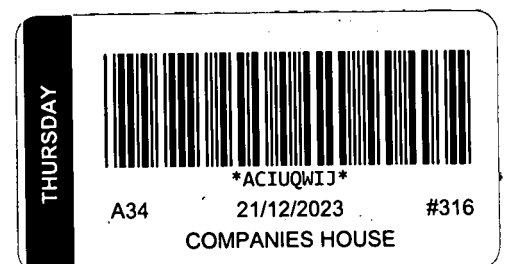




Annual Review

for the year ended 31 March 2023



The Fostering Network Annual Review 2022-23

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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

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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

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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

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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.

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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.

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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.

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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.

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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

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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.

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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

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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.

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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.

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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:

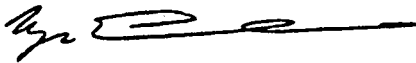
- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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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

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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.

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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

The Fostering Network Annual Review 2022-23

- 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.

The Fostering Network Annual Review 2022-23

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	(2,974,171)	-	(2,974,171)	(3,002,760)	-	(3,002,760)
Project cos Membership services		(1,444,556)	(1,025,107)	(2,469,663)	(1,414,376)	(1,222,119)	(2,636,495)
Publishing		(57,873)	-	(57,873)	(107,026)	-	(107,026)
Training and events		(169,766)	-	(169,766)	(136,405)	-	(136,405)
Advice services		(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.

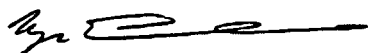
The Fostering Network
Balance sheet

Company no. 01507277

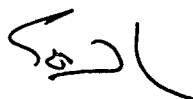
As at 31 March 2023

		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

The Fostering Network

Notes to the financial statements

For the year ended 31 March 2023

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.

The Fostering Network

Notes to the financial statements

For the year ended 31 March 2023

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.

The Fostering Network

Notes to the financial statements

For the year ended 31 March 2023

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:

<input type="checkbox"/> Furniture and equipment	Over four years
<input type="checkbox"/> Computers and software	Over two to ten years
<input type="checkbox"/> Freehold improvements	Over three to seven years
<input type="checkbox"/> Freehold premises	Not depreciated
<input type="checkbox"/> 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.

The Fostering Network

Notes to the financial statements

For the year ended 31 March 2023

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.

The Fostering Network
Notes to the financial statements

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)	-	-
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

4 Unrestricted Projects (current year)

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

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.

The Fostering Network
Notes to the financial statements

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
	<u>85,224</u>	<u>97,244</u>

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
	<u>3,938,458</u>	<u>3,534,060</u>

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

	2023 No.	2022 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.

The Fostering Network
Notes to the financial statements

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	3,236,000	25,277	75,054	769,161	4,105,492
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	-	6,530	67,342	275,062	348,934
Net book value					
At the end of the year	3,236,000	18,747	7,712	494,099	3,756,558
At the start of the year	3,300,000	21,275	21,573	432,130	3,774,978

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)	2	2

The Fostering Network
Notes to the financial statements

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
	<u>1,572,368</u>	<u>1,872,915</u>

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
	<u>2,136,933</u>	<u>2,579,292</u>

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
	<u>136,070</u>	<u>235,512</u>

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	<u>1,246,327</u>	<u>(1,244,472)</u>	<u>964,353</u>	<u>966,208</u>

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	
	2023	2022
	£	£
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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