



2025

FINANCIAL STATEMENTS

31 March 2025

A Company Limited by Guarantee
Registered Number: 1617324
Charity Registration Number: 512892

www.adoptionmatters.org



A proud history of children's futures



**YEAR ENDED 31 MARCH 2025 -
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LEGAL AND ADMINISTRATIVE INFORMATION

YEAR ENDED 31 MARCH 2025

Charity Details	Adoption Matters Registered Number 1617324 Charity Registration Number 512892		
Joint Presidents	Bishop of Blackburn, The Right Reverend Philip North Bishop of Chester, The Right Reverend Mark Tanner Bishop of Durham, The Right Reverend Paul Butler to February 2024 Acting Bishop of Durham, Bishop Sarah Clark of Jarrow from February 2024		
Patrons	Sir Mark Hedley Norman G Goodwin CBE Lord Lieutenant of Lancashire, Amanda Parker		
Board of Trustees	Mrs Carolyn Johnson (Chair) (resigned June 2025) Mr Jamie Bennett (Chair) (appointed June 2025) Ms Lynn Pates (Vice Chair) Mr Graham Alton Dr Yvonne Ball Madeleine Baldon (appointed April 2025) Rev Anita Burke (resigned March 2025) Jonathon Fingerhut (appointed April 2025) Miss Catherine Gibbons Mr Joe McArdle Mr Barry Speker OBE DL Dr Mahilravi Thevasagayam (resigned December 2024) Mr Annesley Wright		
Company Secretary	Mr Annesley Wright		
Chief Executive	Mrs Susy White		
Registered Office and Principal Address	14 Liverpool Road, Chester, Cheshire, CH2 1AE Telephone: 01244 390938 E-mail: info@adoptionmatters.org Website: www.adoptionmatters.org		
Auditors	UHY Hacker Young, Chartered Accountants and Registered Auditors, Merchants House, 4 th Floor, Crook Street, Chester, Cheshire, CH1 2BE		
Bankers and Investment Managers	Lloyds Bank PLC 8 Foregate Street Chester CH1 1XP Cheshire CH1 1XP	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	Quilter Cheviot Investment Management CCLA Investment and Bank
Solicitors and Insurance	Mr Andrew Perrigo Morecrofts LLP 2 Crown Buildings Liverpool Road Crosby Liverpool L23 5SR	Mr Graeme Hughes Brabners LLP Horton House Exchange Flags Liverpool L2 3YL	Markel (UK) Limited Verity House 6 Canal Wharf Leeds LS11 5AS

ANNUAL REPORT OF THE BOARD OF TRUSTEES OF ADOPTION MATTERS

YEAR ENDED 31 MARCH 2025

The trustees present their statutory report and accounts for the year ended 31 March 2025.

The report has been prepared in accordance with Section 8 of the Charities Act 2011 and with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Accounts have been prepared in accordance with the accounting policies set on pages 19 and 20 of the attached accounts and comply with the Charitable Company's Memorandum and Articles of Association, applicable laws and the requirements of the Statement of Recommended Practice (FRS102) 'Accounting and Reporting by Charities'.

Adoption Matters is a registered charity and also a company limited by guarantee. In the event of the charity dissolving, members are required to contribute an amount not exceeding £1 each. Its aims and activities are set out and governed by the Articles of Association and the Memorandum of Association.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Chief Executive of Adoption Matters, Susy White is directly accountable to the Board of Trustees. The Adoption Matters Chair of Trustees is Carolyn Johnson, who was a practising Barrister of Law until April 2021. Our Vice Chair is Lynn Pates, Charity Investment Consultant ACMA, CGMA; The Chair of our Staffing Committee is Joe McArdle former Health Service Professional now working in Education. The Chair of our Finance Committee is Lynn Pates, Charity Investment Consultant ACMA, CGMA; the Chair of Governance Committee is Catherine Gibbons, Associate Solicitor specialising in charity governance. The Bishops of Chester, Blackburn and Durham are the joint Presidents of Adoption Matters.

Advice and support for the work of Adoption Matters is provided by the Adoption Panels. The Chester Panel is currently chaired by Joyce M'Caw, a retired Chief Executive for Careers Wales North East; the Blackburn Panel by Peter Young, a retired High School Head Teacher; and the Durham Panel by Barry Speker OBE DL as Vice-Chair (following the retirement of Margaret Bell) pending the appointment of a new panel chair. Barry is a retired Employment Lawyer.

The Board of Trustees

Adoption Matters' Board members are directors of the charity for the purpose of company law (Companies Act 2006) and trustees for the purpose of charity law (Charities Act 2011).

Appointment of trustees follows a skills audit, which is conducted periodically to address any gaps in the Board of Trustees' expertise. Potential trustees with the appropriate expertise and experience are given the opportunity to meet the Chair, Chief Executive, other Board of Trustees members. A formal recruitment process is followed and appointment is made after attendance at a full meeting of the Board.

The Bishop of Blackburn, the Bishop of Chester, and the Bishop of Durham, can appoint one trustee each, the Chester Diocesan Synod; the Blackburn Diocesan Synod and the Durham Diocesan Synod can appoint up to three trustees each.

Any person nominated to be considered for election to the post of the Chair or the Vice-Chair shall be subject to the approval of the Bishop of Blackburn, the Bishop of Chester and the Bishop of Durham.

On appointment to The Board, trustees are given an induction programme including meeting with the Chief Executive and other key staff and are familiarised with Adoption Matters' work and with the responsibilities of the Board of Trustees. Trustees are offered a tailored training programme, with individual Board members accessing specific training relevant to their role on the Board. From time to time, joint management / trustees' meetings (also some jointly with the Adoption Panel) with a specific development/training function are held.

ANNUAL REPORT OF THE BOARD OF TRUSTEES OF ADOPTION MATTERS

YEAR ENDED 31 MARCH 2025

Trustees are provided with relevant literature including a copy of the Charity Commission's document CC3: "Responsibilities of Charity Trustees" which provides detailed information and guidance on their roles and responsibilities.

Most importantly, Adoption Matters trustees are responsible for:

- agreeing the strategic aims, objectives and direction of the organisation;
- ensuring that there is identification of risks and management of those risks;
- ensuring that the income of the Charity is applied for the purposes set out in the governing document;
- controlling the administration of the Charity and the assets.

Management and Structure

The ultimate responsibility lies with the Board of Trustees which meets at least quarterly. The financial governance and investments are overseen by the Finance Committee, which is made up of 4 trustees. The committee meets quarterly. The Staffing Committee is made up of 2 trustees, HR manager and the Finance & Business Service Manager which meets quarterly. The Governance Committee meets at least twice a year and is made up of 3 trustees. The Strategic Development Committee is made up of 3 trustees and meet at least twice a year. Day to day management of the Charity is delegated to the Chief Executive.

The following senior staff were in post at 31 March 2025:

- | | |
|---------------------------|--------------------------------------|
| ➤ Mrs Susy White | Chief Executive Officer |
| ➤ Mr Paul Dolan | Head of Service Adoption North |
| ➤ Mrs Karen Palfreyman | Fostering Service Manager |
| ➤ Ms Gaynor Richards | Business Development Manager |
| ➤ Mr David Robinson-Field | CFAS Service Manager |
| ➤ Ms Karen Rodriguez | Finance and Business Service Manager |
| ➤ Mrs Jacqui Shore | Head of Service Adoption South |

The Trustees, Staff Committee and Finance Committee ensure – where funding is available – that staff salaries stay near to LGA rates but the SLT salaries are reviewed by the Chair and Vice Chair of Trustees

Adoption Matters' head office is in Chester and provides the overall operational management of the organisation, including financial management controls. The agency has other offices at Blackburn, Durham, Hale, Leeds, Manchester and Warrington.

Risk Management

The major strategic business and operational risks that Adoption Matters face has been examined by the Board of Trustees. The correct policies, procedures and systems have been established so that necessary steps can be taken to manage risk. The Board of Trustees receive regular updates and reports. The risk register is updated quarterly, by each department and is reviewed by the Governance Committee, any changes to the risk register are reported at the quarterly Board meeting.

The trustees are aware of the uncertainty in adoption due to external factors such as cuts in public spending and no government funding being available to us. A major risk is our recruitment of potential adopters. We know our adoption pipeline for the next 12 months based on enquiries received and monitor these levels each month. If we saw a continued reduction over a 3 month period we would have time to take action and reduce our staffing body in advance of this having an impact on our work flow. We are managing our controls robustly, looking at alternative income streams and have invested in diversifying into fostering. We are working with our fundraiser and ambassadors to explore new innovative ideas for 25/26. We are also investing in bid writing to help secure grants and aim to increase legacy donations and corporate giving. Income generating and expenditure management is Key. The principal risks are a change in direction or emphasis of Government both nationally and locally. There is also continued risks of the cuts to therapies either referred or self-referred. The Ministry of Justice or Judges in the courts can also make adoptions more complex and difficult. Cost of Living strains and employers NI increases on payroll have held back on staff recruitment and reducing surpluses available for future investment. The Board of Trustees and Senior Management Team will continue to monitor and review these risks, taking mitigating action as required.

ANNUAL REPORT OF THE BOARD OF TRUSTEES OF ADOPTION MATTERS

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Funders, stakeholders and sponsors

We would like to express our heartfelt gratitude to local authorities, regional adoption agencies, CVAA and other voluntary adoption agencies, charitable bodies, companies and individuals for their funding to help Adoption Matters' work with children and their families.

Whilst retaining its distinctiveness, Adoption Matters strives to work collaboratively with other relevant charities. We are also fortunate to receive support from a large number of volunteers, including our Board of Trustees and Adoption Panel Members who help us ensure that our practice is compliant, grounded, responsive and accountable.

Note of Appreciation

The Board would like to place on record its thanks to all Adoption Matters' staff for their hard work during this year. Everyone shares in achieving the aims of the organisation.

Thanks

The Board extends its thanks and appreciation to the organisations, churches and individuals who have supported our work during the year.

Volunteers

It is important to recognise the valuable contribution to Adoption Matters made by Presidents, Patrons, Trustees, Sub-Committees of the Board, the Adoption Panel, volunteers who help with our Centre for Adoption Support, our Parish Advocates, those who have undertaken and helped to raise funds and donations and all those who helped in practical ways.

OBJECTIVES AND ACTIVITIES

Public Benefit

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

The Trustees consider that Adoption Matters' aims are demonstrably to the public benefit in that Adoption Matters' main aims are:

- to promote the care and welfare of vulnerable children without parents or families able to look after them primarily but not exclusively, through the provision of a high-quality adoption service with the aim of securing permanent homes and stable lives for such children; and
- support to all those whose lives have been affected by adoption and other types of long-term care.

No charges are made to the public except for peripheral work which is less than 1% of our total income.

The main users of Adoption Matters live in the North of England and local authorities using our services from across the UK.

The Trustees have complied with the duty in section 17(5) of the Charities Act to have due regard to guidance published by the Charity Commission.

Achieving our Aims and Objectives

Metrics used to measure the success of our mission are the number of children placed. For example, in the post Covid era, 81 children were placed during 2024/25 against a budget number of 88. This was below the anticipated placements but exceeds any year since 2020 the Covid year. CFAS (Centre for Fostering and Adoption Support) offer families up to 3 consultation sessions per year and have online webinars and training for our families to Access. We have future forecasting documents that are updated monthly and are shared quarterly with Board to evidence we are achieving our aims and objectives.

ANNUAL REPORT OF THE BOARD OF TRUSTEES OF ADOPTION MATTERS

YEAR ENDED 31 MARCH 2025

Five key strategic themes outline the agency's commitments and form the basis of our current strategy:

1. Quality & Reputation

We are committed to ensuring that quality is at the heart of all our activities and that we provide the best possible service to our families, taking their views and requirements into account at every stage and finding new ways to improve their experience. We have well-defined procedures for Safeguarding with two nominated managers and one trustee taking a lead in this area.

2. Innovation

We aim to be a proactive, dynamic and innovative organisation that anticipates and responds to the changing environment to develop and deliver the very best in Adoption and Adoption Support. We successfully registered as a not-for-profit fostering agency during 2024 which will have the same values and support offer to families as our adoption service.

3. Approachable, Friendly & Collaborative

We strive to be a welcoming, compassionate and inclusive service, whose ethos is based on principles of fairness, equality and respect. From the first point of contact and throughout our work we will support to achieve the best outcomes for children and families.

4. Professional

Underpinning the agency's success is our highly skilled, qualified, experienced and knowledgeable staff team comprised of adoption practitioners, managers, administrative, finance, HR, business development, IT, marketing, fundraising and related professional staff. Our committed, reliable team help ensure consistency and quality throughout periods of growth and transition.

5. Sustainability

The Agency operates in a financially prudent manner employing robust strategies and undertaking due diligence in all its decision making. All staff take responsibility, are aware of the need to work within defined budgets and to meet agreed objectives wherever possible. We monitor quarterly management accounts and cash flow reports regularly with oversight from the Board of Trustees, the Chief Executive and the Finance and Business Service Manager, making decisions and responding appropriately in a timely manner to ensure the continued operation and stability of our services and staff team.

We are working to reduce our carbon footprint, our staff only travel when it is necessary, we are working smarter, favouring virtual rather than face-to-face meetings where possible. Our processes overall are electronic, reducing the need for physical resources. We allow our staff to work on a hybrid basis, which has resulted in less journeys for our staff into their nominated workplace. We aim to achieve Net Zero in each part of our business by looking at how we can improve the natural environment on land we own by 2030. We aim to reduce energy consumption in our offices by looking at solar panels. We have changed the lighting in our Durham office on the first floor to LED Batten lights and our plan is to review the lighting on the ground floor and in our Chester office in the near future.

In addition, four over-arching themes will underpin all activities:

1. Financial and Organisational Viability

A risk management approach will be taken towards all proposed developments and emphasis given to phased and manageable growth that does not leave the agency exposed to financial threat in the event of any change in the political or economic environment. Consideration will be given to how the agency effectively invests any surpluses and retains adequate reserves.

2. Innovation

We will aim to constantly review and develop innovative approaches to our processes, procedures and activities, taking advantage where appropriate of innovative technologies.

ANNUAL REPORT OF THE BOARD OF TRUSTEES OF ADOPTION MATTERS

YEAR ENDED 31 MARCH 2025

3. Reputation and Brand

Marketing, PR and promotional activity is to be outlined within a separate Marketing Strategy document with the aim of building and supporting the agency's reputation, maintaining its place in the national agenda and raising awareness and take up of services.

4. Quality

We work in line with Ofsted regulations and are committed to ensuring that quality is at the heart of all our activities and that we provide the best possible service to our families, taking their views and requirements into account at every stage and finding new ways to improve their experience.

We ensure that the correct safeguarding procedures are in place and comply with all the GDPR rules. We are extremely careful about what information goes out via social media/website.

In accordance with best practice, Adoption Matters ensure payments to suppliers are paid within terms.

Funding

Our main funding source is adoption and early permanence placements with local authorities and regional adoption agencies. Other income is from the Adoption and Special Guardianship Support Fund (ASGSF), which are contracts with local authorities who apply to the ASGSF for the provision of post adoption support, and Inter Country Adoption and Partner Adoption contracts.

Fundraising activity undertaken by Adoption Matters involves individual giving; supporter-led fundraising from events, trust, legacies, staff led events and our lottery. We follow the Code of Fundraising Practice and always ensure our actions are compatible with the code and Adoption Matters values. Adoption Matters is registered with the Fundraising Regulator. We do not engage any third parties to fundraise for us.

We received gifts in kind during the year to the value of £36,554 for events to auction, prizes for our events and competitions, advertising and days out for our adopters.

2024/25 Key Achievements

- The organisation placed 81 children for Adoption in the year against a budget number of 88.
- We are currently the only organisation in the North to have achieved five consecutive outstanding results from Ofsted.
- Our Centre for Fostering and Adoption Support (CFAS) was accessed by 293 families for therapeutic support; had a consultation session with 144 families; and had 499 people attend training programmes and workshops in 2024-25.
- The Board held their annual strategy day March 2025.
- Started our first fostering assessments and aim to have 5 approved foster families and have children in placement during 2025.
- Ensured the organisation was GDPR compliant.
- The organisation has continued to invest in our IT systems and are currently moving to a cloud-based system. We invest in our cyber security and equipment for staff. Enabling all staff to work smartly and provide support to families virtually and be able to hold hybrid meetings when necessary.
- Maintained an ethical and cautious Investment Policy.
- To work on our marketing strategy to enable us to recruit the right potential adopters to meet the current need for children.
- Key members of staff are members of national working groups to enable combined strength and benchmarking.
- The organisation is continuing to develop and implement its equality; diversity and inclusion (EDI) strategy, ensuring all staff and Trustees have relevant training
- The organisation is committed to promoting employee wellbeing and mental health.
- Held our Lancashire Lunch fundraiser.
- Launch our new look mission vision and values.

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YEAR ENDED 31 MARCH 2025

- We make every effort to ensure the charity every year, including this one, achieves placements of children with families which are lasting, secure and safe placements for both children or youth and families.

Plans for Future Periods

- We are investing in and growing our fostering as part of our investment diversification for future financial stability.
- Recruitment of families – we are ahead of the trend with our recruitment and plan to continue to invest in our marketing strategy.
- Sale of a property.
- To expand our CFAS services to include specialised fostering therapeutic training and support.
- Grow our Intermediary Service and Access to Record Service.
- Invest in our staff and their training requirements.

Our Vision, Mission and Values

Our Vision

Our vision is a world where all children grow up with the security and benefit of a safe and loving family home, enabling them to reach their full potential.

Our Mission

Children are at the **HEART** of all we do and we seek to have a transformative impact on young lives; building trusting relationships and providing responsive, high-quality services underpinned by therapeutic support as standard.

Our Values



Honesty

We will treat everyone fairly, be professional, respectful, honest and transparent in all our communications and accountable for all our decisions.



Empathy

In our organisation **everyone matters**. We seek to create a safe environment for individuals to express themselves openly, challenge kindly, seeking to learn and develop within a culture of respect and acceptance.



Ambition

We are ambitious for our children's futures and will ensure that we listen to children so that their voice is heard in plans being made about them and will advocate that their needs are met to support them to fulfil their potential.



Respect

We will listen to and value the views and experiences of our children, families, staff and volunteers, ensuring equality of opportunity regardless of gender, race, religion, culture, heritage, age, disability or sexuality.

Together

We will continually develop and improve our services together, through increasing engagement with our children, families, staff and external stakeholders, using their feedback to inform future developments.



Children are at the **HEART** of all we do.



ANNUAL REPORT OF THE BOARD OF TRUSTEES OF ADOPTION MATTERS

YEAR ENDED 31 MARCH 2025

FINANCIAL REVIEW

There is a decrease in the General Fund for the 12 months of £523,361 (£726,142 decrease 2024). We have no pension deficit.

The main reasons were:

- reduction of Practice Improvement Funding by £99,509 to £78,859 (£178,368 received 2024);
- our commitment to funding our newly launched fostering service from our reserves, (launched early 2024 with our Ofsted registration May 24);
- inter-agency placements did not meet budget targets partially due to timescales lengthening causing delays to children being placed; and
- fundraising is up on last year by £23,670 to £40,875 (£17,205). Our new Fundraising and Relationship Manager has been in post since July 2023; it takes time to build new relationships and the current climate due to inflation, geopolitical instability and interest rate volatility makes it harder to secure fundraising and grants.

Funding: Adoption Matters' principal source of funding is from the placement of children for adoption from various Regional Adoption Agencies, this amounts to 64% (58% 2024) of our total income.

Expenditure: 76% (76% 2024) of expenditure during the year is that of staff costs £3,693,248 2025, (£3,722,105 2024). This enables Adoption Matters to employ and retain qualified and experienced staff to support children and parents in their adoption and fostering journey.

External Factors: The monies received on the placement of a child is fixed under a national agreement and is outside the control of individual organisations.

Pension: Adoption Matters is required to show its share of the deficit within the Cheshire Pension Fund in the Statement of Financial Position. The Pension Fund position is common to many organisations and it is important to note that the recorded deficit/surplus do not represent sums which are immediately or otherwise due in the short term. A triennial formal valuation was made as at 31 March 2022 which showed a surplus, no net pension should be recognised in the accounts, and we have included a net asset ceiling which has resulted in a £nil balance. Based on the triennial report, there is no immediate likelihood of the charity having to incur any material expenditure in the near future which could not be met out of current balances.

Investments: Adoption Matters' policy is to invest those funds that are not immediately required into a medium risk portfolio with a number of ethical restrictions (no armaments, no tobacco, no high street lending, no human rights violations and no pornography).

The charity invests in a managed investment portfolio which aims for a return of CPI plus 4% over the long term. Where appropriate fixed terms deposits or notice accounts are also used.

Reserves: Adoption Matters Reserves Policy is to be able to cover a four-month period, our current reserves represent 1.12 months of total expenditure, and we are working to achieve our reserves policy. We have a surplus budget for 25/26, a healthy pipeline of adopters and forecast documents that evidence the 25/26 budget result. We have had additional natural wastage in staffing in 2025 that have not been replaced as a result of improved efficiencies which will improve our financial outcome. The charities free reserves amount to £330,809 (852,515, 2024), these being unrestricted funds excluding tangible fixed assets and pension scheme liability held in interest earning bank accounts and Quilters.

Adoption Matters' reserves are held in interest earning bank accounts and a managed investment portfolio.

Budget: The charity has produced a surplus budget for the coming twelve months; It is based on historical data that the agency has been using to track future placements and trends of income for therapy and CfAS and assumes that sufficient children become available for placement with our recruited families. The budget set is a realistic budget and attempts to recover some of the extra employers NI increased costs and increased levels of costs due to high levels of inflation. The executive have commenced preparation for the forth coming changes to the FRS102 and Charity Commission requirements for Trustee reports from 2026

ANNUAL REPORT OF THE BOARD OF TRUSTEES OF ADOPTION MATTERS

YEAR ENDED 31 MARCH 2025

Going concern: At the time of approving the accounts the Trustees have reasonable expectation that the charity will produce adequate resources to continue in operation existence for the foreseeable future based on the budget predictions and the business plan to reduce the staffing body through natural wastage, invest in our fostering arm along with strong monitoring cash flow.

2024/25 has continued to be a difficult year due to high costs of living restricting family income and putting adoption of children well down the lists of family ambitions. The Trustees together with the SLT and executives are strongly of the opinion having tackled overheads that the adoption service has a better opportunity of earning a surplus and allowing the charity to rebuild its reserves. With this level of confidence the Trustees continue to believe that "going concern" is the correct accounting principle to be used again as in previous years.

Statement of Trustees' Responsibilities

The trustees (who are also directors of Adoption Matters for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 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 judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

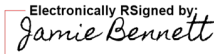
In so far as the trustees are aware:

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

Auditors

The auditors, UHY Hacker Young, will be proposed for reappointment in accordance with Section 419 of the Companies Act 2006.

Signed on behalf of The Board:

Electronically RSigned by:

ENV 99698420-6880-FAFB-0461-DCFE

Jamie Bennett

Approved by the Board on 6th November 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADOPTION MATTERS

YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of Adoption Matters (the charitable company) for the year ended 31 March 2025 which comprise the statement of financial activities, statement of financial position, statement of cash flows and notes to the financial statement, 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 income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

We draw attention to the disclosure made in note 1 under the heading 'going concern'. The charitable company has reported recurring deficits and recurring cash outflows from operating activities in each of the last four years. The deficit in 2024/25 was £523,361 leaving general reserves of £639,323 compared to £2,542,804 in 2021/22. General reserves are below the required level as set out in the charitable company's reserves policy. The trustees have approved a surplus budget for the 2025/26 financial year and taken steps to reduce fixed overheads. Nevertheless, these conditions indicate that a material uncertainty exists that may cast doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 statement is appropriate. Our evaluation of the trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included a review of budget and cash flow forecasts prepared by management, critical assessment of the assumptions used in their preparation, comparison of forecasted results with actual performance based on with available post year end data and a review of management's business continuation strategies.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the financial statements. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADOPTION MATTERS

YEAR ENDED 31 MARCH 2025

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADOPTION MATTERS

YEAR ENDED 31 MARCH 2025

Based on our understanding of the charitable company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the charitable company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to inflated revenue and the charitable company's net income for the year.


Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of any correspondence with legal advisors, and enquiries of management and those charged with governance around actual and potential litigation and claims, enquiries with charitable company's staff to identify any instances with non-compliance with laws and regulations, enquiries of management and review of monthly management accounts and reports in so far as they related to the financial statements, testing of journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud, undertaking detailed substantive testing of material items and a sample of other items, consideration of the reasonableness of the figures and analytical review, including comparison with previous years and expected trends, and review of the compliance with and effectiveness of internal controls.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

Electronically RSigned by:

ENV 99698420-6880-FAFB-0461-DCFE

John Ierston FCA CTA
Senior Statutory Auditor
For and on behalf of
UHY Hacker Young
Chartered Accountants and Statutory Auditor

Merchants House, 4th Floor
Crook Street
Chester
Cheshire
CH1 2BE

Date: 6th November 2025

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2025

	Note	Unrestricted Funds £	Total Funds 2025 £	Total Funds 2024 £
INCOME				
Donations and legacies	2	40,875	40,875	17,205
Charitable activities	3	4,218,441	4,218,441	4,002,873
Other trading activities	4	29,866	29,866	17,294
Investment income	5	27,954	27,954	39,693
TOTAL INCOME		4,317,136	4,317,136	4,077,065
EXPENDITURE				
Raising funds	6	67,470	67,470	55,596
Charitable activities	6	4,775,846	4,775,846	4,793,332
TOTAL EXPENDITURE	6	4,843,316	4,843,316	4,848,928
Net gains / (losses) on investments	10	2,819	2,819	45,721
NET INCOME / (EXPENDITURE)		(523,361)	(523,361)	(726,142)
Other recognised gains / (losses):				
Actuarial gains on pension scheme	17	-	-	-
Net movement in funds		(523,361)	(523,361)	(726,142)
Reconciliation of funds:				
Total funds brought forward		1,162,684	1,162,684	1,888,825
Total funds carried forward		639,323	639,323	1,162,683

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

All of the activities of the Charity are classed as continuing.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

		2025	2024
	Note	£	£
FIXED ASSETS			
Tangible assets	9	308,514	310,167
Investments	10	353,529	581,715
		662,043	891,882
CURRENT ASSETS			
Debtors	11	599,473	710,610
Cash at bank		99,853	338,740
		699,326	1,049,350
CREDITORS:			
amounts falling due within one year	12	(722,046)	(778,549)
NET CURRENT ASSETS		(22,720)	270,801
TOTAL NET ASSETS before pension surplus		639,323	1,162,683
Pension scheme	17	-	-
NET ASSETS		639,323	1,162,683
Unrestricted funds:	13		
General Fund		639,323	1,162,683
Unrestricted funds excluding pension liability		639,323	1,162,683
Plus: pension scheme surplus / (deficit)	17	-	-
		639,323	1,162,683
TOTAL CHARITY FUNDS		639,323	1,162,683

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Charities SORP (FRS102).

These financial statements were approved by the members of the Board on 6th November 2025 and are signed on their behalf by:

Electronically RSigned by:
Jamie Bennett
ENV 99698420-6880-FAFB-0461-DCFE

MR JAMIE BENNETT
Trustee

Electronically RSigned by:
Annesley Wright
ENV 99698420-6880-FAFB-0461-DCFE

MR ANNESLEY WRIGHT
Trustee

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	£	£
Cash flows from operating activities		
Net income/(expenditure) for the year	(523,361)	(726,142)
Depreciation	1,653	8,395
Losses/(gains) on investments	(2,819)	(45,721)
Investment income	(30,773)	(39,693)
Decrease/(increase) in debtors	111,137	132,507
(Decrease) in creditors	(56,503)	(220,861)
Net cash generated by/(used in) operating activities	(500,666)	(891,515)
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(2,704)
Purchase of investments	(87,949)	(224,857)
Proceeds from disposal of investments	304,326	312,612
Investment income	30,773	39,693
Net cash (used in) investing activities	247,150	124,744
Net change in cash and cash equivalents	(253,516)	(766,771)
Cash and cash equivalents brought forward	358,428	1,125,199
Cash and cash equivalents carried forward	104,912	358,428
Analysis of cash and cash equivalents		
Cash at bank	99,853	338,740
Cash within investment portfolio	5,059	19,688
	104,912	358,428

The charity had no debt during the year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

1 ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in compliance with FRS102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)) and the Charities Act 2011.

Company information

The charity is a private company limited by guarantee registered in England and Wales and a registered charity in England and Wales. The address of the registered offices is 14 Liverpool Road, Chester, Cheshire CH2 1AE. The company, limited by guarantee, does not have a share capital. The trustees named on page 3 are members of the company. Every member of the Charity undertakes to contribute to the assets of the Charity, in the event of the same being wound up while he/she is a member or within one year after he/she ceases to be a member, for payment of the debts and liabilities of the Charity contracted before he/she ceases to be a member, such an amount as may be required not exceeding one pound.

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in Sterling which is the functional currency of the entity.

Going concern

The charity's ability to continue is being closely monitored; there have been cash flow issues during 2024/25 which remain on-going. The charity has completed various cash flow and future forecasting documents and have reassured the Trustee's that with careful expenditure, natural staff wastage that the executive are aware of over the coming 12 months, and with the current landscape as it. Also having the first foster placements by September 2025 and five foster families approved by the end of 2025 that they can remain viable. The Trustees receive monthly updates of our current position and are satisfied that the agency is on track as predicted; therefore the going concern accounting policy has been reviewed and retained after assurances that a sustainable agency is likely to be achieved.

Critical accounting estimates and judgements

The preparation of financial statements requires the trustees to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

Pensions

The determination of the pension cost and defined benefit obligation of the charity's defined benefit pension scheme depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth, mortality and expected return on scheme assets. Differences arising from actual experiences or future changes in assumptions will be reflected in subsequent periods. See note 16 for further details.

Fund accounting

Unrestricted funds are available for use in accordance with the charitable objects at the discretion of the trustees; there are no designated or restricted funds.

Restricted funds can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are restricted for particular restricted purposes.

Income

All income is included in the statement of financial activities when the charity has entitlement to the funds.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

Service income and fees are accounted for when contractual obligations have been fulfilled and any such monies received in advance are deferred.

Income from donation and grants including contract income is included in income when they are receivable except when the donor specifies that the donation or grant given must be used in future accounting periods, the income is deferred until these periods. When these conditions are imposed, no income will be recognised until the charity is entitled. When donors specify conditions on grants and donation's these are classed as restricted funds and will be included in the income and shown as restricted funds.

For legacies, entitlement is the earlier of the date on which the charity is aware that probate has been granted, the estate has and notification made by the executors to the charity that a distribution will be paid or when distribution is received from the estate. Interest is included when receivable by the charity.

Expenditure

All expenditure reflects amounts paid and accrued during the year. Expenditure includes VAT which cannot be recovered and is reported as part of the expenditure it relates to. All expenditure costs are allocated between expenditure categories of the statement of financial activities (SOFA) on a basis designed to reflect the expenditure.

Raising funds

Costs incurred in seeking voluntary contributions and do not include the cost of disseminating information in support of charitable activities.

Charitable expenditure

Comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, e.g. staff time or percentage based on usage as set out in Note 6.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £2,500 are not capitalised.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment including IT – 3 years straight line.

No depreciation is charged on land and buildings where the estimated residual value is not less than the book cost.

Investments

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure. The Statement of Financial Activities includes the net gains and losses arising on revaluations and on disposals during the year.

Creditors

The Charity is committed to the prompt payment of invoices and other claims for payment. In the case of goods and services where the supply has been satisfactorily completed, the charity's objective is to pay within 30 days of receipt of the invoice.

Pension costs

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

The Charity operates a defined benefit pension scheme. All staff members are eligible to participate in the Local Government Pension Scheme administered by Cheshire West and Chester Council. Employees contribute between 5.5% and 9.9% of pensionable pay, depending on employee's salary.

Regular valuations are prepared by independent professionally qualified actuaries in respect of the defined benefit scheme. These determine the level of contribution required to fund the benefits set out in the rules of the plan and allow for the periodic increase of pensions in payment. The service cost of providing retirement benefits to employees during the year, together with the cost of any benefits relating to past service, is charged to the Statement of Financial Activities in the year.

The difference between the market value of the assets and the present value of accrued pension liabilities is shown as an asset or liability in the Statement of Financial Position. Actuarial gains and losses are recognised in the Statement of Financial Activities.

2 DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Total Funds 2025	Total Funds 2024
	£	£	£	£
Trust Income	14,650	-	14,650	4,400
Legacies	451	-	451	139
General donations	25,774	-	25,774	12,666
	40,875	-	40,875	17,205

All of the £17,205 income recognised in 2023/24 related to unrestricted funds.

3 CHARITABLE ACTIVITIES - Income:

	Unrestricted Funds	Restricted Funds	Total Funds 2025	Total Funds 2024
	£	£	£	£
Placement fees	2,696,891	-	2,696,891	2,394,790
Therapist income	985,725	-	985,725	903,117
CfAS income	416,704	-	416,704	459,042
Local authority contracts & other special work	8,631	-	8,631	-
Service agreements	15,178	-	15,178	15,296
Inter country income	7,308	-	7,308	26,699
DfE Practice & Improvement Funding	78,859	-	78,859	178,368
Sundry income	9,145	-	9,145	25,561
	4,218,441	-	4,218,441	4,002,873

All of the £4,002,873 income recognised in 2023/24 related to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

4 OTHER TRADING ACTIVITIES – Income:

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
General fundraising	29,866	-	29,866	17,294
	<u>29,866</u>	<u>-</u>	<u>29,866</u>	<u>17,294</u>

All of the £17,294 income recognised in 2023/24 related to unrestricted funds.

5 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Bank interest	16,674	-	16,674	28,907
Dividends	4,280	-	4,280	10,786
	<u>20,954</u>	<u>-</u>	<u>20,954</u>	<u>39,693</u>

All of the £39,693 income recognised in 2023/24 related to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

6 TOTAL EXPENDITURE

	Basis	Raising Funds Unrestricted £	Charitable Activities Unrestricted £	Charitable Activities Restricted £	Total 2025 £	Total 2024 £
Costs directly allocated to activities:						
Social workers and management	Direct	-	2,729,893	-	2,729,893	2,772,610
Staff travel	Direct	-	47,231	-	47,231	59,712
Sessional workers	Direct	-	667,494	-	667,494	615,090
Publicity & marketing	Direct	-	40,833	-	40,833	61,129
Fundraising events	Direct	42,645	-	-	42,645	28,329
Investment management fees	Direct	-	3,286	-	3,286	3,139
Other direct costs	Direct	-	13,957	-	13,957	17,256
Support costs allocated to activities:						
Management & admin staff	%	17,699	867,249	-	884,948	873,632
Premises	%	1,533	75,108	-	76,641	86,250
Office costs	%	2,062	101,052	-	103,114	90,915
IT & communications	%	2,250	110,234	-	112,484	93,754
Training & publications	Actual	-	8,575	-	8,575	21,058
Professional fees & charges	Actual	-	46,488	-	46,488	55,816
Governance	% & staff time	1,281	62,793	-	64,074	61,843
Depreciation	Actual	-	1,653	-	1,653	8,395
		67,470	4,775,846	-	4,843,316	4,848,928

All of the £4,848,928 expenditure incurred in 2023/24 was charged to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

7 STAFF COSTS AND NUMBERS

The aggregate payroll costs were:

	2025	2024
	£	£
Wages and salaries	2,765,101	2,778,419
Employer's social security costs	281,010	285,064
Employer's defined benefit pension scheme contributions	647,137	658,622
	3,693,248	3,722,105

Particulars of employees:

The average number of staff employed by the charity during the financial year amounted to:

	2025			2024		
	Full Time	Part Time	Total No	Full Time	Part Time	Total No
Number of social workers	33	20	53	34	21	55
Number of administrative staff	12	11	23	10	13	23
Number of management staff	5	-	5	6	-	84
	50	31	81	50	34	84

One employee received employment benefits (excluding employer pension contributions) between £70,000 and £79,999 (2024: 1). No employees earned between £60,000 and £69,999 (2024: 0).

The total employee benefits of key management personnel was £388,696 (2024 £458,153). Under FRS 102, employee benefits includes gross salary, employer's National Insurance contributions and employer's pension contributions.

The members of the Board of Trustees did not receive any remuneration (2024: £Nil). No expenses were reimbursed or paid on behalf of Trustees during the year (2024: £Nil).

8 NET INCOME / EXPENDITURE FOR THE YEAR

This is stated after charging:

	2025	2024
	£	£
Employer's pension costs	647,137	658,622
Depreciation	1,653	8,395
Auditors' fees: audit	10,366	10,346
non-audit	-	-
Operating lease rental costs	8,022	65,257

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

9 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Fixtures, Fittings & Equipment £	Total £
COST			
At 1 April 2024	356,565	197,799	554,364
Additions	-	-	-
Disposals	-	-	-
At 31 March 2025	<u>356,565</u>	<u>197,799</u>	<u>554,364</u>
DEPRECIATION			
At 1 April 2024	49,115	195,082	244,197
Charge for the year	-	1,653	1,653
Eliminated on disposal	-	-	-
At 31 March 2025	<u>49,115</u>	<u>196,735</u>	<u>245,850</u>
NET BOOK VALUE			
At 31 March 2025	<u>307,450</u>	<u>2,717</u>	<u>308,514</u>
At 31 March 2024	<u>307,450</u>	<u>2,717</u>	<u>310,171</u>

The Chester property was purchased in 2004. The Trustees had the property valued on 22 June 2021 in the sum of £350,000 on a current use basis as an office investment. The valuation was completed by Tom Creer MRICS of Legat Owen. The Durham property was acquired at an arm's length valuation of £170,000 as part of the merger with DFW Adoption on 28th February 2019. No further depreciation will be provided on either property whilst the net book value is the same or less than its valuation. The Trustees regularly review the property valuations and residual values.

10 INVESTMENTS

Movement in market value

	£	£
Deposits held with banks – Fixed Term		
Value at 1 April 2024	100,000	
Investments maturing during the year	(100,000)	
Investments purchased during the year	-	
	<u>-</u>	-
Investment portfolio – listed securities-Quilters		
Market value at 1 April 2024	462,027	
Acquisitions at cost	87,949	
Disposals at carrying value	(204,326)	
Revaluation gain	<u>2,814</u>	
		348,469
Cash held within portfolio		5,060
Market value at 31 March 2025		<u>353,529</u>
Historical cost at 31 March 2025		<u>307,519</u>

All investments are unrestricted.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

11 DEBTORS: Amounts due within one year

	2025	2024
	£	£
Other debtors – service income	535,594	626,509
Prepayments	54,027	60,239
Accrued income	9,852	23,862
	<u>599,473</u>	<u>710,610</u>

12 CREDITORS: Amounts falling due within one year

	2025	2024
	£	£
Other creditors	117,649	1,836
Accruals	185,539	302,479
Deferred income	418,858	474,234
	<u>722,046</u>	<u>778,549</u>

Movement of deferred income

	Balance at 1 April 2024 £	Released from Previous Years £	Incoming Resources Deferred in Current Year £	Total Deferred Income at 31 March 2025 £
Inter-agency fees received in advance	289,501	(289,501)	344,338	344,338
EP/Contact funding	175,715	(105,109)	-	70,606
Service income received in advance	5,918	(5,918)	-	-
Other	2,152	(2,152)	3,914	3,914
DfE System Capacity Building (SCB)	714	(714)	-	-
Therapy and CFAS in advance	234	(234)	-	-
	<u>474,234</u>	<u>(403,628)</u>	<u>348,252</u>	<u>418,858</u>

The inter-agency fees are paid in full by local authorities at the time of placement, a third of which is only due monthly over the 12 months following placement.

EP/Contact funding is a project with allocated funding each year paid in advance in full, it is not restricted or with a time limit so the income has been carried over.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

13 UNRESTRICTED FUNDS

General Fund

	Balance at 1 April 2024 £	Incoming Resources £	Outgoing Resources £	Gains & Losses £	Balance at 31 March 2025 £
General Fund	1,162,684	4,317,136	(4,843,316)	2,819	639,323
Less: pension scheme liability	-	-	-	-	-
	<u>1,162,684</u>	<u>4,317,136</u>	<u>(4,843,316)</u>	<u>2,819</u>	<u>639,323</u>

General Fund

The General Fund of the charity has accumulated since the inception of the Charity and stands at £639,323 (2024: £1,162,684). We have no current pension scheme liability.

14 RELATED PARTY TRANSACTIONS

The Chief Executive's husband was paid £171 for various building and maintenance services throughout the year. There are no other transactions with the Board of Trustees or other connected persons.

Trustee / Non-Executive indemnity comprehensive insurance premium of £517 (2024: £494) is paid to protect the Charity from not only loss but to also indemnify the Trustees against the consequences, due to neglect or default on the part of the Trustees/Non-Executive Directors.

15 OPERATING LEASE COMMITMENTS

The total minimum lease payments due under non-cancellable operating leases are as follows:

	2025 £	2024 £
Due within 1 year (inc additions)	4,240	9,365
Due within 1 to 5 years	3,782	7,565
	<u>8,022</u>	<u>16,930</u>

16 POST BALANCE SHEET EVENTS

There has been notification of a legacy due to be paid by the executor of a will when the remaining residue of the estate has been calculated and this is expected in quarter three of the 2025/26 financial year when it will be accounted for. It is estimated that the residual legacy will be in the region of £200,000.

The charity has agreed to sell its Durham property with completion expected in November 2025.

17 PENSIONS- Adoption Matters (Cheshire Pension Scheme)

The charity operates a defined benefit pension scheme providing benefits based on career average pensionable salary. The assets of the scheme are held separately from those of the company and are administered by Cheshire West and Chester Council.

Contributions to the scheme are charged to the SOFA to spread the cost over the service lives of the scheme members. The contributions are determined by a qualified actuary on the basis of a formal triennial valuation of the scheme, using the projected unit credit method.

The last formal triennial funding valuation of the scheme was at 31 March 2022 and showed the Fund was in a surplus of £2,032,000. The purpose of the funding valuation is to assess the ongoing financial position of

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

the Fund and to determine the cash contribution rates going forward, there has been no change to the contribution rates for the next three years.

The accounting valuation which is required under the Accounting Standard FRS 102 to be included in these Financial Statements was a surplus of £5,494,000 at 31 March 2025. The standard only permits inclusion of a net asset position to the extent that the charity can recover the surplus either through reduced contributions in the future or through refunds from the plan. On this basis we have recorded an 'effect of asset ceiling' which has resulted in a nil balance.

The funding and accounting valuations are prepared using different assumptions. The accounting valuation calculation is largely prescribed to facilitate consistency of comparison between pension schemes and is not the funding position. The assumptions made by the scheme actuaries for their 31 March 2025 report for the purposes of FRS102 are set out below:

Actuarial assumptions at:	31 March 2025	31 March 2024
	% pa	% pa
Pension increase rate	2.75%	2.75%
Salary increase rate	3.45%	3.45%
Discount rate	5.80%	4.85%

The FRS102 valuation at 31 March 2025 showed that the market value of the scheme's assets at that date was £19,415,000. The actuarial value of the assets is 136% of the benefits that had accrued to members, after allowing for an expected increase in earnings.

Assets (employer)	Asset Split at 31 March 2025	Assets at 31 March 2025	Asset Split at 31 March 2024	Assets at 31 March 2024
	%pa	£(000)	%pa	£(000)
Equities	48%	9,319	50%	9,279
Bonds	39%	7,572	36%	6,681
Property	12%	2,330	12%	2,227
Cash	1%	194	2%	371
Total		19,415		18,558

Net pension liability as at:	31 March 2025	31 March 2024
	£(000)	£(000)
Fair value of employer assets (as above)	19,415	18,558
Present value of funded liabilities	(13,921)	(15,780)
Net asset / (obligation)	5,494	2,778
Effect of asset ceiling	(5,494)	(2,778)
Net pension (liability)	-	-

It is estimated that present value of funded obligations comprises of approximately £7,220,000, £1,504,000 and £5,197,000 in respect of employee members, deferred pensioners and pensioners respectively as at 31 March 2025. The employer's contributions in the year were 23.4% (23.4% in 2024), no additional deficit lump sum payment was required (£Nil in 2024); employee contributions were between 5.5% and 9.9% depending on salary. The employer's pension cost of the Cheshire Pension Scheme charged to the SOFA for the year was £647,137 in total.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

The charge to the Statement of Financial Activities over the financial year comprised:

Operating charge	2025	2024
	£(000)	£(000)
Current service cost	519	593
Past service cost	-	-
Net (gain)/loss	519	593
Other finance income		
Interest income on assets	(909)	(817)
Interest cost on defined benefit obligation	772	734
Total service cost	382	510
Reconciliation of defined benefit obligation:		
Opening position as at 31 March 2024	15,780	15,253
Current service cost	519	593
Interest cost on defined benefit obligation	772	734
Contributions by members	182	185
Actuarial re-measurements	(2,919)	(597)
Benefits paid	(413)	(388)
Closing position as at 31 March 2025	13,921	15,780
Reconciliation of fair value of plan assets:		
Opening position as at 31 March 2024	18,558	16,967
Interest income on assets	909	817
Contributions by members	182	185
Contributions by the employer	649	659
Actuarial re-measurements		
Return on assets	(470)	318
Benefits paid	(413)	(388)
Closing position as at 31 March 2025	19,415	18,558
Assets b/f 1 April 2024	18,558	16,967
Liabilities b/f 1 April 2024	(15,780)	(15,253)
Net asset b/f 1 April 2024	2,778	1,714
Pension scheme gain/(loss) in year	2,716	1,064
Pension scheme net asset c/f at 31 March 2025	5,494	2,778
Assets at 31 March 2025	19,415	18,558
Liabilities at 31 March 2025	(13,921)	(15,780)
Net asset at 31 March 2025	5,494	2,778

The pension asset is an estimate, as at the year end, of the amount by which the expected cost of settling Adoption Matters' existing pension scheme. The view taken is that the accounts should report a 'break even' position. That is to say, no net pension asset should be recognised in the accounts. The basis of his treatment is that the assumptions vary from year to year and the surplus is in all probability only temporary. It is therefore unlikely that the surplus reported this year will lead to a material repayment or material reduction in contributions.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

In the current economic climate, the amount of the pension liabilities and values of pension assets are likely to vary considerably from year to year. Adoption Matters' immediate liabilities are the contributions it makes to the scheme, currently set at 23.4% as required by the 2022 triennial valuation.

The average future life expectancies at age 65 are as follows:

Current pensioners	Male	21.4 years	(2024: 21.4 years)
Current pensioners	Female	24.5 years	(2024: 24.6 years)
Future pensioners	Male	22.5 years	(2024: 22.6 years)
Future pensioners	Female	25.4 years	(2024: 25.47 years)

In common with many other businesses of this size and nature, the auditors assist the company on pension and other matters from time to time when required. The management is deemed to be informed.



www.adoptionmatters.org

A Company Limited by Guarantee
Registered Number: 1617324
Charity Registration Number: 512892

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