,095	114,055	-	114,055
Advice services		237,557	-	237,557	242,180	-	242,180
Consultancy		1,122,537	-	1,122,537	715,773	-	715,773
Other trading activities		63,985	-	63,985	60,091	-	60,091
Investments		9,939	-	9,939	295	-	295
Sundry income		-	-	-	4,954	-	4,954
Total income		5,792,678	1,085,330	6,878,008	5,475,014	1,186,793	6,661,807
Expenditure on:							
Raising funds	5	(101,300)	-	(101,300)	(81,355)	-	(81,355)
Charitable activities	5						
Project cos Membership services		(2,974,171)	-	(2,974,171)	(3,002,760)	-	(3,002,760)
Publishing		(1,444,556)	(1,025,107)	(2,469,663)	(1,414,376)	(1,222,119)	(2,636,495)
Training and events		(57,873)	-	(57,873)	(107,026)	-	(107,026)
Advice services		(169,766)	-	(169,766)	(136,405)	-	(136,405)
Consultancy		(372,974)	-	(372,974)	(303,085)	-	(303,085)
Consultancy		(983,343)	-	(983,343)	(549,155)	-	(549,155)
Total expenditure		(6,103,983)	(1,025,107)	(7,129,090)	(5,594,162)	(1,222,119)	(6,816,281)
Net income / (expenditure) for the year	7	(311,305)	60,223	(251,082)	(119,148)	(35,326)	(154,474)
Transfers between funds		176,805	(176,805)	-	-	-	-
Net income before other recognised gains and losses		(134,500)	(116,582)	(251,082)	(119,148)	(35,326)	(154,474)
Gains (Losses) on revaluation of fixed assets		(64,000)	-	(64,000)	193,750	-	193,750
Net movement in funds		(198,500)	(116,582)	(315,082)	74,602	(35,326)	39,276
Reconciliation of funds:							
Total funds brought forward		3,167,022	301,769	3,468,791	3,092,420	337,095	3,429,515
Total funds carried forward		2,968,522	185,187	3,153,709	3,167,022	301,769	3,468,791

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Notes 3 and 19 to the financial statements.

The Fostering Network
Balance sheet

Company no. 01507277

As at 31 March 2023

		2023		2022	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	12		3,756,558		3,774,978
Investments	13		2		2
			3,756,560		3,774,980
Current assets:					
Stock		29,162		10,089	
Debtors	14	1,572,368		1,872,915	
Cash at bank and in hand		68,622		625,611	
		1,670,152		2,508,615	
Liabilities:					
Creditors: amounts falling due within one year	15	(2,136,933)		(2,579,292)	
Net current liabilities			(466,781)		(70,677)
Creditors: amounts falling after one year	16		(136,070)		(235,512)
Total net assets			3,153,709		3,468,791
The funds of the charity:	19				
Restricted income funds			185,187		301,769
Unrestricted income funds:					
Revaluation reserve		1,733,509		1,797,509	
General funds		1,235,013		1,369,513	
Total unrestricted funds			2,968,522		3,167,022
Total charity funds			3,153,709		3,468,791

Approved by the trustees on 8 December 2023 and signed on their behalf by

Mervyn Erskine
Chair of the board of trustees

Geoff Wilson
Director of Finance and Resources and Company Secretary

The Fostering Network
Statement of cash flows

For the year ended 31 March 2023

	2023 £	£	2022 £	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	(251,082)		(154,474)	
Depreciation charges	85,224		97,244	
Investment income	(9,939)		(295)	
(Increase)/decrease in stocks	(19,075)		22,224	
(Increase)/decrease in debtors	300,547		(429,261)	
Increase/(decrease) in creditors	(392,328)		576,425	
Net cash provided by / (used in) operating activities		(286,653)		111,863
Cash flows from investing activities:				
Dividends, interest and rents from investments	9,939		295	
Purchase of property, plant and equipment	(130,802)		(102,969)	
Net cash provided by / (used in) investing activities		(120,863)		(102,674)
Cash flows from financing activities:				
Repayments of borrowing	(149,475)		(107,623)	
Net cash provided by / (used in) financing activities		(149,475)		(107,623)
Change in cash and cash equivalents in the year		(556,991)		(98,434)
Cash and cash equivalents at the beginning of the year		625,611		724,045
Cash and cash equivalents at the end of the year		68,620		625,611

Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	Other non- cash changes £	At 31 March 2023 £
Cash and cash equivalents				
Cash at bank and in hand	625,611	(556,991)	-	68,620
	625,611	(556,991)	-	68,620
Borrowings				
Debt due within one year	166,629	(116,596)	-	50,033
Debt due after one year	235,512	(136,070)	-	99,442
	402,141	(252,666)	-	149,475
Total	1,027,752	(809,657)	-	218,095

1 Accounting policies

a) Statutory information

The Fostering Network is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 87 Blackfriars Road, London, SE1 8HA

b) 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 (FRS 102) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The subsidiary company did not trade in the year. Therefore the results of the charity and the group are the same.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern; the charitable company has sufficient reserves and adequate controls to mitigate the risks identified in its detailed risk register.

The charity has very stable, regular income and has forecast future activities, balance sheet and operating surplus for three years. It manages working capital with monthly cash flow forecasts.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. The following specific policies apply to categorise of income:

- ☐ Membership subscriptions are recognised over the period of membership (equally over 12 months).
- ☐ Publications income is recognised at point of sale.
- ☐ Advice, training and consultancy income is recognised on the date the service was provided.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- ☐ Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- ☐ Expenditure on charitable activities includes the costs of delivering member services undertaken to further the purposes of the charity and their associated support costs.
- ☐ Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- Membership	57%
- Specific projects	15%
- Training and events	2%
- Advice services	4%
- Consultancy	20%
- Raising funds	1%
- Publishing	1%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

1 Accounting policies (continued)

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Freehold land and buildings are recognised under the revaluation model under FRS102, and any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet. Freehold land and buildings are not depreciated as the property is maintained in good condition and therefore the residual value is considered to be in line with the carrying value.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

☐ Furniture and equipment	Over four years
☐ Computers and software	Over two to ten years
☐ Freehold improvements	Over three to seven years
☐ Freehold premises	Not depreciated
☐ Freehold land	Not depreciated

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Stocks

Stocks consist of publications for resale and materials for use in training courses. They are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1 Accounting policies (continued)

s) Pensions

The Fostering Network operates a defined contribution pension scheme and the amount charged to the SOFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown in either accruals or prepayments in the balance sheet.

t) Management estimates and judgements

In the process of applying its accounting policies the charity is required to make certain estimates, judgements and assumptions. Examples of these are; where goods and services have been provided but not invoiced to us, we estimate the value of the services; where stock is slow moving we apply a net realisable value if that is lower than cost. Where debtors are materially overdue we reduce their value to zero.

The Fostering Network
Notes to the financial statements

For the year ended 31 March 2023

2 Income from donations and legacies

	2023	2022
	£	£
Donations	159,970	149,747
Gifts in kind	1,600	50,000
Core grants		
Northern Ireland Department of Health, Social Services and Public Safety	43,490	43,490
Scottish Government	96,018	88,768
	301,078	332,005

3 Projects income (current year)
Restricted Projects

	Balance at 1 April 2022 £	Income 2022 £	Expenditure 2022 £	Transfers £	Balance at 31 March 2023 £
England / Headquarters					
Fostering Digital Skills for Life	40,863	-	(28,932)	-	11,931
Jon and Kathy Broad Award	1,350	-	(250)	-	1,100
Mockingbird	2,791	-	(2,791)	-	-
Quilts for Children in Care	3,749	-	(905)	-	2,844
Recruitment and Retention	-	50,000	(37,683)	-	12,317
Mental Health WWSC	-	1,708	(1,708)	-	-
Digital Engagement	-	186,974	-	(176,805)	10,169
England / Headquarters	48,753	238,682	(72,269)	(176,805)	38,361
Northern Ireland					
Kinship Care Support	-	34,291	(24,174)	-	10,117
Step Up Step Down	24,639	133,520	(173,345)	-	(15,186)
Northern Ireland	24,639	167,811	(197,519)	-	(5,069)
Scotland					
Fosterline Scotland	-	56,232	(55,119)	-	1,113
Moving On	28,856	69,742	(68,893)	-	29,705
Scottish Newsletter	4,456	-	(2,767)	-	1,689
The Promise	112,164	-	(85,347)	-	26,817
Young Advocates	37,432	-	(40,030)	-	(2,598)
Scotland	182,908	125,974	(252,156)	-	56,726
Wales					
Fostering Communities	(6,830)	279,429	(273,147)	-	(548)
Fostering Excellence	8,454	-	(4,489)	-	3,965
Fostering Wellbeing	41,055	173,434	(221,413)	-	(6,924)
Step Up Step Down Wales	-	100,000	(4,114)	-	95,886
Triumph	2,790	-	-	-	2,790
Wales	45,469	552,863	(503,163)	-	95,169
Total projects	301,769	1,085,330	(1,025,107)	(176,805)	185,187

The negative balances are due to timing differences and all are ongoing projects and the funds are due to be received in Apr 23-July 23.

For the year ended 31 March 2023

3 Projects income (prior year)
Restricted Projects

	Balance at 1 April 2021	Income 2021	Expenditure 2021	Transfers	Balance at 31 March 2022
	£	£	£	£	£
England / Headquarters					
Fostering Digital Skills for Life	59,491	-	(18,628)	-	40,863
Jon and Kathy Broad Award	1,600	-	(250)	-	1,350
Mockingbird	15,612	104,887	(117,708)	-	2,791
Quilts for Children in Care	4,846	-	(1,097)	-	3,749
Start Talking	-	39,937	(39,937)	-	-
	<u>81,549</u>	<u>144,824</u>	<u>(177,620)</u>	<u>-</u>	<u>48,753</u>
England / Headquarters					
Northern Ireland					
Fair Start	-	30,089	(30,089)	-	-
Kinship Care Support	3,542	-	(3,542)	-	-
Step Up Step Down	25,932	133,477	(134,770)	-	24,639
	<u>29,474</u>	<u>163,566</u>	<u>(168,401)</u>	<u>-</u>	<u>24,639</u>
Northern Ireland					
Scotland					
Capturing the Voice	10,578	-	(10,578)	-	-
Fosterline Scotland	(3,338)	56,232	(52,894)	-	-
Moving On	-	63,909	(35,053)	-	28,856
Scottish Newsletter	3,335	-	1,121	-	4,456
The Promise	-	145,000	(32,836)	-	112,164
Young Advocates	40,270	66,068	(68,906)	-	37,432
	<u>50,845</u>	<u>331,209</u>	<u>(199,146)</u>	<u>-</u>	<u>182,908</u>
Scotland					
Wales					
Confidence in Care	113,301	-	(113,301)	-	-
Fostering Communities	3,157	264,874	274,861	-	(6,830)
Fostering Excellence	8,454	-	-	-	8,454
Fostering Wellbeing	37,026	282,320	278,291	-	41,055
Other Welsh Government projects	5,329	-	(5,329)	-	-
Triumph	7,960	-	(5,170)	-	2,790
	<u>175,227</u>	<u>547,194</u>	<u>676,952</u>	<u>-</u>	<u>45,469</u>
Wales					
Total projects	<u>337,095</u>	<u>1,186,793</u>	<u>1,222,119</u>	<u>-</u>	<u>301,769</u>

4 Unrestricted Projects (current year)

	Income 2023 £	Expenditure 2023 £
Fostering Achievement and Attainment	1,443,728	(1,444,556)
Total projects	<u>1,443,728</u>	<u>(1,444,556)</u>

For the year ended 31 March 2023

4 Unrestricted Projects (prior year)

	Income 2022	Expenditure 2022
	£	£
Fostering Achievement and Attainment	1,435,170	(1,414,377)
Total projects	1,435,170	(1,414,377)

Purposes of restricted funds

The restricted funds relate to the following projects:

England

Mockingbird - Mockingbird led by The Fostering Network in the UK, delivers sustainable foster care. It is an evidence-based model structured around the support and relationships an extended family provides. The model nurtures the relationships between children, young people and foster families supporting them to build a resilient and caring community. The model now operates in 65 fostering services, either funded by the Department of Education or self-funded.

Fostering Digital Skills for Life - The Fostering Network is working with Internet Matters and University of East Anglia on the project, Fostering Digital Skills for Life. The project will create and deliver CPD-accredited training, giving foster carers the choice between self-study or facilitator-led learning. The project will also increase understanding across the sector of how supporting foster carers to improve their digital skills can positively impact the digital resilience of children in their care. This project is funded by Nominet as part of the REACH portfolio.

Quilts for Children in Foster Care - This is a long-running project that provides fostered children with their own hand-made quilt. A team of volunteers from Helping Hands Quilters create these bespoke quilts throughout the year and we then distribute these to children and young people across the UK. The quilts, matched carefully to each child, become treasured possessions and part of their life story. This has been supported by a grant from the Cotton Industry War Memorial Trust and The Harrison-Frank Family Foundation.

The Jon and Kathy Broad Award - In memory of Kathy Broad, this is an annual award for foster carers caring for children with special needs and presented as part of the charity's Fostering Excellence Awards.

Recruitment and Retention - A research study into the retention and recruitment of foster carers in England, which explore how to achieve a diverse and stable foster care workforce. The project was funded by the KPMG Foundation and conducted by the Centre for Evidence and Implementation (CEI)

Mental Health WWSC - The Fostering Network worked with the Centre for Evidence and Implementation to undertake a rapid review on mental health provision and interventions for care-experienced young people. This entailed supporting focus groups with care-experienced young people to inform the research.

Digital Engagement - A project to transform our digital engagement with members, supporters and wider stakeholders through the creation of a new website and content management system.

Northern Ireland

Kinship Care Support - funded by Children in Need and Ulster Garden Villages, this programme supports young people in kinship foster care and their carers to access support to help improve their well-being, build their skills and enable their engagement with the programme.

Step Up Step Down Northern Ireland - this is a seven year project, funded by The National Lottery Community Fund for Northern Ireland operating in partnership with the South Eastern Health and Social Care Trust works with families on the periphery of the care system from being taken into care and instead support them to stay within their own homes.

Purposes of restricted funds (continued)

Scotland

Fosterline Scotland - An independent and confidential service providing advice, information, mediation and support to foster carers across Scotland on all aspects of fostering, funded by the Scottish Government.

Moving On - Funded by the National Lottery Community Fund, the Moving On project is a two year project focusing on supporting children and young people and foster families with the complexities and challenges of the transitions made through care and beyond of care.

Scottish Newsletter - This is distributed to all our members in Scotland, including 97% of fostering households across Scotland. This is funded by a variety of grants and donations.

The Promise – funded by Scottish Government and arising from the findings of the Care Review in February 2020, this project aims to deliver 'The Promise' in Scotland. We will implement change, challenge thinking where necessary, and create a young person's advisory board to ensure that children and young people are truly placed at the heart of the work.

Young Advocates - This project, funded by Life Changes Trust and Young Start Fund (delivered by the National Lottery Community Fund), will see young people with care experience create learning opportunities for teachers and trainee teachers around what the day-to-day reality of school or college can be like for them. The young advocates will also train foster carers to help build their awareness of how they can best support the children and young people in their care.

Wales

Fostering Communities (including Fosterline Wales) 2020-2025 - This is a new national programme of improvement and support led by The Fostering Network in Wales and funded by the Welsh Government's Sustainable Social Services Third Sector Grant 2020-2023 (extended to 2025). Embedded within Fostering Communities is a co-production approach, which means we will work in equal partnership with foster carers, children and young people in care and fostering services to plan and deliver the programme. Working together as co-creators and sharing power will enable us to build a strong and resilient fostering community with the aim of improving wellbeing for all. Fostering Communities recognises that everyone in the fostering sector has a vital contribution to make in order to improve the quality of life for children and young people in care and their foster families.

Fostering Excellence (including Fosterline Wales) 2016-2019 - This three-year programme of interventions that will improve the experience of looked after children in Wales, support foster carers to provide permanent, stable and aspiring homes, and ensure that looked after children in Wales are able to make a positive and valued contributions to future generations. Funded by the Welsh Government.

Fostering Wellbeing - This pilot programme is funded by the Welsh Government and delivered by The Fostering Network in Wales. The programme aims to test and evaluate social pedagogy principles (focused on education and the upbringing of children) in a foster care environment. This project operates at regional level across Wales, delivering learning, bringing people together and sharing best practice across service boundaries with an aim to embed a shared approach that will support improved outcomes for children and young people.

Triumph (Co-production or adaptation of online interventions for foster care: Promoting the mental health and wellbeing of care-experienced children and young people) - Recently, there has been a move to deliver services online, especially during the COVID-19 pandemic. This has highlighted a number of challenges for those working with care-experienced young people.. This project will look at how to best develop online programmes for care-experienced young people, or how to or adapt them from in person to online delivery. From this study the team will develop guidance to support policymakers, practitioners and researchers in developing and adapting programmes for delivery online. These will focus on how to best engage young people, while properly assessing risk and ensuring protection.

Step Up Step Down Wales Welsh Government and the KPMG Foundation have jointly awarded funding to implement and deliver our innovative Step Up Step Down programme at two demonstration sites in Wales. This funding offers an opportunity to dramatically improve outcomes for families with children on the edge of care. Our programme seeks to embed and sustain delivery beyond the grant funded period and demonstrate a scalable model for further roll out within Wales and beyond.□

The Fostering Network
Notes to the financial statements

For the year ended 31 March 2023

5 Analysis of expenditure

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2023 Total £
Staff costs (Note 8)	84,613	1,859,914	1,122,290	-	111,401	304,226	456,014	3,938,458
Support costs	6,832	410,418	111,711	8,464	14,518	26,411	146,267	724,621
Other costs	9,855	703,839	1,235,660	49,409	43,847	42,337	381,062	2,466,009
Total expenditure 2023	101,300	2,974,171	2,469,661	57,873	169,766	372,974	983,343	7,129,088

5 Analysis of expenditure (prior year-restated)

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2022 Total £
Staff costs (Note 8)	62,617	1,723,884	1,173,929		86,930	239,895	246,805	3,534,060
Support costs	9,237	502,734	116,172	3,182	12,768	27,033	45,047	716,173
Other costs	9,501	776,142	1,346,394	103,844	36,707	36,157	257,303	2,566,048
Total expenditure 2022	81,355	3,002,760	2,636,495	107,026	136,405	303,085	549,155	6,816,281

The Fostering Network
Notes to the financial statements

For the year ended 31 March 2023

6 Support costs

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2023 Total £
Facilities	2,205	132,433	36,047	2,731	4,685	8,522	47,197	233,820
Finance	56	3,371	917	70	119	217	1,201	5,951
HR	779	46,779	12,733	965	1,655	3,010	16,671	82,592
IT	3,287	197,424	53,736	4,072	6,984	12,704	70,359	348,566
Management	324	19,462	5,297	401	688	1,252	6,936	34,361
Governance	182	10,949	2,980	226	387	705	3,902	19,331
Total expenditure 2023	6,832	410,418	111,711	8,464	14,518	26,411	146,267	724,621

6 Support costs (prior year-restated)

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2022 Total £
Facilities	2,868	156,070	36,065	988	3,964	8,392	13,985	222,331
Finance	93	5,063	1,170	32	129	272	454	7,213
HR	863	46,970	10,854	297	1,193	2,526	4,209	66,912
IT	4,983	271,215	62,673	1,717	6,888	14,584	24,302	386,362
Management	115	6,247	1,443	40	159	336	560	8,899
Governance	315	17,169	3,967	109	436	923	1,538	24,458
Total expenditure 2022	9,237	502,734	116,172	3,182	12,768	27,033	45,047	716,173

Charity has chosen a more practical and accurate method of allocation of other and support costs based on the percentages of staff time attributable to each activity. Prior year of support and other costs allocation has been changed due to adopting a new method. The method used in prior year was based on the allocation of facility costs and the total overhead expenditure.

For the year ended 31 March 2023

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2023	2022
	£	£
Depreciation	85,224	97,244
Operating lease rentals:		
Property	11,194	35,611
Other	1,971	1,328
Rent receivable as lessor		
Property	64,052	54,637
Auditor's remuneration (excluding VAT):		
Audit	15,500	14,000
Other services	-	954
	=====	=====

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	3,347,166	3,075,597
Redundancy and termination costs	93,259	30,661
Social security costs	337,308	283,760
Employer's contribution to defined contribution pension schemes	160,725	144,042
	=====	=====
	3,938,458	3,534,060

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023	2022
	No.	No.
£60,000 - £69,999	4	1
£70,000 - £79,999	1	1
£80,000 - £89,999	-	-
£100,000 - £109,999	-	1
£130,000 - £139,999	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £608,579 (2022: £511,047).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Indemnity insurance is provided for trustees at a premium of £1,321 (2022: £1,321).

Trustees' expenses represents the payment or reimbursement of travel costs totalling £1233.29 (2022: £219.41) incurred by 4 (2022: 1) members relating to attendance at meetings of the trustees.

For the year ended 31 March 2023

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 100 FTE 86 (2022: 97 , 84 FTE).

Staff are split across the activities of the charitable company as follows (full time equivalent basis):

	2023	2022
	No.	No.
Cost of raising funds	2	1
Membership services	40	37
Projects	23	30
Training & events	4	3
Advice services	6	6
Consultancy	11	7
	86	84

10 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

The Fostering Network received no donations from trustees (2022: £nil). The trustees receive no benefit from the donations made to the charity.

11 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

For the year ended 31 March 2023

12 Tangible fixed assets

	Freehold property £	Leasehold improvements £	Furniture and Office £	Computer equipment £	Total £
Cost or valuation					
At the start of the year	3,300,000	25,277	71,133	642,280	4,038,690
Additions in year	-	-	3,921	126,881	130,802
Revaluation	(64,000)	-	-	-	(64,000)
At the end of the year	<u>3,236,000</u>	<u>25,277</u>	<u>75,054</u>	<u>769,161</u>	<u>4,105,492</u>
Depreciation					
At the start of the year	-	4,002	49,559	210,149	263,710
Charge for the year	-	2,528	17,783	64,913	85,224
At the end of the year	-	<u>6,530</u>	<u>67,342</u>	<u>275,062</u>	<u>348,934</u>
Net book value					
At the end of the year	<u>3,236,000</u>	<u>18,747</u>	<u>7,712</u>	<u>494,099</u>	<u>3,756,558</u>
At the start of the year	<u>3,300,000</u>	<u>21,275</u>	<u>21,573</u>	<u>432,130</u>	<u>3,774,978</u>

Land with a value of £952,817 (2022: £952,817) is included within freehold property and not depreciated. The carrying amount on the cost model would be £1,322,221 (2022: £1,322,221). The purchase price of the freehold building was £450,000 in 1999. The freehold property is not depreciated because the Charity believes that the residual value of the property is in line with the carrying value.

In order to reduce the long term cost to the company of the London office, 23% of the total space is leased to tenants. The property is shown in the accounts at Market Valuation.

The Charity follows the revaluation model for freehold premises. Land and Buildings were revalued as at 31 March 2023 by Frederick Holt and Company Limited on an existing use open market basis in accordance with Guidance Notes of the Royal Institution of Chartered Surveyors. Lamberts are not connected with the charity.

13 Investments

The Fostering Network owns the whole of the issued ordinary share capital of National Foster Care Association Services Ltd, a company registered in England. The subsidiary was dormant in the year.

	2023 £	2022 £
Trading subsidiary (cost)	<u>2</u>	<u>2</u>

For the year ended 31 March 2023

14 Debtors

	2023	2022
	£	£
Trade debtors	857,965	1,591,370
Other debtors	500,941	116,715
Prepayments	213,462	164,830
	1,572,368	1,872,915

All of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and in note 16.

15 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	456,933	335,358
Taxation and social security	216,869	324,228
Other creditors and accruals	380,326	506,750
Deferred income	966,208	1,246,327
Bank loan	54,595	107,627
Coronavirus Business Interruption Loan	62,002	59,002
	2,136,933	2,579,292

The charity is due to return unspent funds of £102k to the funder (included in creditors) and make a final payment of £34k to partners.

16 Creditors: amounts falling after one year

	2023	2022
	£	£
Repayable in 1-5 years	136,070	235,512
	136,070	235,512

This comprises a bank loan and a Coronavirus Business Interruption Loan (CBIL). Both loans are secured over the freehold property and interest on both loans is charged on floating rate basis. The CBIL is for 6 years, with the first year interest free and repayment free.

17 Deferred income

Deferred income comprises of income relating to services to be provided in 2022/23, but have been invoiced prior to 31 March 2023.

	At 1 April 2022 £	Released £	Deferred £	At 31 March 2023 £
Training and events	4,506	(4,506)	6,958	6,958
Advice services	103,839	(103,839)	126,934	126,935
Membership services	238,657	(236,802)	226,339	228,194
Consultancy	899,325	(899,325)	604,121	604,121
Balance at the end of the year	1,246,327	(1,244,472)	964,353	966,208

For the year ended 31 March 2023

18 Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	3,756,558	-	-	3,756,558
Investments	2	-	-	2
Net current (liabilities)/ assets	(651,968)	-	185,187	(466,781)
Long term liabilities	(136,070)	-	-	(136,070)
Net assets at 31 March 2023	2,968,522	-	185,187	3,153,709

Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	3,774,978	-	-	3,774,978
Investments	2	-	-	2
Net current (liabilities)/ assets	(372,446)	-	301,769	(70,677)
Long term liabilities	(235,512)	-	-	(235,512)
Net assets at 31 March 2022	3,167,022	-	301,769	3,468,791

19 Movements in funds (current year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
General reserve	1,369,513	5,792,678	(6,103,983)	176,805	1,235,013
Revaluation reserve	1,797,509	-	(64,000)	-	1,733,509
Total unrestricted funds	3,167,022	5,792,678	(6,167,983)	176,805	2,968,522

Movements in funds (prior year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
General reserve	1,488,661	5,475,014	(5,594,162)	-	1,369,513
Revaluation reserve	1,603,759	193,750	-	-	1,797,509
Total unrestricted funds	3,092,420	5,668,764	(5,594,162)	-	3,167,022

For the year ended 31 March 2023

20a Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods.

	Property		Other	
	2023	2022	2023	2022
	£	£	£	£
Less than one year	11,194	35,755	1,075	1,075
One to five years	-	11,194	896	896
	11,194	46,949	1,971	1,971

20b Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property	2022
	2023	£
	£	£
Less than one year	64,052	57,542
	64,052	57,542

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

The Fostering Network
Trustees Management and Advisors

**The following served as members of the board of directors and trustees
and as the senior leadership team in 2022-2023.**

Chair

Mervyn Erskine

Treasurer

Sophie Masey (until December 2022)

Trustees

Mervyn Erskine
Stuart Lewis
Sophie Masey
Gary Pickles
Christopher Pope
Ishara Tewary
Jonathan Walsh
Frank Harasiwka
Matthew Page (from June 2023)
Lyssa Elster (from June 2023)
Paul Sneath (from June 2023)
Kate Brash (from June 2023)
Caroline Malcolm (from June 2023)
Sophie Masey (until December 2022)
Jeanette Towning (until February 2023)
Nigel McCartney (until June 2023)

Senior Leadership Team

Sarah Thomas (from May 2023)
(Chief Executive)

Kevin Williams (until February 2023)
(Chief Executive)

Kate Lawson
(Director of External Relations)

Jacqueline Cassidy
(Director of Practice & Scotland)

Kathleen Toner
(Director of Membership, Engagement &
Northern Ireland)

Sarah Thomas (until May 2023)
(Director, of Commercial & Wales)

Floretta West (until July 2023)
(Director of People & Culture)

Geoff Wilson
(Director of Finance & Resources)

Company Secretary
Geoff Wilson

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87 Blackfriars Road
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BANKERS
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Accounts



Annual Review

for the year ended 31 March 2022

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Message from our Chair

As the chair of the board of trustees, I am delighted to introduce The Fostering Network's 2021-2022 annual report.

The year just past has been eventful to say the least. We all continued to navigate fluctuating Covid-19 restrictions for much of the year, with events and activities either limited or changing suddenly according to current conditions. We saw the Independent Review of Children's Social Care in England take place, to which we contributed with and on behalf of our members. And we undertook our State of the Nation's Foster Care 2021 survey - the largest and most comprehensive survey of the UK's fostering sector – which we expanded to include fostering services for the first time this year.

In the following report, you will see how the organisation has continued to deliver the diverse range of high-quality activities it is known for, while still providing effective support and guidance for both foster carer and services members. We have seen further expansion of our successful Mockingbird programme, ensuring that more families can benefit from this model of support. New projects have also been developed, including Fostering Digital Skills training for foster carers to help them support young people in becoming independent digital citizens, and the Start Talking project which aims to help foster carers support children and young people in their relationships and sex education.

We also continued to celebrate the fostering community and all it does to help children and young people fulfil their potential through our annual Fostering Excellence Awards, Foster Care Fortnight™ and Sons and Daughters Month. These opportunities to come together and highlight the value of foster care continue to attract and engage a wide range of audiences, some who may be completely new to fostering, and help us in our aims to educate people about the role of foster care in society.

Finally, it would be remiss not to thank all those people and organisations who support the work of The Fostering Network, from our partners and sponsors to individuals who have raised money or taken part in our activities across the year. Alongside our staff, they ensure our work continues to support our members and contributes to making foster care the best it can be. I hope you will look forward to another year of working together to improve foster care and ensuring children and young people have the care and support they need to thrive.

Mervyn Erskine

Chair of trustees

Trustees' annual report (including strategic report)

About us

The Fostering Network is the UK's leading fostering charity. We are the essential network for fostering, bringing together everyone who is involved in foster care. We support foster carers to help transform children's lives and we work with fostering services and the wider sector to develop and share best practice.

We work to ensure all children and young people in foster care experience stable family life, and we are passionate about the difference foster care makes. We champion fostering and seek to create vital change so that foster care is the very best it can be.

Vision

Our vision is a society where the importance of fostering is understood, recognised, and supported.

Mission

Our mission is to support those who foster, improve opportunities for children and young people in foster care, and provide expert guidance to all fostering services.

Values

We are trusted – expert and independent.

We are together – a network, working in partnership, for community, for members.

We are vital:

- for raising awareness of fostering
- for creating change
- for up-to-the-minute information, advice, and support for foster carers, fostering services and fostered children and young people – the whole fostering community.

What we achieved – some highlights

The Fostering Network brings together everyone involved in the lives of fostered children to make foster care the very best it can be. In the 12 months to 31 March 2022, working with our members and other stakeholders we took significant steps towards meeting our four strategic objectives. Here are some of the highlights from the year.

Objective: Provide opportunities for children and young people that benefit them, make their voices heard and enable them to reach their potential

We worked with children and young people around the UK (United Kingdom) throughout the year.

In Scotland, the Young Advocates group was active in a variety of The Fostering Network's activities. The launch of the Young Advocates education training resource included a webinar which was attended by 90 people and hosted by the young advocates themselves (a group of five aged 17 to 24). The resource is hosted on the Children in Scotland LMS (Learning Management System) platform.

The Young Advocates also contributed to Tick the Box 2021 – our campaign to inform young people about the support available to them during their time at university and how to access it. Members of the group contributed to a review of content in The Skills to Foster training, got involved in Sons and Daughters Month 2021 and spoke at conferences to promote the education resources and highlight the importance of removing stigma for care experienced young people in education.

The Fostering Network in Scotland secured funding through The Promise to develop a Young Person's Advisory Board, and we recruited an implementation manager to ensure we are aligned with the Promise and centre the voice of the child in everything we do.

In Scotland we started the Moving On project, with two young people on the steering group. The focus of this project is transitions through foster care and as part of this work, we hosted two sessions with Independent Living Fund providers, enabling young people with care experience to access funds on an annual basis from ages 16 to 25, empowering them to gain skills for independence.

In Northern Ireland, we continued to provide our commissioned service, Fostering Attainment and Achievement, to children and young people to support their education and learning. Despite ongoing Covid-19 related restrictions, this service made direct provision to more than 1,000 children and young people and provided support to foster and kinship foster carers as primary educators. This included online support, webinars and a major conference with experts Louise Bomber and Kim Golding attended by 350 delegates. We adapted to the restrictions by developing 'Wild about learning', based on forest schools, to great success.

Our award-winning edge of care service, Step Up Step Down, has continued to provide families on the edge of care with wrap around, trauma-centred services which ensured that children and families were kept together during the pandemic despite the huge challenges.

Objective: Promote foster care to ensure society understands, values and recognises how foster carers transform children's lives

Our annual campaign to celebrate fostering, Foster Care Fortnight™, took place from 9-22 May and was based around the theme of Fostering Communities. The campaign theme and activities were informed by an external steering group of The Fostering Network members and a staff working group, with the key aims of raising awareness of foster care and providing services members with support for their foster carer recruitment and retention targets. The campaign on social media brought over 200 new followers to our channels, and the hashtag was seen over 800,000 times, with over 1,200 mentions.

In Northern Ireland, foster carers came together for a Foster Care Fortnight launch event online which was attended by more than 100 people and featured contributions from the Minister for Health, foster and kinship foster carers. Two foster carers from Northern Ireland, who both grew up in foster care, appeared on BBC Northern Ireland online talking about how their experiences in care inspired them to become foster carers themselves. The piece attracted more than 200,000 views. In England, our membership engagement team ran a series of webinars during Foster Care Fortnight all about fostering to engage with existing members and to encourage people interested in fostering to find out more.

Across the year, we achieved around 1,200 pieces of media coverage, with a combined potential reach of 162 million. Highlights included: an exclusive in The Observer in December featuring our State of the Nation's Foster Care 2021 report; Vicki Swain, head of campaigns and policy, appearing on BBC Radio 4's Money Box Live in February and various pieces of regional coverage around the Fostering Excellence Awards and Foster Care Fortnight. All served to highlight the diversity of the foster care community, the challenges and rewards foster care brings and how vital it is in helping transform children's lives.

In addition to this, on social media, we have continued to grow our audiences and see engagement with a range of content across all our communications campaigns, in particular our State of the Nation report launches, Fostering Excellence Awards and Foster Care Fortnight.

The Fostering Network's advice teams dealt with 108 enquiries from prospective foster carers. In handling these enquiries professionally, and with enthusiasm for fostering, we have demonstrated our commitment to promoting foster care and how it can transform children's lives. That people come to us with these enquiries demonstrates that we are seen as leaders in the sector, which means we are well-placed to help society understand, recognise and value foster care.

Objective: We will influence policy and the legislative framework, so it supports and promotes excellence in foster care

Campaigning and influencing policy at every level to ensure foster care is the best it can be for all involved is a key area for the organisation and in 2021-22 we brought foster carer voices to the fore through a range of high profile activities. Around the UK, we regularly meet with ministers and Government departments to share our member's views, and contribute to consultations on the issues that matter to them

In January 2021, the Secretary of State for Education announced an Independent Review of Children's Social Care in England. The Fostering Network launched a programme of work to influence the review and ensure that it delivered for foster care. We responded to the Call for Ideas, the Case for Change and Call for Evidence.

As part of this programme, we ran engagement events with 82 foster carers, 37 fostering service staff members, researchers and health professionals and 18 key national representatives of care experienced children, young people and foster carers, researchers and policy makers. Our submissions also included responses from over 7,000 foster carers who shared their views with us in the 2018 and 2021 State of the Nation's Foster Care surveys.

We launched our State of the Nation 2021 survey of foster carers and fostering services in May 2021. We received responses from 3,352 foster carers and 99 fostering services representing around six per cent of all fostering households and 19 per cent of services.

We published our main report in December 2021, Spotlight on Wales Report in March 2022 and Status Report in February 2022. The reports received widespread coverage including The Observer and Sky News. Our launch event in England included over 300 attendees. The panel included Josh McAlister, chair of the independent review of children's social care in England and was Chaired by David Simmonds MP. We co-presented the findings with a young person with care experience, foster carer and fostering service.

At our Scotland launch event, the panel included Jackie Brock from The Promise and a film from Clare Haughey MSP, the Minister for Children and Young People in Scotland. The event was also co-presented with a care experienced young person, foster carer and fostering service. It was attended by over 90 foster carers, services staff, and other key stakeholders.

We have continued to meet with and present the findings to several key stakeholders including:

- Ofsted inspectors
- Ofsted National Consultative Forum
- Care Review England
- Department for Education
- Shadow Children's Minister, Helen Hayes
- Wales local authority and IFP (Independent Fostering Providers) forum.

Turning to foster carer allowances, The Fostering Network conducted a survey of local authorities and in England, and we found that for 2021-22 there were twenty-two local authorities not paying the recommended level in at least one age category in 2021-22. We contacted the twenty-two local authorities paying below Government rates to challenge their allowance levels. Seven local authorities confirmed in response that they are paying at or above the national minimum allowance. This action by The Fostering Network has therefore resulted in £11,232.34 extra funding per week to directly meet the needs of children in foster care. In Scotland, there is still no national minimum allowance, meaning in some areas there has effectively been a ten-year freeze on rates paid. Sara Smith, head of operations, and a foster carer took

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part in media interviews to raise awareness of the issue in Scotland. we continue to meet with COSLA to ensure Scotland implements a recommended minimum fostering allowance as per the Scottish Government commitment.

Our Tick the Box campaign is a week of online activity which took in October, encouraging people with care experience to tick the box on their UCAS application to say they have spent time in care, as well as raising awareness and encouraging more people with care experience to think of higher and further education as an option for them. The campaign ran for five days, and included content from different universities, organisations such as UCAS and NNECL and people with care experience sharing their stories. The campaign was seen by over 57,000 people across social media, with a significant increase in the number of posts across the platforms and reach of the campaign, as well as a 125% increase in the number of universities who supported the campaign in comparison with the previous year.

We continued to work closely with The Promise in Scotland to ensure we support its implementation and encourage our membership to align to it. We met with Government representatives on a regular basis and the Children's Minister in March, to discuss foster care and current issues regarding recruitment, retention and allowances.

As part of our commitment to The Promise, we have contributed to new practice guidance on supporting siblings to stay together and connected through our role on the national advisory group. This guidance launched in July 2021 and supports the implementation of new duties for Scottish local authorities that every looked after child will live with their brothers and sisters, where appropriate to do so. Siblings should be supported to sustain lifelong relationships, if appropriate, even if they cannot live together.

We also contribute to improving foster care through participation in a range of groups, meetings and forums in Scotland:

- Stand Up for Siblings group
- CELCIS Community of Practice foster care group
- Meetings with Care Inspectorate
- IVP forum
- Social Work Scotland.

In Northern Ireland, we have engaged with foster and kinship foster carers consistently to highlight the challenges within foster care to government officials, politicians and policy makers. This included several meetings with Ministers for Health and for Education, and meeting with the education committee and health committee to reflect the concerns of foster carers. This engagement with foster carers was central to changes being made to the temporary modification of fostering regulations and influenced the Adoption and Children Bill which was passed into law into March. We continue to work in partnership with stakeholders and foster carers to raise awareness of children looked after and their carers.

Objective: Support fostering families and the services that work with them to provide the best possible care for children and young people

Our work to support foster carers and services is central to everything we do as a membership organisation. Through advice and information, resources, training, events and programmes, we aim to work with all members of the fostering community to make foster care the best it can be.

Over 1,000 foster carers and 80 staff from services completed our membership survey in 2021, which we are using to inform our plans for improving member services and benefits in the future.

In England, the membership engagement team continued to meet with members in their regions, with a combined audience of around 400 people attending engagement activities and presentations.

We have continued to build on our success in delivering activities digitally following the pandemic, using technology to broaden the scope of our engagement activities, and significantly increasing our reach to our members. We have also worked closely with our partners to deliver relevant and timely information to members on a range of topics. This has included working with Williams Giles Accountants to provide expert advice on tax and national insurance via webinars and workshops (both online and face-to-face) to over 1,000 foster carer members. The Mortgage Brain have helped us to deliver two webinars to 120 members, while we have also started working with The Money Charity to offer financial education to members, with 143 members attending our first joint webinar.

In the 12 months to 31 March 2022, we offered a wide range of training courses and workshops across the UK. In total, The Fostering Network delivered 97 courses to over 1,000 delegates. Our training received an average 4.7/5 rating, with 95% scoring 4/5 or 5/5. We hosted the launch of the 'Out There' foster carer recruitment film with 30 local authorities across the UK, supporting a new approach to foster carer recruitment.

Our team in Wales worked with Internet Matters and the University of East Anglia to develop an innovative new course that will increase understanding across the sector of how supporting foster carers to improve their digital skills can positively impact the digital resilience of children in their care. The course was created in consultation with foster carers and care experienced young people and so far over 100 foster carers have received the training.

Our practice support team delivered the Start Talking project, in partnership with Sex Education Forum, producing guidance around supporting young people with sexual health and identity and encouraging foster carers to be more confident in exploring this with young people.

315 hours of training has been delivered to regions in Wales as part of the Fostering Wellbeing masterclass programme. These have reached over 650 members of the team around the child, including foster carers, social workers, teachers, education support services, and health workers.

We also provided training in partnership with Enquire to ensure foster families understand children's rights in education, hosting two sessions through the Young Advocates project attended by over 87 people.

Over the past year, the advice and information service (comprising the Members' Helpline in England, Fosterline Wales, Fosterline Scotland and our independent advice and information service in Northern Ireland) handled 5,505 enquiries, broken down as follows:

- Members' Helpline (England): 3,988
- Fosterline Wales: 612
- Fosterline Scotland: 759
- Independent advice and information service (Northern Ireland): 146

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For the 5,159 enquiries where we have noted the 'origin' of the enquiry, 3,226 came via telephone (62%), 1,887 came via email (36%), 28 came by mail, 12 were face-to-face enquiries, 5 enquiries came in by text and 1 on social media.

Foster Care magazine, sent three times a year to all members of The Fostering Network, continues to provide information and thought-provoking content which links to the issues we know foster carers are interested in. Information about key topics (such as Universal Credit, foster carer review and approval, and making a complaint) has been developed to further support foster carers in providing the best possible care for children.

The practice support team, which provides specialist practice support and expertise to fostering services, responded to 851 enquiries and held 144 forums with a total of 1,500 attendees.

Key developments included work around anti-racist practice in fostering, with anti-racist working groups being established in Yorkshire, The Humber, and the Northwest and learning and approach being rolled out across the country.

We continued to work with the Quality Parenting Initiative in the USA to enable an international exchange between foster carers from the UK and USA, much welcomed by those who took part.

The Independent Support Service has recruited 15 new independent support workers to expand our pool of support workers to 40. This expansion is vital, as referrals for our spot purchase service have increased again this year to over 250.

The Advice and Mediation service provides a quality service to foster carers and fostering services – supporting carers and their families through very difficult situations including de-registration and navigating with advocacy the allegations process. This year the team supported over 400 fostering families and 23 fostering services. We regularly receive positive feedback from foster carers using the Independent Support Service with 100% of responses saying that the support was excellent or good.

“We have been allocated LB as our representative from The Fostering Network and we would just like to take the time to let you know how exceptional she was in supporting us. She has helped us so much over the last four months and has been with us every step of the way. She always responded promptly, picked up the phone when we called and gave us excellent advice.” - comment from a member about the advice and mediation service

In March 2022, the Health Minister for Northern Ireland, Robin Swann, announced an extra £1 million for foster carers to help them with the extra costs they had to face during the pandemic. The Fostering Network was pleased to have worked with the Department to highlight the challenges foster carers were facing and advocating on their behalf to help secure this funding.

In 2021, we realised our ambition to improve how we collect and analyse information with the implementation of our new relationship management system, enabling us to process information more efficiently and leading to improvements in our renewal process, income generation and reducing the time taken to process data updates and customer service enquiries.

From April 2021 to March 2022 Mockingbird continued to sustain and support fostering families as well as to further expand activity across the UK. In September, the Fostering Network partnered with 21 new fostering services through the Department for Education's, Children's Social Care Recovery Fund. As of March 2022, Mockingbird now operates in a total of 63 fostering services with nearly 100 constellations providing the vital extended family model to almost 3000 foster carers and young people. Mockingbird has garnered interest from the Independent Review of Children's Social Care in England and ministers have met with carers, staff, and young people for whom Mockingbird has proved a lifeline.

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At The Fostering Network the Mockingbird team continue to support all 63 services through implementation and provide a series of events throughout the year for all the participants; ranging from young people's activity days to forums for foster carers and social workers, to workshops for senior leaders in services. All partners are currently committed to sustaining the model and, once operational can demonstrate outcomes that meet some of the key issues faced within the sector, such as retention and recruitment of carers and the stabilisation and normalisation of children and young people's journeys through the care system.

The evidence is compelling even before considering finances, which demonstrates that once established, Mockingbird is self-sustaining, with each £1 invested in the programme there is a saving of 99 pence. Therefore, Mockingbird provides significant cost savings for the care system, with an estimated £3.4 million estimated costs avoided between May 2018 and March 2021.

Our Fundraising

We are grateful to all the donors, supporters and funders who joined us in our cause and supported us to achieve our mission across the UK.

The Mortgage Brain, Arthur Cox, and Williams Giles continued their support for us through partnerships and from staff fundraising events and activities over the year.

We are grateful to partners The Mortgage Brain and Williams Giles, who chose to sponsor our prestigious Fostering Excellence Awards again this year.

Foster Walk, our flagship fundraising event, saw the largest participation to date with over 350 people taking on walking challenges and raising over £7,500. We thank those member and supporter organisations who fielded teams.

Many community supporters organised their own events or took part in third party challenges. Harriet Minford raised over £2,000 through her London Marathon run; Kevin Williams took on the Snowdon at Night challenge.

We were extremely fortunate to receive a legacy gift during the year of over £61,000. During the year we launched a free will writing service for members and supporters in partnership with Farewill, encouraging others to leave a gift.

We are grateful to all our grant funders, including the National Lottery Community Fund, The Scottish and Welsh Governments, The Corra Foundation and HIVSRH Innovation Fund whose support has enabled us to design and deliver innovative projects that are improving foster care across the UK.

Fundraising practice

Our fundraising activity is focused on organisations and individuals that have an established relationship with The Fostering Network.

We support and adhere to the code of practice of the Fundraising Regulator and pay their levy. During the year we did not receive any complaints related to fundraising, we followed the best practice recommended by the Fundraising Regulator to protect vulnerable people and did not use third parties to raise funds on our behalf. Most of the fundraising expenditure is staff time and a significant proportion of this is spent developing formal bids for major projects and services. During the year the team supported operational staff in winning numerous grants and contracts.

We would like to recognise the enormous contribution that the following funders and supporters have made to our work over the year and to thank them for their vital support, as well as all our generous donors and fundraisers.

Ardea Cares Charitable Trust

Arthur Cox

BBC Children in Need

Child Concern Consortium

Department for Education (England)

Department of Health, Social Services and Public Safety (Northern Ireland)

Health and Social Care Board, Northern Ireland

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HIVSRH Innovation Fund

Lewis Family Charitable Trust

Life Changes Trust

Mrs M A Black's Charitable Trust

Murphy-Neumann Charity

National Institute for Health Research

National Lottery Community Fund

Nominet

Northwood Charitable Trust

PCW

Scottish Government

Sir Jeremiah Colman Gift Trust

Susan Hall Charitable Trust

The Harrison Frank Family Foundation

The Hugh Fraser Foundation

The Mortgage Brain

The Robertson Trust

The W M Mann Foundation

Ulster Garden Villages

Vassiliou Family Charitable Trusts

Waitrose

Welsh Government

Wexbaby

Young Start Fund

Our plans

We look the next 12 months with some significant developments planned, as well as building on the success of our existing projects and programmes.

We will continue our work to address equality, diversity and inclusion within our charity and ensure we are able to play an increasingly positive role in opposing racism and prejudice in the future. We will also continue to develop approaches that enable us to play our part in being an instrument for change in tackling racism in society, especially when these impact on fostering.

As we move into the final year of our current strategic period, we will continue to focus on improving member engagement, developing our evidence-base to inform our work, and ensuring we have the tools and expertise in place to offer effective and efficient support to members and other stakeholders. This will include:

Member engagement

- Continuing our efforts to reach more members to draw out their views on key issues facing the sector, as well as providing support to them in a range of accessible activities. We will build on the success of our online webinars and workshops with partners and move to a blended approach as we increase our face-to-face capacity following the end of Covid-19 restrictions.
- Reviewing and improving our use of digital engagement tools, in particular our website, to ensure members and other stakeholders all have access to the information and support they need.
- We will ensure our members' views are fed into the Review of Children's Services in Northern Ireland.
- Following our member survey, we will continue to identify ways to improve our communications with members and ensure we are seeking members' views to inform our work.
- We will host our Fostering Excellence Awards in person for the first time since the pandemic, to shine a spotlight on the incredible achievements of the fostering community and bring people together in celebration.

Evidenced-based practice

- We will develop our new research strategy, to ensure we are building a robust and reliable evidence base for our work.
- We will launch updated resources on allegations and benefits, along with other key topics relevant to foster carers, to ensure we offer the most appropriate content.
- We will continue to develop our training offer, growing the range and scope of courses and ensuring that our training remains in line with current best practice and legislation.
- We will continue to build new partnerships and improve the range of services and discounts we provide to our members.

Growing our influence

- We will continue to work towards our vision of a society in which the importance of fostering is understood, recognised, and supported.
- We will continue to work to improve the status of foster carers within the team around the child. One key way of doing this will be to push for a central register of foster carers.
- We will respond to The Children, Young People and Education Committee at the Senedd, to help inform the Sixth Senedd (2021-2026)
- The Fostering Network will continue to work closely with The Promise in Scotland to implement change to help align to The Promise by reviewing policies and use of language as well as embedding children's rights across all activities and projects.
- Following the Northern Ireland Executive approval of the Adoption and Children Bill, we will be working to ensure this key piece of legislation is prioritised, appropriately funded, and implemented, as well pressing for the implementation of fostering regulations and standards.
- Embedding Step Up Step Down service in Northern Ireland, and across the UK, as a model of practice using foster carers to support vulnerable families.
- We will continue to promote our Mockingbird model with the aim of seeing it implemented in every local authority in the UK.
- We will continue as a member of the Alliance for Children in Care and Care Leavers in England.
- We will continue to strive to grow the reach and impact of our awareness raising work through the media, social media, and campaigns such as Foster Care Fortnight, Tick the Box and Sons and Daughters Month.

Key Management Personnel

The Charity's trustees and the senior leadership team comprise the key management personnel of the charity in charge of directing, controlling, running, and operating the charity on a day-to-day basis. The pay of the Chief Executive is reviewed annually and increased when possible following formal approval by the trustees. Key managers and all staff are part of a formal grading system that facilitates fair and transparent comparison of roles. The bands are reviewed each year and salaries are increased when possible following formal approval by the Chief Executive and Trustees.

Financial review

The trustees calculate the reserves required by the Fostering Network based on a risk assessment together with operational needs. The Trustees agreed that we could safely reduce those reserves in 2021/22 and still maintain long term sustainability. The Fostering Network started the year with a deficit budget with the intention to improve member services, to increase our capacity, and to diversify income. The global pandemic continued to place restrictions on face-to-face support while at the same time increasing the demand for our services as we provided our members with advice and information reconciling best care practice with constantly evolving government advice.

Notwithstanding the pressures from increasing inflation and the disruption from the pandemic The Fostering Network has made great progress, increasing investment in member services, developing our Mockingbird consultancy service, and preparing for a new release of The Skills to Foster in 2022/3.

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Income from fundraising including a legacy, and gifts in kind and increased by £122K. Continued growth in Membership of £43K and Consulting, £167K has left unrestricted income improved at £5,475K, an increase of £228K.

Income from restricted projects remained constant and overall income has increased from £6,430K to £6,662K.

The combined income from Publishing, Training, Advice, and Consulting has grown 13% from £1,020K to £1,152K, the growth is driven by the successful Mockingbird programme a key part of the range of high-quality services that The Fostering Network provides to support its members. Investment in a new edition of Skills to Foster in the past year and new contracts for Mockingbird secured in early 2022 will ensure growth in these areas in the coming year.

Charitable expenditure on unrestricted activities increased by 7% to £5,513K with expenditure on membership services increasing by 6% to £3,003K. This increase helped The Fostering Network deliver its strategy goal to improve member services particularly through support during the pandemic.

In 2020/21 we made a major investment in IT as part of our digital transformation program. This successful project has been in use throughout the year to improve our understanding of our members needs and to help us plan and develop future activity. Use of services such as Microsoft 365 Teams and SharePoint has enabled staff to continue to work effectively throughout the pandemic whether from the office or from home. The charity has carried some duplicated IT infrastructure costs while improving systems causing a short-term increase in operating costs for IT. Included in IT spend was £50K pro bono support from PwC for improvements to cyber security.

The net unrestricted deficit was in line with budget and plans at £119K.

Cash balances have decreased during the year by £98K due to the planned deficit, improved working capital and a £107K repayment of long-term loans.

In keeping with the charity's policy of holding owned property at market value the Trustees have undertaken a formal valuation of its principal office located at 87 Blackfriars Road, London. The valuation was prepared by Lamberts LLP in March 2022 at £3,300K. At the end of March 2021, it was held at a value of £3,106K guided by advice from Lamberts LLP. The last formal valuation by Lamberts was in December 2018 when the property was valued at £3,550K. This was before London property prices were adversely affected by the pandemic.

Unrestricted reserves have increased by £75K. Restricted reserves reduced by £35K, leaving total reserves improved by £39K at £3,469K.

General reserves policy

In deciding on the level of unrestricted reserves required the board of trustees carries out an annual review to establish the level of reserves necessary to cover future investment, working capital and evaluated risks.

The policy for the level of unrestricted general reserves is now guided by a detailed evaluation of the risks included in the risk register. Each risk is valued and then that value is discounted by a percentage based on the likelihood of that risk occurring. The reserves also provide for any material future investment plans and for specific working capital required to manage large projects.

On this basis, general reserves required are calculated at £1,242K. At the year end, the charity holds general funds £3,167K which is tied up in property with overall cash balances of £626K. Property is held at

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market value of £3,300K, which remains a significant asset should there be a need for additional funds. On this basis, reserves are in line with the reserves policy.

Going concern

We have set out above a review of the financial performance during the financial year and our reserves position at the year end. We have adequate financial resources in the form of cash in the bank, the ability to raise financing secured on the charity's property and have the structures in place to manage the business risks. In addition, our annual budgeting and forecasting processes have taken into consideration the current economic climate and its potential impact on our various sources of income and anticipated expenditure.

We have a reasonable expectation that we have adequate resources and control mechanisms to continue in operational existence for the foreseeable future.

Further, we believe that there are no material uncertainties (and this includes the global pandemic and rising inflation rates) that may cast doubt on the charity's ability to continue as a going concern. Therefore, we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Risk management

The trustees have identified and reviewed the major risks to which the organisation is exposed and have established systems and procedures to manage those risks. This involved identifying more than 50 potential risks and then assessing the likelihood of their occurrence and their impact. Where systems are already in place to mitigate these risks, schedules for regular monitoring and reviews have been adopted. Where systems are not already in place, deadlines have been set for their development by staff and approval by trustees.

In managing risk, trustees have considered the following principal areas of risk.

Diversity of income streams and the significance of membership income. We have increased the staff and cost budgets to support members to provide improved services and have continued to strengthen other income such as Mockingbird. In the coming year we will take steps to further strengthen and diversify our income streams.

Ensuring child safety. We ensure staff are trained and supported in their work with Children and that appropriate policies, risk assessments and statutory checks are carried out.

Clarity of long-term strategic plans. The trustees meet each year to review and assess long-term strategic plans.

Inflation. The trustees have reviewed the impact of rising inflation and have provided for the evaluated impact in our reserves required.

Global Pandemic. The trustees have reviewed and evaluated the potential impact of the global pandemic on our short term and long-term income and expenditure. We have provided for the evaluated impact in the total unrestricted reserves required total of £1,242K.

Maintaining adequate reserve levels. We set a reserves level that reflect a financial evaluation of the specific risks that we face together with our fixed asset and working capital plans. We then set annual operating plans to ensure that we maintain enough reserves or so that we build towards the agreed level of reserves if there is a shortfall.

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Financial management and financial control. We use professionally qualified staff in our accounts department and have detailed budgets and operating plans that are reported against each month.

The physical condition of the principal property asset at 87 Blackfriars Road. We recognise that this property represents most of our financial reserves and we have an annual maintenance plan to keep it in good condition. In 2018 the building was completely refurbished.

The trustees continue to develop plans to grow unrestricted income, to invest in new income streams, to improve our services to our members and to maintain reserves at our agreed level.

Statement of responsibilities of the trustees

The trustees (who are also directors of The Fostering Network for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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.

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.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

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The trustees' annual report, including the strategic report, is approved by order of the board of trustees in their capacity as the directors at a meeting on 3 October 2022 and signed on its behalf by:

Mervyn Erskine

Independent auditor's report to the members of The Fostering Network

Opinion

We have audited the financial statements of The Fostering Network (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 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
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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 Fostering Network's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or

- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

21 November 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

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

The Fostering Network

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2022

		2022			2021		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	2	332,005	-	332,005	209,872	-	209,872
Charitable activities							
Membership subscriptions		2,490,724	-	2,490,724	2,447,893	-	2,447,893
Specific projects		1,435,170	1,186,793	2,621,963	1,492,554	1,183,015	2,675,569
Publishing		79,767	-	79,767	135,721	-	135,721
Training and events		114,055	-	114,055	93,952	-	93,952
Advice services		242,180	-	242,180	241,332	-	241,332
Consultancy		715,773	-	715,773	548,975	-	548,975
Other trading activities		60,091	-	60,091	44,166	-	44,166
Investments		295	-	295	369	-	369
Sundry income		4,954	-	4,954	32,070	-	32,070
Total income		5,475,014	1,186,793	6,661,807	5,246,904	1,183,015	6,429,919
Expenditure on:							
Raising funds	5	(81,355)	-	(81,355)	(92,683)	-	(92,683)
Charitable activities	5						
Membership services		(3,002,760)	-	(3,002,760)	(2,842,210)	-	(2,842,210)
Project costs		(1,414,376)	(1,222,119)	(2,636,495)	(1,496,336)	(1,248,680)	(2,745,016)
Publishing		(107,026)	-	(107,026)	(88,859)	-	(88,859)
Training and events		(136,405)	-	(136,405)	(157,132)	-	(157,132)
Advice services		(303,085)	-	(303,085)	(257,844)	-	(257,844)
Consultancy		(549,155)	-	(549,155)	(294,006)	-	(294,006)
Total expenditure		(5,594,162)	(1,222,119)	(6,816,281)	(5,229,070)	(1,248,680)	(6,477,750)
Net income before net gains / (losses) on investments		(119,148)	(35,326)	(154,474)	17,834	(65,665)	(47,831)
Transfers between funds		-	-	-	4,824	(4,824)	-
Net income before other recognised gains and losses		(119,148)	(35,326)	(154,474)	22,658	(70,489)	(47,831)
Gains on revaluation of fixed assets		193,750	-	193,750	-	-	-
Net movement in funds		74,602	(35,326)	39,276	22,658	(70,489)	(47,831)
Reconciliation of funds:							
Total funds brought forward as previously		3,092,420	337,095	3,429,515	3,069,762	841,768	3,911,530
Prior year adjustment		-	-	-	-	(434,184)	(434,184)
Total funds brought forward as restated		3,092,420	337,095	3,429,515	3,069,762	407,584	3,477,346
Total funds carried forward		3,167,022	301,769	3,468,791	3,092,420	337,095	3,429,515

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Notes 3 and 19 to the financial statements.

The prior year adjustment shown in the 2021 figures above relate to an adjustment made in the 2021 financial statements. The prior year figures were restated for the Confidence in Care Wales restricted fund as explained in note 20a of the accounts for the year ended 31 March 2021.

The Fostering Network

Balance sheet

Company no. 01507277

As at 31 March 2022

		2022		2021	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	12		3,774,978		3,575,503
Investments	13		2		2
			<u>3,774,980</u>		<u>3,575,505</u>
Current assets:					
Stock		10,089		32,313	
Debtors	14	1,872,915		1,443,654	
Cash at bank and in hand		625,611		724,045	
		<u>2,508,615</u>		<u>2,200,012</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(2,579,292)		(1,943,856)	
Net current liabilities			<u>(70,677)</u>		<u>256,156</u>
Creditors: amounts falling after one year	16		(235,512)		(402,146)
Total net assets			<u><u>3,468,791</u></u>		<u><u>3,429,515</u></u>
The funds of the charity:	19				
Restricted income funds			301,769		337,095
Unrestricted income funds:					
Designated funds		-		-	
Revaluation reserve		1,797,509		1,603,759	
General funds		1,369,513		1,488,661	
		<u></u>	<u>3,167,022</u>	<u></u>	<u>3,092,420</u>
Total charity funds			<u><u>3,468,791</u></u>		<u><u>3,429,515</u></u>

Approved by the trustees on 3 October 2022 and signed on their behalf by

Mervyn Erskine
Chair of the board of trustees

Sophie Massey
Honorary treasurer

The Fostering Network

Statement of cash flows

For the year ended 31 March 2022

	2022 £	£	2021 £	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	(154,474)		(47,831)	
Depreciation charges	97,244		109,121	
Investment income	(295)		(369)	
(Increase)/decrease in stocks	22,224		4,072	
(Increase)/decrease in debtors	(429,261)		(191,800)	
Increase/(decrease) in creditors	576,425		67,694	
Net cash provided by / (used in) operating activities		111,863		(59,113)
Cash flows from investing activities:				
Dividends, interest and rents from investments	295		369	
Purchase of property, plant and equipment	(102,969)		(403,817)	
Net cash provided by / (used in) investing activities		(102,674)		(403,448)
Cash flows from financing activities:				
Repayments of borrowing	(107,623)		(100,584)	
Cash inflows from new borrowing	-		250,000	
Net cash provided by / (used in) financing activities		(107,623)		149,416
Change in cash and cash equivalents in the year		(98,434)		(313,145)
Cash and cash equivalents at the beginning of the year		724,045		1,037,190
Cash and cash equivalents at the end of the year		625,611		724,045

Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	Other non- cash changes £	At 31 March 2022 £
Cash and cash equivalents				
Cash at bank and in hand	724,045	(98,434)	-	625,611
	724,045	(98,434)	-	625,611
Borrowings				
Debt due within one year	107,618	(59,011)	118,022	166,629
Debt due after one year	402,146	(48,612)	(118,022)	235,512
	509,764	(107,623)	-	402,141
Total	1,233,810	(206,057)	-	1,027,753

1 Accounting policies

a) Statutory information

The Fostering Network is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 87 Blackfriars Road, London, SE1 8HA

b) 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 (FRS 102) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The subsidiary company did not trade in the year. Therefore the results of the charity and the group are the same.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern; the charitable company has sufficient reserves and adequate controls to mitigate the risks posed by the COVID-19 pandemic.

The charity has very stable, regular income and has forecast future activities, balance sheet and operating surplus for three years. It manages working capital with monthly cash flow forecasts.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. The following specific policies apply to categorise of income:

- ☐ Membership subscriptions are recognised over the period of membership (equally over 12 months).
- ☐ Publications income is recognised at point of sale.
- ☐ Advice, training and consultancy income is recognised on the date the service was provided.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- ☐ Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- ☐ Expenditure on charitable activities includes the costs of delivering member services undertaken to further the purposes of the charity and their associated support costs.
- ☐ Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- Membership	73%
- Specific projects	14%
- Training and events	2%
- Advice services	3%
- Consultancy	6%
- Raising funds	1%
- Publishing	0%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

1 Accounting policies (continued)

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Freehold land and buildings are recognised under the revaluation model under FRS102, and any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet. Freehold land and buildings are not depreciated as the property is maintained in good condition and therefore the residual value is considered to be in line with the carrying value.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

☐ Furniture and equipment	Over four years
☐ Computers and software	Over two to ten years
☐ Freehold improvements	Over three to seven years
☐ Freehold premises	Not depreciated
☐ Freehold land	Not depreciated

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Stocks

Stocks consist of publications for resale and materials for use in training courses. They are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1 Accounting policies (continued)

s) Pensions

The Fostering Network operates a defined contribution pension scheme and the amount charged to the SOFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown in either accruals or prepayments in the balance sheet.

t) Management estimates and judgements

In the process of applying its accounting policies the charity is required to make certain estimates, judgements and assumptions. Examples of these are: valuation of freehold property in light of the COVID-19 pandemic (see note 12); where goods and services have been provided but not invoiced to us, we estimate the value of the services; where stock is slow moving we apply a net realisable value if that is lower than cost. Where debtors are materially overdue we reduce their value to zero.

The Fostering Network

Notes to the financial statements

For the year ended 31 March 2022

2 Income from donations and legacies

	2022 £	2021 £
Donations	149,747	76,291
Gifts in kind	50,000	-
Core grants		
Northern Ireland Department of Health, Social Services and Public Safety	43,490	44,813
Scottish Government	88,768	88,768
	332,005	209,872

3 Projects income (current year)

Restricted Projects

	Balance at 1 April 2021 £	Income 2021 £	Expenditure 2021 £	Transfers £	Balance at 31 March 2022 £
England / Headquarters					
Fostering Digital Skills for Life	59,491	-	(18,628)	-	40,863
Jon and Kathy Broad Award	1,600	-	(250)	-	1,350
Mockingbird	15,612	104,887	(117,708)	-	2,791
Quilts for Children in Care	4,846	-	(1,097)	-	3,749
Start Talking	-	39,937	(39,937)	-	-
England / Headquarters	81,549	144,824	(177,620)	-	48,753
Northern Ireland					
Fair Start	-	30,089	(30,089)	-	-
Kinship Care Support	3,542	-	(3,542)	-	-
Step Up Step Down	25,932	133,477	(134,770)	-	24,639
Northern Ireland	29,474	163,566	(168,401)	-	24,639
Scotland					
Capturing the Voice	10,578	-	(10,578)	-	-
Fosterline Scotland	(3,338)	56,232	(52,894)	-	-
Moving On	-	63,909	(35,053)	-	28,856
Scottish Newsletter	3,335	-	1,121	-	4,456
The Promise	-	145,000	(32,836)	-	112,164
Young Advocates	40,270	66,068	(68,906)	-	37,432
Scotland	50,845	331,209	(199,146)	-	182,908
Wales					
Confidence in Care	113,301	-	(113,301)	-	-
Fostering Communities	3,157	264,874	(274,861)	-	(6,830)
Fostering Excellence	8,454	-	-	-	8,454
Fostering Wellbeing	37,026	282,320	(278,291)	-	41,055
Other Welsh Government projects	5,329	-	(5,329)	-	-
Triumph	7,960	-	(5,170)	-	2,790
Wales	175,227	547,194	(676,952)	-	45,469
Total projects	337,095	1,186,793	(1,222,119)	-	301,769

The Fostering Network

Notes to the financial statements

For the year ended 31 March 2022

3 Projects income (prior year) Restricted Projects

	Balance at 1 April 2020 as restated £	Income 2020 as restated £	Expenditure 2020 £	Transfers £	Balance at 31 March 2021 £
England / Headquarters					
Foster Carer Retention	5,211	-	-	(5,211)	-
Fostering Digital Skills for Life	-	59,491	-	-	59,491
Fostering Potential	4,353	-	(4,740)	387	-
Jon and Kathy Broad Award	1,850	-	(250)	-	1,600
Mockingbird	576	291,208	(276,172)	-	15,612
Quilts for Children in Care	7,487	-	(2,641)	-	4,846
England / Headquarters	19,477	350,699	(283,803)	(4,824)	81,549
Northern Ireland					
Kinship Care Support	6,486	34,710	(37,654)	-	3,542
Step Up Step Down	16,532	175,363	(165,963)	-	25,932
Northern Ireland	23,018	210,073	(203,617)	-	29,474
Scotland					
Capturing the Voice	12,153	-	(1,575)	-	10,578
Fosterline Scotland	60	56,232	(59,630)	-	(3,338)
Scottish Newsletter	8,033	-	(4,698)	-	3,335
Young Advocates	31,032	97,969	(88,731)	-	40,270
Scotland	51,278	154,201	(154,634)	-	50,845
Wales					
Confidence in Care	281,553	(78,350)	(89,902)	-	113,301
Fostering Communities	-	247,792	(244,635)	-	3,157
Fostering Excellence	12,947	-	(4,493)	-	8,454
Fostering Wellbeing	-	287,600	(250,574)	-	37,026
Other Welsh Government projects	19,311	-	(13,982)	-	5,329
Triumph	-	11,000	(3,040)	-	7,960
Wales	313,811	468,042	(606,626)	-	175,227
Total projects	407,584	1,183,015	(1,248,680)	(4,824)	337,095

4 Unrestricted Projects (current year)

	Income 2022 £	Expenditure 2022 £
Fostering Achievement	1,435,170	(1,414,377)
Total projects	1,435,170	(1,414,377)

4 Unrestricted Projects (prior year)

	Income 2021 £	Expenditure 2021 £
Fostering Achievement	1,492,554	(1,496,336)
Total projects	1,492,554	(1,496,336)

Purposes of restricted funds

The restricted funds relate to the following projects:

England

Mockingbird - Mockingbird led by The Fostering Network in the UK, delivers sustainable foster care. It is an evidence-based model structured around the support and relationships an extended family provides. The model nurtures the relationships between children, young people and foster families supporting them to build a resilient and caring community. The model now operates in 62 fostering services, either funded by the Department of Education or self-funded.

Fostering Digital Skills for Life - The Fostering Network is working with Internet Matters and University of East Anglia on the project, Fostering Digital Skills for Life. The project will create and deliver CPD-accredited training, giving foster carers the choice between self-study or facilitator-led learning. The project will also increase understanding across the sector of how supporting foster carers to improve their digital skills can positively impact the digital resilience of children in their care. This project is funded by Nominet as part of the REACH portfolio.

Quilts for Children in Foster Care - This is a long-running project that provides fostered children with their own hand-made quilt. A team of volunteers from Helping Hands Quilters create these bespoke quilts throughout the year and we then distribute these to children and young people across the UK. The quilts, matched carefully to each child, become treasured possessions and part of their life story. This has been supported by a grant from the Cotton Industry War Memorial Trust and The Harrison-Frank Family Foundation.

The Jon and Kathy Broad Award - In memory of Kathy Broad, this is an annual award for foster carers caring for children with special needs and presented as part of the charity's Fostering Excellence Awards.

Start Talking – the Start Talking project aims to increase the knowledge, skills, and confidence of foster carers in supporting the children and young people they care for to have better sexual and reproductive health outcomes. The Fostering Network have worked in partnership with The Sex Education Forum, funded by The Innovation Fund and informed by young people with care experience and foster carers.

Northern Ireland

Fair Start – this funding from the Department of Health aimed to help support children transition back into education and learning environments, both in school and at home, providing therapeutic and grounding strategies so they can settle to learn following the traumatic environment that has surrounded children and families in the last 18 months.

Kinship Care Support - funded by Children in Need and Ulster Garden Villages, this programme supports young people in kinship foster care and their carers to access support to help improve their well-being, build their skills and enable their engagement with the programme.

Step Up Step Down - this is a seven year project, funded by The National Lottery Community Fund for Northern Ireland operating in partnership with the South Eastern Health and Social Care Trust works with families on the periphery of the care system from being taken into care and instead support them to stay within their own homes.

Scotland

Capturing the Voice - This project, funded by The Robertson Trust, Awards for All and Hugh Fraser Foundation, aims to ensure the views of disabled children and young people are heard at decision making meetings and panels and is an extension of the work we carried out as part of our previous Walking Tall project.

Purposes of restricted funds (continued)

Fosterline Scotland - An independent and confidential service providing advice, information, mediation and support to foster carers across Scotland on all aspects of fostering, funded by the Scottish Government.

Moving On - Funded by the National Lottery Community Fund, the Moving On project is a two year project focusing on supporting children and young people and foster families with the complexities and challenges of the transitions made through care and beyond of care.

Scottish Newsletter - This is distributed to all our members in Scotland, including 97% of fostering households across Scotland. This is funded by a variety of grants and donations.

The Promise – funded by Scottish Government and arising from the findings of the Care Review in February 2020, this project aims to deliver 'The Promise' in Scotland. We will implement change, challenge thinking where necessary, and create a young person's advisory board to ensure that children and young people are truly placed at the heart of the work.

Young Advocates - This project, funded by Life Changes Trust and Young Start Fund (delivered by the National Lottery Community Fund), will see young people with care experience create learning opportunities for teachers and trainee teachers around what the day-to-day reality of school or college can be like for them. The young advocates will also train foster carers to help build their awareness of how they can best support the children and young people in their care.

Wales

Confidence in Care - The aim of the project is to improve the life chances of looked after children and young people in Wales by improving placement stability through better interaction and attachment levels, developing a more positive outlook towards education and future career goals, increasing resilience and life skills, and using robust learning and evaluation evidence to influence future policy development in Wales. The Fostering Network is working with Action for Children, Barnardo's, Cardiff University and TACT to deliver this programme. The charity has acted as an agency for our partners, receiving conduit funding from the Big Lottery Fund.

The charity is due to return unspent funds of £102k to the funder (included in creditors) and make a final payment of £34k to partners. □

Fostering Communities (including Fosterline Wales) 2020-2025 - This is a new national programme of improvement and support led by The Fostering Network in Wales and funded by the Welsh Government's Sustainable Social Services Third Sector Grant 2020-2023 (extended to 2025). Embedded within Fostering Communities is a co-production approach, which means we will work in equal partnership with foster carers, children and young people in care and fostering services to plan and deliver the programme. Working together as co-creators and sharing power will enable us to build a strong and resilient fostering community with the aim of improving wellbeing for all. Fostering Communities recognises that everyone in the fostering sector has a vital contribution to make in order to improve the quality of life for children and young people in care and their foster families.

Fostering Excellence (including Fosterline Wales) 2016-2019 - This three-year programme of interventions that will improve the experience of looked after children in Wales, support foster carers to provide permanent, stable and aspiring homes, and ensure that looked after children in Wales are able to make a positive and valued contributions to future generations. Funded by the Welsh Government.

Fostering Wellbeing - This pilot programme is funded by the Welsh Government and delivered by The Fostering Network in Wales. The programme aims to test and evaluate social pedagogy principles (focused on education and the upbringing of children) in a foster care environment. This project operates at regional level across Wales, delivering learning, bringing people together and sharing best practice across service boundaries with an aim to embed a shared approach that will support improved outcomes for children and young people.

Other Welsh Government projects - A number of Welsh Government funded projects including work to develop the recruitment of new local authority foster carers and provide training to existing foster carers in respect of Unaccompanied Asylum Seeking Children.

Triumph (Co-production or adaptation of online interventions for foster care: Promoting the mental health and wellbeing of care-experienced children and young people) - Recently, there has been a move to deliver services online, especially during the COVID-19 pandemic. This has highlighted a number of challenges for those working with care-experienced young people.. This project will look at how to best develop online programmes for care-experienced young people, or how to or adapt them from in person to online delivery. From this study the team will develop guidance to support policymakers, practitioners and researchers in developing and adapting programmes for delivery online. These will focus on how to best engage young people, while properly assessing risk and ensuring protection.

The Fostering Network

Notes to the financial statements

For the year ended 31 March 2022

5 Analysis of expenditure

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2022 Total £
Staff costs (Note 8)	62,617	1,723,884	1,173,929	-	86,930	239,895	246,805	3,534,060
Support costs	13,091	838,784	164,651	4,510	18,095	38,314	63,846	1,141,291
Other costs	5,647	440,092	1,297,915	102,516	31,380	24,876	238,504	2,140,930
Total expenditure 2022	81,355	3,002,760	2,636,495	107,026	136,405	303,085	549,155	6,816,281

5 Analysis of expenditure (prior year)

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2021 Total £
Staff costs (Note 8)	70,557	1,848,059	1,218,690	-	83,669	223,093	97,532	3,541,600
Support costs	17,184	733,099	227,474	8,078	21,705	23,440	37,378	1,068,358
Other costs	4,942	261,052	1,298,852	80,781	51,758	11,311	159,096	1,867,792
Total expenditure 2021	92,683	2,842,210	2,745,016	88,859	157,132	257,844	294,006	6,477,750

The Fostering Network

Notes to the financial statements

For the year ended 31 March 2022

6 Support costs

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2022 Total £
Facilities	6,546	128,848	6,768	185	6,751	1,575	17,310	167,983
Finance	1,706	185,016	41,146	1,127	2,956	9,574	12,128	253,653
HR	1,079	117,002	26,020	713	1,870	6,055	7,669	160,408
IT	2,598	281,814	62,673	1,717	4,503	14,584	18,473	386,362
Management	998	108,264	24,077	659	1,730	5,603	7,097	148,428
Governance	164	17,840	3,967	109	285	923	1,169	24,457
Total expenditure 2022	13,091	838,784	164,651	4,510	18,095	38,314	63,846	1,141,291

6 Support costs (prior year)

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2021 Total £
Facilities	9,949	115,389	9,511	338	8,728	980	12,788	157,683
Finance	2,271	193,929	68,429	2,430	4,074	7,051	7,720	285,904
HR	1,091	93,117	32,857	1,167	1,956	3,386	3,707	137,281
IT	2,671	228,099	80,486	2,858	4,792	8,294	9,080	336,280
Management	1,089	92,956	32,800	1,165	1,953	3,380	3,700	137,043
Governance	113	9,609	3,391	120	202	349	383	14,167
Total expenditure 2021	17,184	733,099	227,474	8,078	21,705	23,440	37,378	1,068,358

Notes to the financial statements

For the year ended 31 March 2022

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022 £	2021 £
Depreciation	97,244	109,121
Operating lease rentals:		
Property	35,611	39,930
Other	1,328	1,418
Rent receivable as lessor		
Property	54,637	39,926
Auditor's remuneration (excluding VAT):		
Audit	14,000	13,300
Other services	954	900
	97,244	109,121

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	3,075,597	3,096,999
Redundancy and termination costs	30,661	1,838
Social security costs	283,760	297,537
Employer's contribution to defined contribution pension schemes	144,042	145,226
	3,534,060	3,541,600

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
£60,000 - £69,999	1	2
£70,000 - £79,999	1	1
£90,000 - £99,999	-	1
£100,000 - £109,999	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £511,047 (2021: £499,631).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Indemnity insurance is provided for trustees at a premium of £1,321 (2021: £1,355).

Trustees' expenses represents the payment or reimbursement of travel costs totalling £219.41 (2021: £102) incurred by 1 (2021: 1) members relating to attendance at meetings of the trustees.

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 97, 84 FTE (2021: 99, 86 FTE).

Staff are split across the activities of the charitable company as follows (full time equivalent basis):

	2022 No.	2021 No.
Cost of raising funds	1	1
Membership services	37	44
Project costs	30	31
Training & events	3	3
Advice services	6	5
Consultancy	7	2
	84	86

10 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

The Fostering Network received no donations from trustees (2021: £nil). The trustees receive no benefit from the donations made to the charity.

11 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The Fostering Network

Notes to the financial statements

For the year ended 31 March 2022

12 Tangible fixed assets

	Freehold property £	Leasehold improvements £	Furniture £	Computer equipment £	Total £
Cost or valuation					
At the start of the year	3,106,250	25,277	71,132	539,311	3,741,970
Additions in year	-	-	-	102,969	102,969
Revaluation	193,750	-	-	-	193,750
At the end of the year	3,300,000	25,277	71,132	642,280	4,038,689
Depreciation					
At the start of the year	-	1,474	31,776	133,217	166,467
Charge for the year	-	2,528	17,783	76,933	97,244
At the end of the year	-	4,002	49,559	210,150	263,711
Net book value					
At the end of the year	3,300,000	21,275	21,573	432,130	3,774,978
At the start of the year	3,106,250	23,803	39,356	406,094	3,575,503

Land with a value of £952,817 (2021: £896,875) is included within freehold property and not depreciated. The carrying amount on the cost model would be £1,322,221 (2021: £1,322,221). The purchase price of the freehold building was £450,000 in 1999. The freehold property is not depreciated because the Charity believes that the residual value of the property is in line with the carrying value.

In order to reduce the long term cost to the company of the London office, 23% of the total space is leased to tenants. The property is shown in the accounts at Market Valuation.

The Charity follows the revaluation model for freehold premises. Land and Buildings were revalued as at 31 March 2022 by Lamberts Chartered Surveyors on an existing use open market basis in accordance with Guidance Notes of the Royal Institution of Chartered Surveyors. Lamberts are not connected with the charity.

13 Investments

The Fostering Network owns the whole of the issued ordinary share capital of National Foster Care Association Services Ltd, a company registered in England. The subsidiary was dormant in the year.

	2022 £	2021 £
Trading subsidiary (cost)	2	2

The Fostering Network

Notes to the financial statements

For the year ended 31 March 2022

14 Debtors

	2022 £	2021 £
Trade debtors	1,591,370	1,148,946
Other debtors	116,715	121,602
Prepayments	164,830	173,106
	1,872,915	1,443,654

All of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and in note 16.

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	335,358	645,319
Taxation and social security	324,228	408,431
Other creditors and accruals	506,750	283,589
Deferred income	1,246,327	498,899
Bank loan	107,627	107,618
Coronavirus Business Interruption Loan	59,002	-
	2,579,292	1,943,856

16 Creditors: amounts falling after one year

	2022 £	2021 £
Repayable in 1-5 years	235,512	360,479
Repayable in more than 5 years	-	41,667
	235,512	402,146

This comprises a bank loan and a Coronavirus Business Interruption Loan (CBIL). Both loans are secured over the freehold property and interest on both loans is charged on floating rate basis. The CBIL is for 6 years, with the first year interest free and repayment free. The first repayment is due April 2022.

17 Deferred income

Deferred income comprises of income relating to services to be provided in 2021/22, but have been invoiced prior to 31 March 2022.

	At 1 April 2021 £	Released £	Deferred £	At 31 March 2022 £
Training and events	10,410	(10,410)	4,506	4,506
Advice services	78,318	(78,318)	103,839	103,839
Membership services	277,536	(273,681)	234,802	238,657
Consultancy	132,635	(132,635)	899,325	899,325
Balance at the end of the year	498,899	(495,044)	1,242,472	1,246,327

18 Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	3,774,978	-	-	3,774,978
Investments	2	-	-	2
Net current (liabilities)/ assets	(372,446)	-	301,769	(70,677)
Long term liabilities	(235,512)	-	-	(235,512)
Net assets at 31 March 2022	3,167,022	-	301,769	3,468,791

Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	3,575,503	-	-	3,575,503
Investments	2	-	-	2
Net current (liabilities)/ assets	(80,939)	-	337,095	256,156
Long term liabilities	(402,146)	-	-	(402,146)
Net assets at 31 March 2021	3,092,420	-	337,095	3,429,515

19 Movements in funds (current year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
General reserve	1,488,661	5,475,014	(5,594,162)	-	1,369,513
Revaluation reserve	1,603,759	193,750	-	-	1,797,509
Total unrestricted funds	3,092,420	5,668,764	(5,594,162)	-	3,167,022

Movements in funds (prior year)

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
General reserve	1,205,003	5,246,904	(5,229,070)	265,824	1,488,661
Revaluation reserve	1,603,759	-	-	-	1,603,759
Designated reserve	261,000	-	-	(261,000)	-
Total unrestricted funds	3,069,762	5,246,904	(5,229,070)	4,824	3,092,420

The designated funds were held for the IT development project.

20a Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods.

	Property		Other	
	2022	2021	2022	2021
	£	£	£	£
Less than one year	35,755	30,283	1,075	1,481
One to five years	11,194	14,306	896	-
	46,949	44,589	1,971	1,481

20b Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property	
	2022	2021
	£	£
Less than one year	57,542	54,637
One to five years	-	-
	57,542	54,637

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Accounts



Annual Review

for the year ended 31 March 2021

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Message from our Chair

As the chair of the board of trustees, I am delighted to introduce The Fostering Network's 2020-2021 annual report.

Our values of Trusted, Together and Vital have never been more important than over the 12 months to 31 March 2021. The Covid-19 pandemic dominated the lives of our members and the children and young people they cared for. As the UK's leading fostering charity, we were relied on to provide support, advice, and advocacy in a time of uncertainty and constant change.

You will see in this report that throughout this turbulent period we have maintained the excellent standards our members have come to expect; we adapted our communications through the pandemic ensuring foster carers and fostering services had a central hub for all the latest government guidance and legislation around the UK as well as resources to assist home educating and leisure time activities. We increased the frequency of our member e-newsletter to reflect the frequency with which guidance and practice information was changing.

Our existing programmes were also at the forefront of our support offer for members. Our growing Mockingbird programme was especially well placed to provide additional emotional and practical peer support to families during the lockdown periods due to its unique extended family structure. We were also able to launch our Walking Tall project in Wales which will provide opportunities for primary school aged children in foster care to make their voices heard and enable them to reach their full potential.

In the following pages you will also notice how we managed to maintain and extend our help and advice services, throughout a period of home working, in order to offer members that vital outlet for free, independent, expert knowledge and information.

The pandemic also posed challenges for the fostering sector with regards to changes in guidance and legislation, much of which was passed by the parliaments of the UK at speed in order to combat the quick spread of the virus. However, fostering was often neglected in the rush which is why we launched our Fund Foster Carers campaign which focused on ensuring financial support for foster carers who were unable to work due to Covid, either because they were ill or because the nature of their fostering could not take place i.e. respite carers.

We also led the way in advocating for foster carers to be given priority for receiving the Covid-19 vaccine as frontline workers in line with their social worker colleagues in fostering services.

Another integral part of what The Fostering Network does is celebrating fostering and raising awareness in wider society of the positive and transformational effect foster care has on the lives of children and young people, as well as the families they live with. This was no different in 2020-21 although the form of the celebrations was slightly altered. Our annual Fostering Excellence Awards, Sons and Daughters Month and Foster Care Fortnight™, the UK's largest fostering awareness campaign, were all transformed into digital only initiatives, but were still hugely successful and impactful reaching hundreds of thousands of people.

Of course, we can only undertake much of this activity thanks to the generosity of organisations and individuals who support our work through grants, donations, and sponsorship.

I would like to take this opportunity to thank the staff of The Fostering Network for keeping the essential services, programmes and campaigns running throughout the last year. Huge thanks also to our incredible members, partners, supporters, and campaigners for everything they have

The Fostering Network Annual Review 2020-21

done to support The Fostering Network and the fostering community as a whole. Their commitment to children and young people in foster care cannot be overstated in the last 12 months amid an unprecedented pandemic which has disproportionately impacted some of the most vulnerable in our society in a negative way, including children in care.

I look forward to the coming year working to ensure that fostering continues to improve for everyone involved and the children and young people who enter care experience the security, stability, safety and love that we all need.

Janet Smith

Chair of trustees

Trustees' annual report (including strategic report)

About us

The Fostering Network is the UK's leading fostering charity. We are the essential network for fostering, bringing together everyone who is involved in foster care. We support foster carers to help to transform children's lives and we work with fostering services and the wider sector to develop and share best practice.

We work to ensure children and young people experience stable family life and we are passionate about the difference foster care makes. We champion fostering and seek to create vital change so that foster care is the very best it can be.

Vision

Our vision is a society where the importance of fostering is understood, recognised, and supported.

Mission

Our mission is to support those who foster, improve opportunities for children and young people in foster care, and provide expert guidance to all fostering services.

Values

We are trusted – expert and independent.

We are together – a network, working in partnership, for community, for members.

We are vital:

- for raising awareness of fostering
- for creating change
- for up-to-the-minute information, advice, and support for foster carers, fostering services and fostered children and young people – the whole fostering community.

What we achieved – some highlights

The Fostering Network brings together everyone involved in the lives of children and young people who are fostered to make foster care the very best it can be. In the 12 months to 31 March 2021, working with our members and other stakeholders, we took significant steps towards meeting our four strategic objectives. Here are some of the highlights from the year.

Objective: We will support fostering families and the services that work with them to provide the best possible care for children and young people.

Our range of innovative programmes, comprehensive training, resources, and celebratory events have supported and connected our members across the UK. Through our work we have promoted and shared the incredible work our 370 fostering service and 55,000 foster carer members are doing every day to help make foster care the very best it can be.

In the 12 months to 31 March 2021, we offered a wide range of training courses and workshops across the UK. In total, The Fostering Network delivered 58 courses to 735 delegates.

To support our members further we delivered free, short courses and seminars focusing on areas to support foster carers during Covid 19 including: support for foster carers during the transition to the 'new normal', helping children and young people through the transition to new normal, supporting virtual contact with birth families and digital safeguarding courses.

The practice support team, which provides specialist practice support and expertise to fostering services, handled 1,005 enquiries last year and attended 180 local and regional fostering forums.

We continued to directly support the fostering community through our advice and information services throughout the UK, responding to 5,868 enquiries in total. We also gave free legal advice and stress support to callers through our legal advice line and our stress support service. The latter was able to give sustained support to recipients for as long as they required it, which was on average eight months.

From April 2020 to March 2021 we continued to support more fostering families and the children and young people in their care through our Mockingbird programme. The programme ran 49 events this year and had a total of 751 attendees including foster carers, fostering service staff, children and young people. The Mockingbird programme also proved particularly useful in the face of the coronavirus crisis. The extended family model provided extra support for foster carers and the children they look after throughout this difficult time.

Objective: We will provide opportunities for children and young people that benefit them, make their voices heard and enable them to reach their potential.

We worked directly with children and young people in foster care throughout the past year.

As part of the Fostering Attainment and Achievement programme, commissioned by the Northern Ireland Health and Social Care Board, we directly supported children and young people of various ages with tailored educational resources and initiatives. We did this through the delivery of bespoke educational resources and initiatives such as the Letterbox Club, and our range of different summer schemes.

We launched our three-year Walking Tall programme for primary school children in foster care in Wales, enabling them to make their voices heard, whilst also learning to develop and to gain in self-confidence and be proud of who they are.

Our Young Advocates group in Scotland is led by young people with care experience and the children of foster carers, and creates learning opportunities for teachers and trainee teachers about the day-to-day experience of educational settings for young people in foster care. It also provides training for foster carers to help build their awareness of how they can best support the children and young people in their care. In the last 12 months eight care experienced young people engaged with the project, 19 foster carers and four organisations. There were 70 sessions delivered as part of the project.

We have also heard the views of young people and their experiences of care through *Thrive* magazine for children and young people in foster care, and our UK-wide member magazine *Foster Care*, in the Fostering Changed Me feature.

Our Tick the Box campaign continued to inform young people about the support available to them during their time at university and how to access it.

Objective: We will influence policy and the legislative framework, so it supports and promotes excellence in foster care.

Campaigning and influencing policy at every level to ensure foster care is the best it can be for all involved is a key area for the organisation.

A key aspect of successful foster care is stability especially in post-18 (post-16 in Scotland) arrangements. To improve these arrangements, we secured an additional £10 million for Staying Put, which was announced in October 2020. We continue to monitor the implementation of Staying Put, and have conducted 'deep dives' with four fostering services to understand the issues and we are feeding back to the Department for Education.

Financial support for foster care underpins much of the practice within fostering so it is crucial to ensure it remains at an adequate level. We monitored the fostering allowances paid across England and Wales and called for those paying below the national minimum to raise it. As a result, four of the six local authorities in England paying under the minimum raised and backdated their allowances to meet the national minimum allowance.

Reacting to the Covid-19 pandemic we ran a vaccines campaign in which we wrote to key health and vaccines Ministers across the UK raising the profile of fostering, explaining foster carers' unique caring role and why they should be prioritised. Our campaign action resulted in 1,996 letters being sent to MPs in England and 1,898 letters being written to elected officials in Scotland.

We also ran our Coronavirus Fund Foster Carers campaign. We, along with TACT, CoramBAAF and NAFP, wrote to Ministers across the UK asking them to fund foster carers during the Covid-19 outbreak. We highlighted how foster carers are facing financial insecurity after falling through the gaps of government funding. We met with Vicky Ford about this issue and numerous occasions, including one occasion when we were joined by a foster carer.

We launched our education survey which received 487 foster carer responses representing 870 fostered children and young people from across the UK. We received 48 responses from fostering service members of staff. In addition, we were able to gather the thoughts and feelings of a small group of children and young people about their experiences of education and thoughts about returning to school appended to the report. The evidence gathered in this survey informed the oral evidence we gave to the education select committee.

During the pandemic we became aware of big delays on medical reports for foster carer approvals. We liaised with officials, Royal College of GPs & the British Medical Association (BMA) to raise awareness of the issue and the Royal College and BMA released a joint statement to their members.

After months of campaigning to government officials in England for access to short breaks for foster families, we were delighted that this vital form of support was allowed for those who needed it during the pandemic.

In conjunction with the proactive work we undertook to influence policy and practice in 2020-21 we also submitted responses to 11 consultations:

The Fostering Network Annual Review 2020-21

1. The Health Committee for **Northern Ireland** asked us to submit a [stakeholder briefing on COVID-19 and children](#). We also gave oral evidence.
2. The Education Select Committee in **England's** [inquiry into the impact of COVID-19 on education and children's services](#). We also gave oral evidence.
3. The Education and Skills Committee in **Scotland's** inquiry into [vulnerable children during the coronavirus outbreak](#).
4. **Our Future Wales'** consultation into [post-covid recovery and reconstruction in Wales](#), calling for children to be at the heart of recovery.
5. The Children, Young People and Education committee in **Wales'** inquiry into the [scrutiny of COVID-19 and its impact on children and young people](#).
6. The Education Select Committee in **England's** second inquiry into [the impact of COVID-19 on education and children's services](#).
7. The Department for Education in **England's** consultation of changes to the adoption and children regulations: coronavirus (COVID-19) in [August 2020](#) and [February 2021](#).
8. The **Welsh Government's** consultation of [the Adoption and Fostering \(Wales\) \(Miscellaneous Amendments\) \(Coronavirus\) Regulations 2020](#).
9. **Northern Ireland's** consultation on [the extension of operation of the children's social care regulations](#).
10. Proposed changes to the IRM for qualifying determinations (Wales)
11. We also provided The Promise in Scotland with evidence to inform their decision making in the writing of their plan to implement the promise.

Objective: We will promote foster care to ensure society understands, values, and recognises how foster carers transform lives.

Throughout the year we responded to fostering issues in the news, regularly offering comments and interviews to press and broadcast media.

In addition, we proactively released our own reports and statements to inform the fostering sector and wider public of our work and the work and views of our members. In total we received over 1,000 pieces of media coverage throughout the year, reaching tens of millions of people.

We raised awareness of the many positive aspects of foster care by utilising all channels available to us, including social media. We increased our following across all our social media accounts in the past 12 months.

An important time for disseminating our message of the importance of foster care is during our Foster Care Fortnight™ campaign – the UK's largest fostering awareness and recruitment campaign – which again reached hundreds of thousands of people through new and traditional media.

Our Fostering Excellence Awards are another opportunity for us to shine a spotlight on the transformational power of foster care. They are the UK's most prestigious foster care awards, celebrating outstanding achievement in fostering and recognising those who make exceptional contributions to foster care every day.

In addition, we presented four remarkable people from the fostering community in the four countries of the UK with a President's Award.

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Our annual Sons and Daughters Month campaign in October celebrated the hugely significant role the children of foster carers play in ensuring fostered children and young people have a loving stable home.

We have continued to work with a range of long-standing partners this year. The Mortgage Brain, who are foster carer mortgage specialists, and Williams Giles, who are fostering tax specialists, have both worked closely with us throughout the year, supporting our members and key activities such as Foster Care Fortnight and the Fostering Excellence Awards. All our partners have helped us to raise awareness of the importance of fostering, supported our work and raised vital funds for The Fostering Network. We are grateful for their ongoing support and contributions.

Our Fundraising

We are grateful to all the donors, supporters and funders who joined us in our cause and supported us to achieve our mission across the UK.

The Mortgage Brain, Arthur Cox, Williams Giles, and Towergate continued their support for us through partnerships and from staff fundraising events and activities over the year.

We are grateful to all partners – The Mortgage Brain, The Exilarch's Foundation and Williams Giles who chose to sponsor our prestigious Fostering Excellence Awards again this year.

Social restrictions under the pandemic had an impact on our community and events fundraising, with many events unable to proceed. We adapted our Foster Walk event to a virtual home challenge in June that saw 76 households take part across the UK: foster families, teams from corporate partners and fostering services, staff, and trustees.

Our community supporters continued their support by organising their own events: a foster carer began a months-long wild swimming challenge, St Patrick's PTA held a 'round the world in 30 days' fundraising event, and pupil Nellie Gawne organised a fundraising day at Downe House School.

Our Emergency Covid appeal saw a groundswell of support with over £12,000 raised which enabled us to provide additional support for foster families during the pandemic. We were also awarded two Covid relief grants through the Scottish Government's Third Sector Resilience Fund and Wellbeing Fund.

We are grateful to all our grant funders, including the National Lottery Community Fund, The Scottish and Welsh Governments, The Corra Foundation and Nominet whose support has enabled us to design and deliver innovative projects that are improving foster care across the UK.

Fundraising practice

Our fundraising activity is focused on organisations and individuals that have an established relationship with The Fostering Network.

We support and adhere to the code of practice of the Fundraising Regulator and pay their levy. During the year we did not receive any complaints related to fundraising, we followed the best practice recommended by the Fundraising Regulator in order to protect vulnerable people and did not use third parties to raise funds on our behalf. The majority of fundraising expenditure is staff time and a significant proportion of this is spent developing formal bids for major projects and services. During the year, the team supported operational staff in winning numerous grants and contracts.

We would like to recognise the enormous contribution that the following funders and supporters have made to our work over the year and to thank them for their vital support, as well as all our generous donors and fundraisers.

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Arthur Cox	Salvation Army
Axa XL	Scottish Government
Bayview Contracts	Sean Jordan Engineering
BBC Children in Need	Sir Jeremiah Colman Gift Trust
Bloomfield Collegiate School	Sir John Cass's Foundation
British and Foreign School Society	Souter Charitable Trust
Casey Trust	Syder Foundation
Child Concern Consortium	The family of Charlotte Elizabeth Gray
Clara E Burgess Charity	The Harrison Frank Family Foundation
Coral Samuel Trust	The Hugh Fraser Foundation
DCR Allen Charitable Trust	The Larder Foodbank
Department for Education (England)	The Mortgage Brain
Department of Health, Social Services and Public Safety (Northern Ireland)	The Porta Pia 2012 Foundation
Exilarch's Foundation	The Robertson Trust
Food, Fun and Philanthropy	The W M Mann Foundation
Health and Social Care Board, Northern Ireland	Towergate Insurance
Life Changes Trust	Ulster Garden Villages
Mrs M A Black's Charitable Trust	Vassiliou Family Charitable Trusts
Murphy-Neumann Charity	Waitrose
National Lottery Community Fund	Welsh Government
Northwood Charitable Trust	Wexbaby
Patricia Dalby Charitable Trust	Young Start Fund
Ruth Flood Associates	

Our future plans

We start the next 12 months with some of the same challenges as last year regarding the coronavirus pandemic. Although this will continue to impact upon some of our activity, many of the measures already in place will help us operate effectively and efficiently. We anticipate that this move to online provision will continue and grow through 2021-22. As ever we will continue to strive for improvements to and within fostering to ensure it is the best it can be, especially in light of the impact of coronavirus on the fostering sector.

We will continue our work to address equality, diversity and inclusion within our charity and ensure we are able to play an increasingly positive role in opposing racism and prejudice in the future. We will also continue to develop approaches that enable us to play our part in being an instrument for change in tackling racism in society, especially when these impact on fostering.

In the strategic period up to 2023, we will continue to focus on deeper engagement with our members, developing our evidence-based practice – including building relationships with research academics – and ensuring that we continue to grow our influence in the fostering community. Here are some of the activities we have planned:

Member engagement

- Ensuring we listen to our membership is essential to ensure we remain effective and relevant. Coronavirus precautions will mean that our face-to-face events will still be curtailed, but our online interactions will increase in the form of webinars, training courses, and consultations. In this way we will continue to hear the views of our members so that we can represent these views to key stakeholders and decision makers.
- We will be sharing our State of the Nation survey results with members and running exclusive events which will be open to foster carers as well as local and national policy and decision makers towards the end of 2021 and beginning of 2022. These events will explain the findings in detail and help us work together to implement recommendations that foster carers and children in foster care want to see.
- As part of the review of children's services in England we will hold engagement events with foster carers, fostering services and members of the Review's team. The views and experiences shared at these events will help shape the evidence we give to the Review as well as contributing directly to the Review team's understanding of the current fostering landscape.
- We will continue to gain useful insight into supporting children and young people with their education, especially in light of coronavirus. As a result of this insight we will develop education projects and programmes which will help close the attainment gap between children in foster care and their non-looked after peers.
- Following feedback from our members, we will further develop our member offer for family and friends carers.
- We will continue to host our Fostering Excellence Awards online to ensure we continue to shine a spotlight on the incredible achievements of the fostering community.

Evidenced-based practice

- We will use the findings of our 2021 State of the Nation's Foster Care survey, as well as other surveys and focus groups throughout the year, to guide our campaigns, policy and practice work.
- We will continue to review our resources and information to ensure we offer the most appropriate content.
- We will continue to develop our training offer, growing the range and scope of courses and ensuring that our training remains in line with current best practice and legislation.
- We will also seek to build new partnerships and improve the range of services and discounts we provide to our members.
- We will campaign to influence the scope of this review by ensuring fostering is kept on the agenda. Working with and contributing to the Review of Children's Services in England will be a key part of this activity over the next 12 months.
- We will develop closer working relationships with research disseminators such as What Works and Research in Practice and relevant academics.
- We will further develop our view on the impact of a change of employment status for foster carers and how to support the sector were a change to take place.

Growing our influence

- We will continue to work towards our vision of a society in which the importance of fostering is understood, recognised and supported.
- We will continue to work to improve the status of foster carers within the team around the child. One key way of doing this will be to push for a central register of foster carers.
- We will respond to The Children, Young People and Education Committee at the Senedd, to help inform the Sixth Senedd (2021-2026).
- We will embed the Wales national transfer protocols into practice.
- The Fostering Network will work closely with The Promise in Scotland to implement change to help align to The Promise by reviewing policies and use of language as well as embedding children's rights across all activities and projects.
- We will run workshops and offer therapeutic sessions as part of year one of our Moving On project, which explores the emotional impact of moves away from foster carers, on all those involved.
- Following the Northern Ireland Executive approval of the Adoption and Children Bill which will now be subject to scrutiny, we will be working to ensure this key piece of legislation is prioritised, appropriately funded and implemented, as well pressing for the implementation of fostering regulations and standards.

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- Engaging with foster members on policy and practice issues, specifically education and mental health, will be a key priority.
- Embedding Step Up Step Down service in Northern Ireland, and across the UK, as a model of practice using foster carers to support vulnerable families.
- We will continue to campaign for the proper funding and implementation of post-18 care across the UK, including influencing the comprehensive spending review.
- We will develop our Young Advocates programme in Scotland, which will enable young people with care experience to influence the education system.
- We will launch our Fostering Digital Skills for Life project which aims to support foster carers to improve their digital skills leading to a positive impact on the digital resilience of children in their care.
- We will continue as a member of the Alliance for Children in Care and Care Leavers in England.
- We will continue to strive to grow the reach and impact of our awareness raising work through the media, social media and campaigns such as Foster Care Fortnight, Tick the Box and Sons and Daughters Month.

Key Management Personnel

The Charity's trustees and the senior leadership team comprise the key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day-to-day basis. The pay of the Chief Executive is reviewed annually and increased when possible following formal approval by the trustees. Key managers and all staff are part of a formal grading system that facilitates fair and transparent comparison of roles. The bands are reviewed each year and salaries are increased when possible following formal approval by the Chief Executive and Trustees.

Country advisory committees

We have a dedicated group of members who form the Country Advisory Committees, chaired by Janet Smith (Scotland), Dr Karen Winter (Northern Ireland), In Wales this work is supported by a foster carer advisory group. In Scotland this committee includes a care experienced young person. The pandemic made meetings more difficult to arrange for these committees.

We thank the chairs for their contribution to furthering the work of the organisation in the countries, and the hard work of the committee members who give of their time to help guide our work and who are invaluable in helping us ensure that foster care works for every fostered child and every foster family.

Financial review

The Fostering Network started the year in a government enforced lockdown to fight the global pandemic. This placed severe restrictions on face-to-face support while at the same time increasing the demand for our services as we provided our members with advice and information reconciling best care practice with constantly evolving government advice.

The restrictions reduced income from fundraising (£45K) and training and events (£137K) but continued growth in Membership (£35K), Consulting (£76K) and the Northern Ireland Fostering Achievement and Attainment project (£98K) has left unrestricted income marginally improved at £5,247K, an increase of £45K.

Income from restricted projects reduced from £1,643K to £1,183K between the years as some projects were successfully completed. This reduced total income from £6,845K to £6,430K.

The combined income from advice, consulting and publishing has grown 9% from £850K to £926K, the growth is driven by the successful Mockingbird programme a key part of the range of high-quality services that The Fostering Network provides to support its members.

In 2019 the trustees agreed that total reserves had reached the levels necessary to ensure the long-term sustainability of the Charity, to provide for working capital and to meet our evaluated risks policy. As a result, operational plans for 2020/21 had been set to maintain reserves at these levels. Charitable expenditure on unrestricted activities increased by 3% to £5,136K with expenditure on membership services increasing by 7% to £2,842K. This increase helped The Fostering Network deliver its strategy goal to improve member services particularly through support during the pandemic.

The Fostering Network Annual Review 2020-21

In 2019/20 the trustees set aside funds to develop new IT systems and in 2020/21 we made a significant step forward as part of our digital transformation program. Despite the great challenge of making a main computer system change during the pandemic the project has been completed successfully and in line with the agreed budget. During the year the charity carried some duplicated IT infrastructure costs while moving from one system to another and this has caused a short-term increase in operating costs for IT.

The financial impact of the pandemic on the financial results of the charity for the year ended March 2021 was less than we expected despite a spike in operational costs to support homeworking for all staff and a reduction in fundraising and training income. Overall, the net unrestricted surplus was £23K and while this was below our operational plan for the year it was better than our expectations once the scale of the pandemic was understood.

Cash balances have decreased during the year by £313K due planned capital investment in IT and a reduction in restricted funds. During the year the trustees agreed to borrow £250K from a CBIL loan in order to support the charity as it managed the transition back to normal operations as the pandemic restrictions are eased.

In keeping with the charity's policy of holding owned property at market value the Trustees have taken advice about the property market which had been destabilised by the pandemic. The last formal valuation was prepared by Lamberts LLP in December 2018 at £3,550K and at the end of March 2020 it was reduced by £443.8K (12.5%) guided by advice from Lamberts LLP. The trustees have made no further change to the property value year following written advice from Lamberts LLP in July 2021.

Total unrestricted reserves have increased overall by £23K but total reserves reduced because of a drop in restricted funds and are now £3,430K.

General reserves policy

In deciding on the level of unrestricted reserves required the board of trustees carries out an annual review to establish the level of reserves necessary to cover future investment, working capital and evaluated risks.

The policy for the level of unrestricted general reserves is now guided by a detailed evaluation of the risks included in the risk register. Each risk is valued and then that value is discounted by a percentage based on the likelihood of that risk occurring. The reserves also provide for any material future investment plans (shown last year as a designated reserve), and for specific working capital required to manage large projects.

On this basis, general reserves required are calculated at £1,220K. At the year end, the charity holds general funds £3,092K which is tied up in property with overall cash balances of £724K. Property is held at market value of £3,106K, which remains a significant asset should there be a need for additional funds. On this basis, reserves are considered to be in line with the reserves policy.

Going concern

We have set out above a review of the financial performance during the financial year and our reserves position at the year end. We have adequate financial resources in the form of cash in the bank, the ability to raise financing secured on the charity's property and have the structures in place to manage the business risks. In addition, our annual budgeting and forecasting processes have taken into consideration the current economic climate and its potential impact on both our various sources of income and expenditure.

We have a reasonable expectation that we have adequate resources and control mechanisms to continue in operational existence for the foreseeable future.

Further, we believe that there are no material uncertainties (and this includes the global pandemic) that may cast doubt on the charity's ability to continue as a going concern. Therefore, we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Risk management

The trustees have identified and reviewed the major risks to which the organisation is exposed and have established systems and procedures to manage those risks. This involved identifying more than 50 potential risks and then assessing the likelihood of their occurrence and their impact. Where systems are already in place to mitigate these risks, schedules for regular monitoring and reviews have been adopted. Where systems are not already in place, deadlines have been set for their development by staff and approval by trustees.

In managing risk, trustees have taken into account the following principal areas of risk.

Diversity of income streams and the significance of membership income. We have increased the staff and cost budgets to support members to provide improved services and have continued to strengthen other income such as Mockingbird. In the coming year we will take steps to strengthen and diversify our income streams.

Ensuring child safety. We ensure staff are trained and supported in their work with Children and that appropriate policies, risk assessments and statutory checks are carried out.

Clarity of long-term strategic plans. The trustees meet each year to review and assess long-term strategic plans.

Global Pandemic. The trustees have reviewed and evaluated the potential impact of the global pandemic on our short term and long-term income and expenditure. We have provided for the evaluated impact in the total unrestricted reserves required total of £1,220K.

Maintaining adequate reserve levels. We set a reserves level that reflect a financial evaluation of the specific risks that we face together with our fixed asset and working capital plans. We then set annual operating plans in order to ensure that we maintain enough reserves or so that we build towards the agreed level of reserves if there is a shortfall.

Financial management and financial control. We use professionally qualified staff in our accounts department and have detailed budgets and operating plans that are reported against each month.

The physical condition of the principal property asset at 87 Blackfriars Road. We recognise that this property represents most of our financial reserves and we have an annual maintenance plan to keep it in good condition. In 2018 the building was completely refurbished.

The trustees continue to develop plans to grow unrestricted income, to invest in new income streams, to improve our services to our members and to maintain reserves at our agreed level.

Statement of responsibilities of the trustees

The trustees (who are also directors of The Fostering Network for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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

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.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report, including the strategic report, is approved by order of the board of trustees in their capacity as the directors at a meeting on 6 October 2021 and signed on its behalf by:

6 October 2021

Janet Smith

The Fostering Network Annual Review 2020-21

Independent auditor's report

Independent auditor's report to the members of The Fostering Network

Opinion

We have audited the financial statements of The Fostering Network (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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 Fostering Network'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.

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Independent auditor's report

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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Independent auditor's report

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

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Independent auditor's report

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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Independent 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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

Date

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

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

The Fostering Network

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

		2021			2020	
		Unrestricted	Restricted	Total	Unrestricted	Restricted as restated
	Note	£	£	£	£	£
Income from:						
Donations and legacies	2	209,872	-	209,872	255,229	-
Charitable activities						
Membership subscriptions		2,447,893	-	2,447,893	2,412,898	-
Specific projects		1,492,554	1,183,015	2,675,569	1,394,446	1,643,238
Publishing		135,721	-	135,721	132,727	-
Training and events		93,952	-	93,952	231,213	-
Advice services		241,332	-	241,332	244,544	-
Consultancy		548,975	-	548,975	472,512	-
Other trading activities		44,166	-	44,166	54,484	-
Investments		369	-	369	3,427	-
Sundry income		32,070	-	32,070	-	-
Total income		5,246,904	1,183,015	6,429,919	5,201,480	1,643,238
Expenditure on:						
Raising funds	5	(92,683)	-	(92,683)	(126,308)	-
Charitable activities	5					
Membership services		(2,842,210)	-	(2,842,210)	(2,647,424)	-
Project costs		(1,496,336)	(1,248,680)	(2,745,016)	(1,396,428)	(1,606,278)
Publishing		(88,859)	-	(88,859)	(86,980)	-
Training and events		(157,132)	-	(157,132)	(285,517)	-
Advice services		(257,844)	-	(257,844)	(285,292)	-
Consultancy		(294,006)	-	(294,006)	(268,001)	-
Total expenditure		(5,229,070)	(1,248,680)	(6,477,750)	(5,095,950)	(1,606,278)
Net income before net gains / (losses) on investments		17,834	(65,665)	(47,831)	105,530	36,960
Transfers between funds		4,824	(4,824)	-	(2,580)	2,580
Net income before other recognised gains and losses		22,658	(70,489)	(47,831)	102,950	39,540
(Losses) on revaluation of fixed assets		-	-	-	(443,750)	-
Net movement in funds		22,658	(70,489)	(47,831)	(340,800)	39,540
Reconciliation of funds:						
Total funds brought forward as previously		3,069,762	841,768	3,911,530	3,410,562	745,324
Prior year adjustment		-	(434,184)	(434,184)	-	(377,280)
Total funds brought forward as restated		3,069,762	407,584	3,477,346	3,410,562	368,044
Total funds carried forward		3,092,420	337,095	3,429,515	3,069,762	407,584

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Notes 3 and 19 to the financial statements.

The Fostering Network

Balance sheet

Company no. 01507277

As at 31 March 2021

			2021	2020 (as restated)
	Note	£	£	£
Fixed assets:				
Tangible assets	12		3,575,503	3,280,807
Investments	13		2	2
			<u>3,575,505</u>	<u>3,280,809</u>
Current assets:				
Stock		32,313		36,385
Debtors	14	1,443,654		1,251,854
Cash at bank and in hand		724,045		1,037,190
		<u>2,200,012</u>		<u>2,325,429</u>
Liabilities:				
Creditors: amounts falling due within one year	15	(1,943,856)		(1,877,892)
Net current assets			<u>256,156</u>	<u>447,537</u>
Creditors: amounts falling after one year	16		(402,146)	(251,000)
Total net assets			<u><u>3,429,515</u></u>	<u><u>3,477,346</u></u>
The funds of the charity:	19			
Restricted income funds			337,095	407,584
Unrestricted income funds:				
Designated funds		-		261,000
Revaluation reserve		1,603,759		1,603,759
General funds		1,488,661		1,205,003
		<u></u>	<u>3,092,420</u>	<u>3,069,762</u>
Total charity funds			<u><u>3,429,515</u></u>	<u><u>3,477,346</u></u>

Approved by the trustees on 6 October 2021 and signed on their behalf by

Janet Smith
Chair of the board of trustees

Mervyn Erskine
Honorary treasurer

The Fostering Network

Statement of cash flows

For the year ended 31 March 2021

	2021 £	£	2020 £	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	(47,831)		199,394	
Depreciation charges	109,121		48,403	
Investment income	(369)		(3,427)	
(Increase)/decrease in stocks	4,072		9,834	
(Increase)/decrease in debtors	(191,800)		296,137	
Increase/(decrease) in creditors	67,694		159,504	
Net cash provided by / (used in) operating activities		(59,113)		709,845
Cash flows from investing activities:				
Dividends, interest and rents from investments	369		3,427	
Purchase of property, plant and equipment	(403,817)		(93,833)	
Net cash provided by / (used in) investing activities		(403,448)		(90,406)
Cash flows from financing activities:				
Repayments of borrowing	(100,584)		(94,701)	
Cash inflows from new borrowing	250,000		-	
Net cash provided by / (used in) financing activities		149,416		(94,701)
Change in cash and cash equivalents in the year		(313,145)		524,738
Cash and cash equivalents at the beginning of the year		1,037,190		512,452
Cash and cash equivalents at the end of the year		724,045		1,037,190

Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	Other non- cash changes £	At 31 March 2021 £
Cash and cash equivalents				
Cash at bank and in hand	1,037,190	(313,145)	-	724,045
	1,037,190	(313,145)	-	724,045
Borrowings				
Debt due within one year	109,348	(100,584)	98,854	107,618
Debt due after one year	251,000	250,000	(98,854)	402,146
	360,348	149,416	-	509,764
Total	1,397,538	(163,728)	-	1,233,810

1 Accounting policies

a) Statutory information

The Fostering Network is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 87 Blackfriars Road, London, SE1 8HA

b) 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 (FRS 102) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The subsidiary company did not trade in the year. Therefore the results of the charity and the group are the same.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern; the charitable company has sufficient reserves and adequate controls to mitigate the risks posed by the COVID-19 pandemic.

The charity has very stable, regular income and has forecast future activities, balance sheet and operating surplus for three years. It manages working capital with monthly cash flow forecasts.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. The following specific policies apply to categorise of income:

- ~ Membership subscriptions are recognised over the period of membership (equally over 12 months).
- ~ Publications income is recognised at point of sale.
- ~ Advice, training and consultancy income is recognised on the date the service was provided.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- ~ Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- ~ Expenditure on charitable activities includes the costs of delivering member services undertaken to further the purposes of the charity and their associated support costs.
- ~ Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- Membership	69%
- Specific projects	21%
- Training and events	2%
- Advice services	2%
- Consultancy	3%
- Raising funds	2%
- Publishing	1%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Freehold land and buildings are recognised under the revaluation model under FRS102, and any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet. Freehold land and buildings are not depreciated as the property is maintained in good condition and therefore the residual value is considered to be in line with the carrying value.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

~ Furniture and equipment	Over four years
~ Computers and software	Over two to ten years
~ Freehold improvements	Over three to seven years
~ Freehold premises	Not depreciated
~ Freehold land	Not depreciated

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Stocks

Stocks consist of publications for resale and materials for use in training courses. They are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1 Accounting policies (continued)

s) Pensions

The Fostering Network operates a defined contribution pension scheme and the amount charged to the SOFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown in either accruals or prepayments in the balance sheet.

t) Management estimates and judgements

In the process of applying its accounting policies the charity is required to make certain estimates, judgements and assumptions. Examples of these are: valuation of freehold property in light of the COVID-19 pandemic (see note 12); where goods and services have been provided but not invoiced to us, we estimate the value of the services; where stock is slow moving we apply a net realisable value if that is lower than cost. Where debtors are materially overdue we reduce their value to zero.

The Fostering Network

Notes to the financial statements

For the year ended 31 March 2021

2 Income from donations and legacies

	2021 £	2020 £
Donations	76,291	130,610
Gifts in kind	-	-
Core grants		
Northern Ireland Department of Health, Social Services and Public Safety	44,813	35,851
Scottish Government	88,768	88,768
	209,872	255,229

3 Projects income (current year)

Restricted Projects

	Balance at 1 April 2020 £ <i>as restated</i>	Income 2021 £	Expenditure 2021 £	Transfers £	Balance at 31 March 2021 £
England / Headquarters					
Foster Carer Retention	5,211	-	-	(5,211)	-
Fostering Digital Skills for Life	-	59,491	-	-	59,491
Fostering Potential	4,353	-	(4,740)	387	-
Jon and Kathy Broad Award	1,850	-	(250)	-	1,600
Mockingbird	576	291,208	(276,172)	-	15,612
Quilts for Children in Care	7,487	-	(2,641)	-	4,846
England / Headquarters	19,477	350,699	(283,803)	(4,824)	81,549
Northern Ireland					
Kinship Care Support	6,486	34,710	(37,654)	-	3,542
Step Up Step Down	16,532	175,363	(165,963)	-	25,932
Northern Ireland	23,018	210,073	(203,617)	-	29,474
Scotland					
Capturing the Voice	12,153	-	(1,575)	-	10,578
Fosterline Scotland	60	56,232	(59,630)	-	(3,338)
Scottish Newsletter	8,033	-	(4,698)	-	3,335
Young Advocates	31,032	97,969	(88,731)	-	40,270
Scotland	51,278	154,201	(154,634)	-	50,845
Wales					
Confidence in Care	281,553	(78,350)	(89,902)	-	113,301
Fostering Communities	-	247,792	(244,635)	-	3,157
Fostering Excellence	12,947	-	(4,493)	-	8,454
Fostering Welbeing	-	287,600	(250,574)	-	37,026
Other Welsh Government projects	19,311	-	(13,982)	-	5,329
Triumph	-	11,000	(3,040)	-	7,960
Wales	313,811	468,042	(606,626)	-	175,227
Total projects	407,584	1,183,015	(1,248,680)	(4,824)	337,095

The Fostering Network

Notes to the financial statements

For the year ended 31 March 2021

3 Projects income (prior year) Restricted Projects

	Balance at 1 April 2019 as restated £	Income 2020 as restated £	Expenditure 2020 £	Transfers £	Balance at 31 March 2020 £
England / Headquarters					
Foster Carer Retention	8,722	-	(3,511)	-	5,211
Mockingbird	-	503,893	(503,317)	-	576
Fostering Potential	20,383	26,577	(42,607)	-	4,353
Quilts for Children in Care	8,009	-	(522)	-	7,487
Jon and Kathy Broad Award	1,850	-	-	-	1,850
England / Headquarters	38,964	530,470	(549,957)	-	19,477
Northern Ireland					
Kinship Care Support	16,330	41,566	(51,410)	-	6,486
Building Better Futures	9,683	-	(9,683)	-	-
Step Up Step Down	19,889	160,395	(163,752)	-	16,532
Northern Ireland	45,902	201,961	(224,845)	-	23,018
Scotland					
Fosterline Scotland	-	56,232	(56,172)	-	60
Scottish Newsletter	13,304	-	(5,271)	-	8,033
Walking Tall	30,499	-	(30,499)	-	-
Young Advocates	-	87,978	(56,946)	-	31,032
Capturing the Voice	-	21,983	(9,830)	-	12,153
Foster Care Transforming Lives	-	7,836	(10,416)	2,580	-
Scotland	43,803	174,029	(169,134)	2,580	51,278
Wales					
Confidence in Care	231,114	298,213	(247,774)	-	281,553
Fostering Excellence	8,261	240,637	(235,951)	-	12,947
Other Welsh Government projects	-	59,241	(39,930)	-	19,311
Fostering Welbeing	-	119,059	(119,059)	-	-
Fosterline Wales	-	19,628	(19,628)	-	-
Wales	239,375	736,778	(662,342)	-	313,811
Total projects	368,044	1,643,238	(1,606,278)	2,580	407,584

4 Unrestricted Projects (current year)

	Income 2021 £	Expenditure 2021 £
Fostering Achievement	1,492,554	(1,496,336)
Total projects	1,492,554	(1,496,336)

4 Unrestricted Projects (prior year)

	Income 2020	Expenditure 2020
	£	£
Fostering Achievement	1,394,446	(1,396,428)
Total projects	1,394,446	(1,396,428)

Purposes of restricted funds

The restricted funds relate to the following projects:

England

Foster Carer Retention – We received funding from The Exilarch's Foundation to explore the development of an exit interview toolkit for fostering services to capture all the reasons why foster carers leave their services. This information can then be used by the service to improve practice and inform foster carer retention and recruitment strategies. The toolkit was launched in Spring 2019. The Exilarch's Foundation have generously agreed for the balance of these funds to be used to sponsor the 2020 Fostering Excellence Awards.

Mockingbird - Mockingbird led by The Fostering Network in the UK, delivers sustainable foster care. It is an evidence-based model structured around the support and relationships an extended family provides. The model nurtures the relationships between children, young people and foster families supporting them to build a resilient and caring community. The model now operates in 39 fostering services, either funded by the Department of Education or self-funded.

Fostering Potential - Fostering Potential was funded by the British & Foreign School Society and Sir John Cass's Foundation. It built on the learning from previous educational programmes across the UK and aimed to improve the educational outcomes for looked after children by focusing on foster carers as 'first educators' for the children and young people in their care. Working in partnership with seven fostering services across England, this project created an educational peer support network in each local area, delivered by experienced foster carers in the role of Education Champions.

Fostering Digital Skills for Life - The Fostering Network is working with Internet Matters and University of East Anglia on the project, Fostering Digital Skills for Life. The project will create and deliver CPD-accredited training, giving foster carers the choice between self-study or facilitator-led learning. The project will also increase understanding across the sector of how supporting foster carers to improve their digital skills can positively impact the digital resilience of children in their care. This project is funded by Nominet as part of the REACH portfolio.

Quilts for Children in Foster Care - This is a long-running project that provides fostered children with their own hand-made quilt. A team of volunteers from Helping Hands Quilters create these bespoke quilts throughout the year and we then distribute these to children and young people across the UK. The quilts, matched carefully to each child, become treasured possessions and part of their life story. This has been supported by a grant from the Cotton Industry War Memorial Trust and The Harrison-Frank Family Foundation.

The Jon and Kathy Broad Award - In memory of Kathy Broad, this is an annual award for foster carers caring for children with special needs and presented as part of the charity's Fostering Excellence Awards.

Northern Ireland

Building Better Futures – A HSCB initiative to develop a model of assessment for parenting and associated manual across all five Health and Social care trusts with Professor Stan Houston of Trinity College, Dublin and Drs Lorna Montgomery and Mandi MacDonald of Queen's University Belfast.

Purposes of restricted funds (continued)

Kinship Care Support - funded by Children in Need and Ulster Garden Villages, this programme supports young people in kinship foster care and their carers to access support to help improve their well-being, build their skills and enable their engagement with the programme.

Step Up Step Down - this is a five year project, funded by The National Lottery Community Fund for Northern Ireland operating in partnership with the South Eastern Health and Social Care Trust works with families on the periphery of the care system from being taken into care and instead support them to stay within their own homes.

Scotland

Capturing the Voice - This project, funded by The Robertson Trust, Awards for All and Hugh Fraser Foundation, aims to ensure the views of disabled children and young people are heard at decision making meetings and panels and is an extension of the work we carried out as part of our previous Walking Tall project.

Foster Care Transforming Lives - This was a conference hosted by The Fostering Network and APFEL. Acting for the Promotion of Fostering at European Level (APFEL) is a network association working together and exchanging information relating to foster care between countries in Europe. The network utilises the diversity of approaches to foster care through international exchanges and collaboration, through experience, expertise, research and best practice to improve the lives of children in foster care. APFEL hold annual conferences across Europe and the eighth conference took place in Edinburgh, Scotland hosted in partnership with The Fostering Network on 20 November 2019.

Fosterline Scotland - An independent and confidential service providing advice, information, mediation and support to foster carers across Scotland on all aspects of fostering, funded by the Scottish Government.

Scottish Newsletter - This is distributed to all our members in Scotland, including 97% of fostering households across Scotland. This is funded by a variety of grants and donations.

Walking Tall - A two-year lottery funded project working with primary school aged children living in fostering households (both sons and daughters of foster carers and children in foster care). It aims to enhance their self-esteem and resilience, while exploring their views and experiences of fostering using drama, play, movement and arts.

Young Advocates - This project, funded by Life Changes Trust and Young Start Fund (delivered by the National Lottery Community Fund), will see young people with care experience create learning opportunities for teachers and trainee teachers around what the day-to-day reality of school or college can be like for them. The young advocates will also train foster carers to help build their awareness of how they can best support the children and young people in their care.

Wales

Confidence in Care - The aim of the project is to improve the life chances of looked after children and young people in Wales by improving placement stability through better interaction and attachment levels, developing a more positive outlook towards education and future career goals, increasing resilience and life skills, and using robust learning and evaluation evidence to influence future policy development in Wales. The Fostering Network is working with Action for Children, Barnardo's, Cardiff University and TACT to deliver this programme. The charity has acted as an agency for our partners, receiving conduit funding from the Big Lottery Fund. £366k was paid in the year to our partners.

The prior year figures are restated for the Confidence in Care Wales restricted fund. The Confidence in Care Wales restricted fund balance as at 1 April 2019, and the income for 2019/20, included funds received on a conduit funding basis on behalf of our delivery partners. As conduit funding, these funds should have been included in trade creditors and not in restricted funds.

During the year, the project budget was re-profiled, increasing the partner's share of the funding by £48,950 and decreasing the charity's share of the funding by the same amount, the charity also returned £78,350 to the funder during the year.

Purposes of restricted funds (continued)

Fostering Communities (including Fosterline Wales) 2020-2023 - This is a new national programme of improvement and support led by The Fostering Network in Wales and funded by the Welsh Government from 2020-2023. Embedded within Fostering Communities is a co-production approach, which means we will work in equal partnership with foster carers, children and young people in care and fostering services to plan and deliver the programme. Working together as co-creators and sharing power will enable us to build a strong and resilient fostering community with the aim of improving wellbeing for all. Fostering Communities recognises that everyone in the fostering sector has a vital contribution to make in order to improve the quality of life for children and young people in care and their foster families.

Fostering Excellence (including Fosterline Wales) 2016-2019 - This three-year programme of interventions that will improve the experience of looked after children in Wales, support foster carers to provide permanent, stable and aspiring homes, and ensure that looked after children in Wales are able to make a positive and valued contributions to future generations. Funded by the Welsh Government.

Fostering Wellbeing - This pilot programme is funded by the Welsh Government and delivered by The Fostering Network in Wales. The programme aims to test and evaluate social pedagogy principles (focused on education and the upbringing of children) in a foster care environment. This project operates at regional level across Wales, delivering learning, bringing people together and sharing best practice across service boundaries with an aim to embed a shared approach that will support improved outcomes for children and young people.

Other Welsh Government projects - A number of Welsh Government funded projects including work to: develop the recruitment of new local authority foster carers and provide training to existing foster carers in respect of Unaccompanied Asylum Seeking Children; develop a resource for foster carers around the five basic needs (social, physical, emotional, cultural and learning) of children who are looked after in foster care; revise and refresh *Aimee's Diary - a fostered child's journey through secondary school*, where Aimee, the fictional character of a young person in foster care, records her account of events as she journeys through secondary school.

Triumph (Co-production or adaptation of online interventions for foster care: Promoting the mental health and wellbeing of care-experienced children and young people) - Recently, there has been a move to deliver services online, especially during the COVID-19 pandemic. This has highlighted a number of challenges for those working with care-experienced young people.. This project will look at how to best develop online programmes for care-experienced young people, or how to or adapt them from in person to online delivery. From this study the team will develop guidance to support policymakers, practitioners and researchers in developing and adapting programmes for delivery online. These will focus on how to best engage young people, while properly assessing risk and ensuring protection.

The Fostering Network

Notes to the financial statements

For the year ended 31 March 2021

5 Analysis of expenditure

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2021 Total £
Staff costs (Note 8)	70,557	1,848,059	1,218,690	-	83,669	223,093	97,532	3,541,600
Support costs	17,184	733,099	227,474	8,078	21,705	23,440	37,378	1,068,358
Other costs	4,942	261,052	1,298,852	80,781	51,758	11,311	159,096	1,867,792
Total expenditure 2021	92,683	2,842,210	2,745,016	88,859	157,132	257,844	294,006	6,477,750

5 Analysis of expenditure (prior year)

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2020 Total £
Staff costs (Note 8)	88,603	1,978,455	859,701	-	112,820	238,992	70,231	3,348,802
Support costs	20,199	561,939	276,382	11,183	33,342	25,936	33,450	962,431
Other costs	17,506	107,030	1,866,623	75,797	139,355	20,364	164,320	2,390,995
Total expenditure 2020	126,308	2,647,424	3,002,706	86,980	285,517	285,292	268,001	6,702,228

The Fostering Network

Notes to the financial statements

For the year ended 31 March 2021

6 Support costs

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2021 Total £
Facilities	9,949	115,389	9,511	338	8,728	980	12,788	157,683
Finance	2,271	193,929	68,429	2,430	4,074	7,051	7,720	285,904
HR	1,091	93,117	32,857	1,167	1,956	3,386	3,707	137,281
IT	2,671	228,099	80,486	2,858	4,792	8,294	9,080	336,280
Management	1,089	92,956	32,800	1,165	1,953	3,380	3,700	137,043
Governance	113	9,609	3,391	120	202	349	383	14,167
Total expenditure 2021	17,184	733,099	227,474	8,078	21,705	23,440	37,378	1,068,358

6 Support costs (prior year)

	Raising funds £	Membership services £	Project costs £	Publishing £	Training and events £	Advice services £	Consultancy £	2020 Total £
Facilities	10,140	107,489	24,843	3,996	9,434	1,348	11,213	168,463
Finance	3,264	147,463	81,621	2,332	7,758	7,978	7,215	257,631
HR	1,691	76,388	42,281	1,208	4,019	4,133	3,738	133,458
IT	2,950	133,284	73,773	2,108	7,012	7,211	6,522	232,860
Management	1,736	78,413	43,402	1,240	4,125	4,243	3,837	136,996
Governance	418	18,902	10,462	299	994	1,023	925	33,023
Total expenditure 2020	20,199	561,939	276,382	11,183	33,342	25,936	33,450	962,431

Notes to the financial statements

For the year ended 31 March 2021

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation	109,121	48,403
Operating lease rentals:		
Property	39,930	50,701
Other	1,418	406
Rent receivable as lessor		
Property	39,926	53,235
Auditor's remuneration (excluding VAT):		
Audit	13,300	13,000
Other services	900	650
	109,121	113,405

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	3,096,999	2,932,651
Redundancy and termination costs	1,838	-
Social security costs	297,537	279,277
Employer's contribution to defined contribution pension schemes	145,226	136,874
	3,541,600	3,348,802

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£60,000 - £69,999	2	2
£70,000 - £79,999	1	-
£90,000 - £99,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £499,631 (2020: £526,323).

The charity trustees were neither paid nor received 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).

Indemnity insurance is provided for trustees at a premium of £1,355 (2020: £1,355).

Trustees' expenses represents the payment or reimbursement of travel costs totalling £102 (2020: £4,355) incurred by 1 (2020: 7) members relating to attendance at meetings of the trustees.

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 99, 86 FTE (2020: 95, 80 FTE).

Staff are split across the activities of the charitable company as follows (full time equivalent basis):

	2021 No.	2020 No.
Cost of raising funds	1	2
Membership services	44	41
Project costs	31	27
Training & events	3	3
Advice services	5	6
Consultancy	2	1
	86	80

10 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

The Fostering Network received no donations from trustees (2020: £300; 1 trustee). The trustees receive no benefit from the donations made to the charity.

During the year, the Charity received Consultancy services from GGT Associates in the amount of £0 (2020: £25,671). Colin Turner, the Director of the Wales Office of the charity is also a director of the company. £9,636 (2020: £16,035) has been paid to GGT Associates during the year for services received in 2020.

11 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The Fostering Network

Notes to the financial statements

For the year ended 31 March 2021

12 Tangible fixed assets

	Freehold property £	Leasehold improvements £	Furniture £	Computer equipment £	Total £
Cost or valuation					
At the start of the year	3,106,250	-	62,665	261,584	3,430,499
Additions in year	-	25,277	8,467	370,073	403,817
Disposals in year	-	-	-	(92,346)	(92,346)
At the end of the year	3,106,250	25,277	71,132	539,311	3,741,970
Depreciation					
At the start of the year	-	-	15,042	134,650	149,692
Charge for the year	-	1,474	16,734	90,913	109,121
Eliminated on disposal	-	-	-	(92,346)	(92,346)
At the end of the year	-	1,474	31,776	133,217	166,467
Net book value					
At the end of the year	3,106,250	23,803	39,356	406,094	3,575,503
At the start of the year	3,106,250	-	47,623	126,934	3,280,807

Land with a value of £896,875 (2020: £896,875) is included within freehold property and not depreciated. The carrying amount on the cost model would be £1,322,221 (2020: £1,322,221). The purchase price of the freehold building was £450,000 in 1999. The freehold property is not depreciated because the Charity believes that the residual value of the property is in line with the carrying value.

In order to reduce the long term cost to the company of the London office, 23% of the total space is leased to tenants. The property is shown in the accounts at Market Valuation.

The Charity follows the revaluation model for freehold premises. Land and Buildings were revalued at 18th December 2018 by Lamberts, Chartered Surveyors, on an existing use open market basis in accordance with Guidance Notes of the Royal Institution of Chartered Surveyors. Lamberts are not connected with the charity.

In 2020, the trustees reviewed this valuation in light of the COVID-19 pandemic, seeking professional advice from Lamberts Chartered Surveyors about the pandemic's effect on commercial property values. The trustees considered it prudent to reduce the 2018 valuation by 12.5% (£443,750) to take into account material uncertainty about the central London office market.

In July 2021, the Charity reviewed the valuation, seeking professional advice from Lamberts Chartered Surveyors. The outcome of this review was that the valuation of the freehold building is unchanged since 2020 although significant uncertainty remains about the long term implications of the pandemic and the impact on property values.

13 Investments

The Fostering Network owns the whole of the issued ordinary share capital of National Foster Care Association Services Ltd, a company registered in England. The subsidiary was dormant in the year.

	2021 £	2020 £
Trading subsidiary (cost)	2	2

The Fostering Network

Notes to the financial statements

For the year ended 31 March 2021

14 Debtors

	2021 £	2020 £
Trade debtors	1,148,946	947,947
Other debtors	121,602	147,859
Prepayments	173,106	156,048
	1,443,654	1,251,854

All of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and in note 16.

15 Creditors: amounts falling due within one year

	2021 £	2020 £
		as restated
Trade creditors	645,319	934,883
Taxation and social security	408,431	248,262
Other creditors and accruals	283,589	154,590
Deferred income	498,899	430,809
Bank loan	107,618	109,348
	1,943,856	1,877,892

16 Creditors: amounts falling after one year

	2021 £	2020 £
Repayable in 1-5 years	360,479	251,000
Repayable in more than 5 years	41,667	-
	402,146	251,000

This comprises a bank loan and a Coronavirus Business Interruption Loan (CBIL). Both loans are secured over the freehold property and interest on both loans is charged on floating rate basis. The CBIL is for 6 years, with the first year interest free and repayment free. The first repayment is due April 2022.

17 Deferred income

Deferred income comprises of income relating to services to be provided in 2021/22, but have been invoiced prior to 31 March 2021.

	At 1 April 2020 £	Released £	Deferred £	At 31 March 2021 £
Training and events	3,283	(3,283)	10,410	10,410
Advice services	76,489	(76,489)	78,318	78,318
Membership services	273,684	(273,684)	277,536	277,536
Consultancy	77,353	(76,544)	131,826	132,635
	430,809	(430,000)	498,090	498,899

18 Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	3,575,503	-	-	3,575,503
Investments	2	-	-	2
Net current (liabilities)/ assets	(80,939)	-	337,095	256,156
Long term liabilities	(402,146)	-	-	(402,146)
Net assets at 31 March 2021	3,092,420	-	337,095	3,429,515

Analysis of net assets between funds (prior year as restated)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	3,280,807	-	-	3,280,807
Investments	2	-	-	2
Net current (liabilities)/ assets	(221,047)	261,000	407,584	447,537
Long term liabilities	(251,000)	-	-	(251,000)
Net assets at 31 March 2020	2,808,762	261,000	407,584	3,477,346

19 Movements in funds (current year)

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
General reserve	1,205,003	5,246,904	(5,229,070)	265,824	1,488,661
Revaluation reserve	1,603,759	-	-	-	1,603,759
Designated reserve	261,000	-	-	(261,000)	-
Total unrestricted funds	3,069,762	5,246,904	(5,229,070)	4,824	3,092,420

The designated funds were held for the IT development project. This work is now complete.

Movements in funds (prior year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
General reserve	1,263,053	5,201,480	(5,095,950)	(163,580)	1,205,003
Revaluation reserve	2,047,509	-	(443,750)	-	1,603,759
Designated reserve	100,000	-	-	161,000	261,000
Total unrestricted funds	3,410,562	5,201,480	(5,539,700)	(2,580)	3,069,762

The designated funds were held for the IT development project.

20a Prior year adjustment

	Unrestricted	Restricted 2020	Total
	£	£	£
Reserves position			
Funds previously reported	3,069,762	841,768	3,911,530
Adjustments on restatement			
Movement following reduction in Confidence in Care Wales income in 2020	-	(56,904)	(56,904)
Movement following reduction in Confidence in Care Wales income prior to 2020	-	(377,280)	(377,280)
Funds restated	3,069,762	407,584	3,477,346
	Unrestricted	Restricted	Total
	For the year ended 31 March 2020		
	£	£	£
Impact on income and expenditure			
Net movement in funds as previously reported	(340,800)	96,444	(244,356)
Adjustments on restatement			
Movement due reduction in Confidence in Care Wales income	-	(56,904)	(56,904)
Net income/ (expenditure) as restated	(340,800)	39,540	(301,260)

Explanation for adjustment

The prior year figures are restated for the Confidence in Care Wales restricted fund. The Confidence in Care Wales restricted fund balance as at 1 April 2019, and the income for 2019/20, included funds received on a conduit funding basis on behalf of our delivery partners. As conduit funding, these funds should have been included in trade creditors and not in restricted funds.

21a Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods.

	Property		Other	
	2021	2020	2021	2020
	£	£	£	£
Less than one year	30,283	33,154	1,481	406
One to five years	14,306	43,706	-	-
	44,589	76,860	1,481	406

21b Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property	
	2021	2020
	£	£
Less than one year	54,637	53,235
One to five years	-	53,235
	54,637	106,470

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

The Fostering Network
Trustees Management and Advisors

**The following served as members of the board of directors and trustees
and as the senior leadership team in 2020-2021.**

Chair

Janet Smith (from December 2020)
Nigel McCartney (until December 2020)

Vice Chair

Martin Leworthy (from December 2020 until
August 2021)

Treasurer

Mervyn Erskine

Trustees

Greg De Smidt
Mervyn Erskine
Stuart Lewis
Martin Leworthy (until August 2021)
Sophie Masey
Nigel McCartney
Gary Pickles
Christopher Pope
Ishara Tewary
Jeanette Towning
Janet Smith
Jonathan Walsh

Senior Leadership Team

Kevin Williams
(Chief Executive)

Kate Lawson (from March 2021)
(Director of External Relations)

Sara Lurie
(Director of Practice & Scotland)

Kathleen Toner
(Director of Membership, Engagement &
Northern Ireland)

Colin Turner (until July 2021)
(Director, of Commercial & Wales)

Floretta West
(Director of People & Culture)

Geoff Wilson
(Director of Finance & Resources)

Company Secretary

Geoff Wilson (from March 2021)

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